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Scottsdale developer Greenlight to bring thousands of affordable housing units to Arizona

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Greenlight Communities

Nearly 4,000 affordable apartment units are under construction or in the pipeline in metro Phoenix and Tucson.

Greenlight Communities is investing \$697 million to build 3,686 affordable apartment units in metro Phoenix and Tucson.

The Scottsdale-based developer has 14 communities in the Valley in various stages of development — that's in addition to the five communities it already has built and sold.

Plans call for breaking ground in April on Cabana North Valley, a 159-unit community at 33455 N. Valley Parkway in Phoenix, and Cabana Aldea, a 257-unit community at 9910 W. Montebello in Glendale.

Two others, the 336-unit Cabana Bullard in Goodyear and the 250-unit Cabana Southern in Mesa are under construction.

Another 196-unit community Called Cortaro is under construction in Pima County, adding to Cabana Bridges, a 288-unit community that represents Greenlight's debut into the Tucson market last year.

Click through the gallery for a look at some of these projects under construction:

The company focuses on attainable workforce housing for workers who earn around \$40,000 a year — educators, retail workers and some health technicians. Monthly rents average \$1,500 for these Cabana communities.

In an effort to reduce monthly rents even more, Greenlight broke ground on its first Streamliner project, with rents starting at \$1,100 per month.

None of these are government subsidized housing units, said Dan Richards, a partner with Greenlight Communities. Financing comes from private equity and traditional bank construction loans.

Streamliner 67th, a 292-unit community at 6755 W. McDowell Road in Phoenix, is the first Streamliner project to break ground. The second Streamliner community, called Streamliner Aldea, will break ground in April at 5920 N. 99th in Glendale for 282 units.

Of the 14 projects in development, Greenlight has closed on the land buys for 11 of them, while three others are in escrow in Phoenix and Peoria, Richards said.

Keeping costs down

Greenlight is able to keep costs down to offer reduced rental rates because it has its own civil engineering firm and the design of the properties is simple and efficient, Richards said.

Plus, the company builds all the apartments itself, without a third-party general contractor.

"We're trying to deliver at reasonable rates," he said. "We do that through efficiency in the entire development process."

Simple floor plans makes it easier for the maintenance team to work on maintenance issues once the building is leased.

The first five Cabana communities Greenlight built were sold in an effort to prove the concept to equity investors.

"That powered us with a lot of credibility to move forward with all these additional developments," he said. "We have equity partners who now call us all the time. They understand we have a real good handle on designing, building and delivering attainable housing."

Richards said he would like to hold on to some of them.

"It's partially driven by our equity partners," he said. "Some equity partners are open to holding it, and some funds are structured so they have to sell them."

Richards said he's interested in expanding outside of Arizona, but he said the team has been so busy in Phoenix, they just haven't had the time to do that yet.

"Eventually, we would like to expand," he said. "The concept would work in a lot of other cities. It's on the drawing board."

The housing shortage both nationally and in Phoenix is even more acute for affordable homes, Richards said.

"Most of what gets built is luxury product," he said. "In reality, only a small portion of workers can afford that. For us, that void in the middle is obviously what we focus on."



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