

**HOUSING THAT LASTS:**  
AFFORDABLE HOUSING PRESERVATION CASE STUDY

# Downing Square

## Archway Communities

MARCH 2026





## The Essentials

- **Location:** Five Points neighborhood in Denver, Colorado
- **Developer:** Archway Communities
- **Acquisition Cost:** \$10,250,000 (no total development cost yet)
- **Total Acquisition Cost Per Unit:** \$205,000
- **Units:** 50 units serving residents 62 years old and above
- **Property Age:** Built in 1997
- **Households Served:** ≤50% AMI
- **Amenities:** On-site gate entry parking, central laundry, TOD, onsite property management and resident services
- **Preservation Capital and Affordability Strategy:**
  - When the property was listed on the market, Downing Square's affordability covenants were nearing expiration, and the City of Denver utilized its right of first refusal to work with Archway Communities to acquire the property, and to maintain its long-term affordability.
  - Archway entered into a Purchase and Sale Agreement, conducted due diligence and created a plan to address health, safety and other concerns expressed by residents.
  - Archway's property management and tenant service teams assisted residents through the ownership transition and continue to work with residents to address their needs.
  - The property was purchased using a 36 month acquisition bridge loan provided by a Community Development Financial Institution (CDFI).
  - Archway is currently applying for long term-financing in order to pay off the bridge loan, make much needed renovations and extend the affordability restrictions. Contemplated long term financing sources include state and local public subsidies, debt and equity.



# Project Overview

Archway Communities is a Colorado-based nonprofit that has provided affordable housing and resident services for over 50 years. With a portfolio exceeding 1,200 homes across the Front Range, Archway serves diverse Coloradans from low-wage workers to older adults living on fixed incomes to individuals formerly experiencing homelessness. Archway provides housing and the services residents need to thrive.

Downing Square, located in Denver's historic Five Points neighborhood, was developed in 1997 using Low-Income Housing Tax Credits (LIHTC). Tax credit and HOME covenants restricting affordable rents to below 50% AMI are set to expire in 2027. The property was listed on the open market as a prime redevelopment opportunity, likely for conversion to high-cost luxury housing.

Recognizing the critical importance of preserving the affordability of units serving low-income seniors in a high-demand area, Archway moved quickly. They engaged with public agencies to utilize Denver's right of first refusal, which enables the City to facilitate affordable acquisitions before affordable properties can be bought and turned unaffordable. While the City

ultimately waived its right of first refusal on the condition that a mission-aligned buyer was chosen, Archway still had to compete with multiple market-rate offers. The seller, aware of the neighborhood's affordability crisis, chose Archway for its track record, credibility, and strong relationships with public partners.

To finance the acquisition, Archway assembled a creative capital stack including a bridge loan, seller carryback loan, deferred debt with equity interest, and a tax-deductible donation. Collaborative underwriting with the lender was essential in making the deal financially viable.

Archway is now pursuing long-term financing, blending debt, equity, and soft funding to take out the short term acquisition loan, pay for renovations and preserve affordability well into the future. Planned improvements include in-unit upgrades, elevator modernization, facade repairs, and energy efficiency updates, all to preserve the property's livability and long-term sustainability for Denver's aging residents.

**“Much of the existing affordable housing stock is aging and at risk of being lost to market-rate conversion or disrepair. By investing in preservation, we ensure long-standing communities remain intact, and residents continue accessing affordable options in neighborhoods where they already have roots, jobs, and support systems. This dual approach allows us to meet today's housing challenges while safeguarding affordability for future generations.”**

– KATIE MCKENNA  
HOUSING DEVELOPMENT MANAGER  
ARCHWAY COMMUNITIES

# Timeline

## February - May 2024

The city contacts the seller to inform them that they are not in compliance with the ROFR and encourage them to find a mission-based buyer. Archway submits several rounds of offers, competing with market rate buyers.

## Ongoing

Archway continues to operate and stabilize the property while applying for long-term financing and preparing for a larger redevelopment and preservation phase.

## February 2025

Archway completes acquisition.

## March-August 2025

Archway’s property management, compliance and services teams stabilizes the property. HOST and CHFA compliance issues, and differed maintenance in residents’ units was addressed.

## January 2024

Downing Square is listed on the market as a prime redevelopment opportunity with expiring affordability restrictions. Archway contacts the City of Denver expressing concern for the residents and interest in acquiring and preserving the property.

## June 2024

Archway executes a Purchase and Sale Agreement. Due diligence begins.

# Resident Impact

## Protecting Seniors and People with Disabilities

Downing Square provides 50 affordable apartments for seniors and people with disabilities, and 5 first floor commercial spaces. Many residents have lived there for years and have deep roots in the community. Without being able to affordably stay in their homes, most would be priced out of Denver. With Archway's acquisition, these residents can remain in their homes with dignity and access to the support they need to thrive.

