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business

## Urban green

**A condo project north of Invesco Field is environmentally conscious and exceeds affordable-housing rules. A Fannie Mae program is lending a hand.**

By Margaret Jackson  
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Developer David Zucker's latest condo project will exceed the city's affordable-housing requirement, even though it will cost more to build because of its environmentally conscious design.

Zucker describes the six-story RiverClay project at 2240 Clay St. as "urban green." It is two blocks north of Invesco Field in the Jefferson Park neighborhood.

Green features at RiverClay will add about 5 percent to the development cost. They include use of low-toxin adhesives, stains, paints and coatings; solar power; low-emission, highly insulated window glass; and efficient mechanical system design.

Of the project's 60 units, nine are considered affordable under the city's inclusionary housing ordinance. Zucker is required to provide only six affordable units. Prices range from the high \$100,000s to mid-\$600,000s.

It's the second project Zucker has done with partners Chris Achenbach, an architect, and Sarah Harman, a real-estate agent, that exceeds the city's affordable-housing requirement. Seven of the 42 condos at Zocalo, at West 22nd Avenue and Decatur Street, are affordable.

"One of the factors that has allowed us to achieve this is the availability of Fannie Mae line of credit," Zucker said.

Under a seven-year agreement with Fannie Mae, Denver has a \$17 million line of credit it can extend to developers. The agreement expires in August, and the city is still considering whether to extend it, said Jacky Morales-Ferrand, the city's director of housing and neighborhood development. "There's a cost to the city," Morales-Ferrand said. "We pay interest on the money that didn't get passed on. We need to look at it financially to see if it makes sense."

The low-cost funds lowered capitalization costs for the Zocalo project by nearly \$1 million, allowing Zucker to lower the average sale price of a unit from about \$250 a square foot to less than \$220. "It allowed me to deliver 50 percent more inclusionary housing units than we were required to produce," he said.

Adopted in 2002, Denver's inclusionary-housing ordinance requires that 10 percent of units in for-sale developments of 30 units or more be affordable to people earning 80 percent of the area median income. For a one-person household, 80 percent of the area media income is \$40,150, and for a four-person household, it's \$57,350.

In 2004, 98 affordable units were created under the ordinance. By 2005, the number had grown to 776, with larger developments such as Green Valley Ranch and Lowry producing the most affordable units.

Many developers avoid including affordable housing in their projects by either building fewer than 30 units or paying into an "opt-out" fund. In projects that do provide affordable units, 61 percent are owned by singles, but the program was designed to house working families.

"I don't know that the program has really proven its value," said Denver City Councilman Doug Linkhart, chairman of the Youth & Community Services Committee. "I wonder whether the units that are created are serving the populations people had in mind when the ordinance was started."

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