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family program manager. "People associate the EarthCraft label with a better, more durable product," he says. "The idea is to build something that looks and feels like a normal development but performs much better."

SELLING SUSTAINABLE

Steve Minn, CFO of Lupe Development in Minneapolis, calls environmental consciousness "part of our branding." The company's downtown Stone Arch Apartments, completed in 2003 for \$32 million, include 221 loft-style apartments, of which 40 percent are affordable and 60 percent are market-rate.

To attract young buyers, the pair of connected buildings were designed for a warehouse feel, with 10-foot ceilings and 1930s-style bathroom finishes. The project's green features include energy-saving lighting management. In common areas with lots of windows, lighting controls turn fixtures on only when there's not enough daylight;



Project Name: Stone Arch Apartments
Where: Minneapolis, Minn. **Green Features:** Lighting management systems in common areas and parking garage save energy, while common laundries reduce water use.

in darker interior spaces, lights are controlled by heat and motion detectors. Lights in the parking garage also brighten or dim depending on traffic.

The Minneapolis apartments rented quickly—so quickly, Minn says, that Lupe Development was able to include a conservation-oriented feature that's usually a hard sell for the convenience-minded: common laundry rooms. But by replacing in-unit washer/dryers with a pair of laundry facilities on each floor of the building, the developer cut water use by 70 percent to 80 percent.

To compensate for the inconvenience, each laundry room at Stone Arch Apartments has a lounge with comfortable furniture and modern artwork. Washers and dryers operate on cards that can be loaded by cash or credit card. And residents who wash clothes during off-peak hours (midday and mid-week) pay half price.

TAX SMARTS

Only two states, New York and Maryland, offer a green building tax incentive. The first affordable multifamily project to take advantage of the New York State Green Building Tax Credit was completed earlier this year. Called 1400 on 5th, it now houses 129 middle-income families

in the heart of Harlem in New York City. The units were sold as condominiums, and the \$1.8 million tax credit passed along savings to the homeowners.

Although green features added about 5 percent to construction costs, the tax credit and energy savings more than offset that increase. Geothermal heating and cooling, tight construction, and high performance windows help lower energy bills to 70 percent less than comparable buildings. "Lower-income families spend more of their disposable income on energy," says Carlton Brown, COO of developer Full Spectrum of New York. "Our tenants can invest more in their kid's education or improve their quality of life however they choose."

The developer also tried to minimize the use of natural resources. The steel used in the building was 90 percent recycled. And the apartments' bamboo floors are a rapidly renewable resource. "Bamboo is a grass as hard as oak or maple but competitively priced and attractive," notes Brown. Laundry rooms on each floor are connected to apartments by a local-area network, so occupants can electronically reserve machines.

The project's location did breed some skepticism. According to Brown, "people wondered who would buy condos directly across the street from a huge public housing development that go for about \$100 per square foot more than the neighborhood average." But the gamble has paid off. The green features, combined with "smart building" systems such as broadband connectivity and electronic surveillance, have helped create more demand than the developer thought possible. The 129 units (two-thirds of which are partially subsidized middle-income housing) sold out before construction was completed.

Brown believes that the success of affordable projects like 1400 on 5th will create demand among potential tenants. In fact, Full Spectrum has started another 450-unit project that will use many of the same features. Says Brown: "I believe the market will drive the green building movement and the builders will be forced to follow." **IM**

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