Seniors living in Archway communities have shared their stories, speaking to their feelings of community, shared support for each other, staff support for their needs, and feelings of belonging. Residents help inform programming based on their needs and interests. Archway provides food, education, enrichment, and many other programs to build community within their properties, and residents express a sense of belonging and stability after Archway has stepped in to ensure long term affordability.



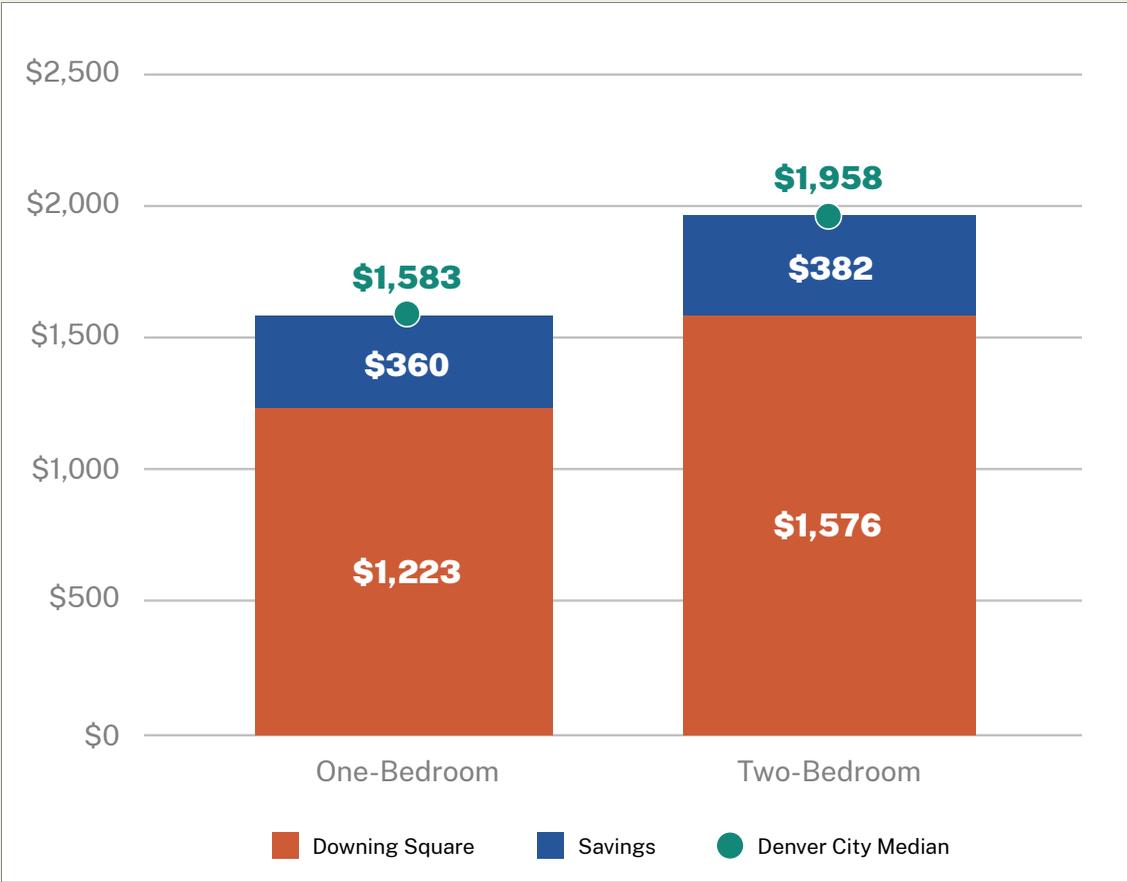
# Resident Impact

## Cost Savings

Downing Square delivers deep affordability where median rents continue climbing. Compared to Denver’s median monthly rent, Downing Square residents pay:

- **\$360 more affordable** for one-bedroom units
- **\$382 more affordable** for two-bedroom units

