

Placing a safe bet

SafePlace finds a winning project in Grove Place Apartments

KIMBERLY REEVES | CONTRIBUTING WRITER

When Housing Officer Paul Hilgers wants to show out-of-town visitors what it means to have a "continuum" of housing options, he takes them to Grove Place Apartments.

Hilgers, who heads the City of Austin's Neighborhood Housing and Community Development office, says the great thing about Grove Place in East Austin is that it puts almost every type of housing option on one block. It offers a homeless shelter, short-term emergency housing, transitional housing, and now, the 184-unit Grove Place Apartments. The first phase opened in October. The development has captured the Community Impact Award of the 2005 Commercial Real Estate Awards program.

"Grove Place is all about the continuum to move up the ladder of self-sufficiency," Hilgers says. "This is a major strategy, using housing as the tool."

Grove Place was a concept developed by SafePlace, a 7-year-old nonprofit organization that assists victims of domestic violence and sexual abuse. SafePlace, which resulted from the merger of the Austin Rape Crisis Center and the Center for Battered Women, operates on an annual budget of \$8.5 million. The idea was that Grove Place would be located next to the SafePlace shelter, putting residents within walking distance of SafePlace's services.

Still, SafePlace couldn't afford to finance an apartment complex on its own, says Matt Starr, senior director of administration and operations at SafePlace. Hoping to access low-income funding, SafePlace administrators spun off a separate nonprofit organization, Grove Place Partners, with the sole mission of accessing tax-income credits to build the project, Starr says.

"We were not able to take the project on ourselves at the time, because we had just undergone a capital campaign for this campus," he says, referring to the SafePlace shelter.

Developer Tekoa Partners agreed to join

IN DETAIL

OWNER: Grove Place Partners Ltd.
ADDRESS: 1881 Grove Blvd., 78741
GRAND OPENING DATE: October 2004
COST OF PROJECT: \$14.7 million
SIZE OF PROJECT: 160,000 square feet, 184 units

CONSTRUCTION MANAGER: James Bryant, Tellepsen Builders LP

DEVELOPER: Bill Lee, Bill Skeen, Donna Schubkegel and Margaret Shaw, Tekoa Partners Ltd.

ARCHITECTS: Frank Rotnofsky, Frank Architects Inc.; Kennedy Whiteley, Ausland Architects

ENGINEER: Baker-Aiklen & Associates

LAW FIRMS: Holland & Knight LLP, Locke Liddell & Sapp LLP

TITLE COMPANY: Border Title Group

FINANCIERS: Texas Department of Housing and Community Affairs, Laredo National Bank, PNC Multifamily Capital, City of Austin

Commercial Real Estate Awards



**COMMUNITY
IMPACT
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forces with Grove Place Partners. The \$14.7 million project built on 10 acres has a five-tier rent system.

Forty-four units are available to those who fall into the 30 percent level against overall median family income; 30 units to those who are at the 40 percent level of median family income; 44 units at 50 percent; and 28 units at 60 percent. The remaining units on the property are available for market-rate rental.

The first major obstacle was neighborhood opposition during the rezoning of the property. East Austin neighbors, who voiced concerns that the area was saturated with low-priced apartments, signed a petition opposing the new zoning. The Austin City Council, however, took the rare motion of overturning the petition because of the strength of the concept.

"This was one of our early SMART-housing zoning cases in which there was opposition and a valid petition," Hilgers says of the city's "safe, mixed-income, accessible, rea-



SARAH KERVER | ABJ

SafePlace Executive Director Rebecca Lightsey and Bill Lee of Tekoa Partners Ltd. teamed up to make Grove Place Apartments a reality.

sonably priced and transit-oriented" housing program. "That petition was overturned by the council because it was affordable rental property for people at a very low-level of income. The fact that you have such a wide range of income is a unique part of this particular development."

Former Mayor Kirk Watson wrote a letter of recommendation for this project to the Commercial Real Estate Awards judges. Watson said Grove Place overcame much opposition.

"Grove Place Apartments represents the Austin community at its best, but this development almost did not happen," he wrote. "The development team faced challenges at

every step — from overcoming neighborhood objections to rezoning; to securing an advance allocation of state housing tax credits after being denied three times; to an inordinate number of construction delays due to inclement weather."

The apartments' occupancy rate is 80 percent. SafePlace clientele live in 30 of the units. "There is no place for better care and support — from a housing perspective — for victims of domestic violence," Hilgers says. "It's a great accomplishment to have a housing development that is so close to downtown, close to a library, close to a community college. It's a unique opportunity and it's a great thing to celebrate."