**The average household saves over \$4,452 annually compared to market-rate housing.**

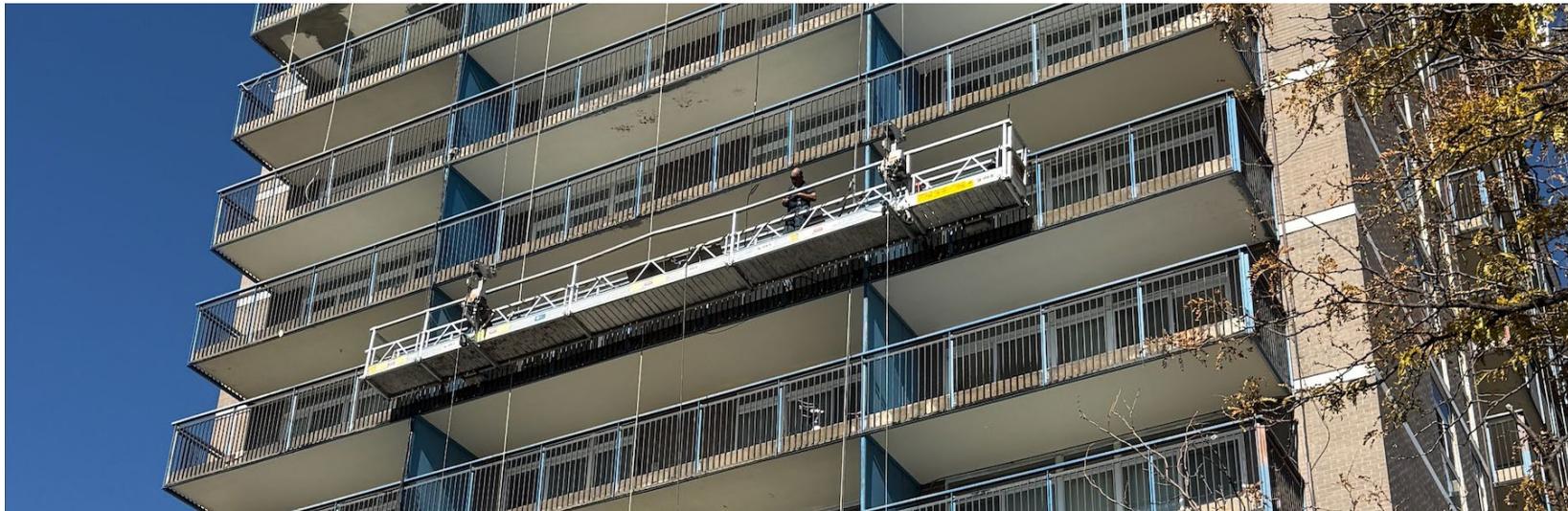


# Resident Impact

## Beyond Housing: Comprehensive Support

Archway's work extends beyond creating and preserving affordable properties to combining housing with supports and community building. As soon as acquisition was finalized in 2025, Archway mobilized their property operations, compliance, supportive services, finance, and human resources teams to stabilize the property and support residents. New staff were hired, and Archway began developing a resident communications plan to provide updates on renovations, services, and events. Archway fosters a culture of responsiveness where staff actively listen to residents and adapt programming to their needs and interests.

Downing Square residents benefit from wide-ranging, on-site services that Archway provides in all their properties, including no-cost food programs and food security resources, language translation and career training, wellness checks and aging-in-place support, and navigation assistance for benefits like SNAP, Section 8, and Medicaid.



# Community Impact

Downing Square Apartments helps anchor long-term affordability in Denver’s historic Five Points neighborhood, a community deeply shaped by Black history, culture, and resilience. Five Points has seen rapid change over the past few decades and displacement of its historic Black population. As new high end homes are built, the neighborhood’s median household income has gone from 80% of Denver’s median in 2018 to 110% in 2023 at the same time that minority population continues to decline, renter cost burden rises and the percentage of homes affordable to households below 50% AMI continued to shrink, according to the City of Denver’s Neighborhood Dashboard, 2023 ACS.

Preserving the long-term affordability of Downing Square is a deliberate step toward interrupting the displacement and gentrification that has come with Five Points’ recent rapid redevelopment and rising rents.

It also maintains the long-term affordability of homes in highly resourced neighborhoods that are walkable and connected to transit that are especially important for older adults and people living with disabilities.

Importantly, the preservation effort aligns with the City of Denver’s equitable housing policy goals, including use of tools like Denver’s right of first refusal. Denver staff responded quickly to Archway’s concern for the Downing Square residents and interest to acquire and preserve the property. They worked collaboratively and creatively with the Archway team to utilize the ROFR and encourage the seller to accept an offer from a mission aligned partner.



# Insights

## Key Challenges

- **Escalating real estate and operating costs:** Market pressures in Denver and across Colorado are intense. Rising property values combined with increased operational expenses make it increasingly difficult to compete for properties on the open market and operate them with affordable rents after acquisition.
- **Deferred maintenance and compliance issues:** When Archway acquired Downing Square, there were significant compliance issues with CHFA and HOST including missing and incomplete files, unverified incomes, failed physical inspections and more. In addition, resident maintenance requests and other building needs had been ignored. Significant staff expertise and financial resources are required to bring a property back into good standing.
- **Limited public subsidies for preservation:** Limited public subsidies make efforts to acquire and preserve aging affordable housing extremely challenging, especially when considered alongside expiring income restrictions and rising acquisition and operating costs.



“**Preserving affordable housing can be a logistical puzzle. Aligning the timing of expiring restrictions with available funding, owners, and buyers is a challenge. Proactive policy and flexible funding can create an environment where partners can come together to preserve homes at the speed the market requires.”**

–KATIE MCKENNA  
HOUSING DEVELOPMENT MANAGER  
ARCHWAY COMMUNITIES



### Lessons Learned

- **Preservation requires upfront investment:** Older multifamily properties often require immediate capital improvements. Comprehensive capital needs assessments and close coordination with existing property management are essential to identify maintenance backlogs, livability standard compliance gaps, and essential upgrades.
- **Operational expertise is critical to large assets with complex needs:** Archway’s deep bench of property management and resident services expertise enabled quick assessment of capital needs, identification of deferred maintenance, and understanding of tenant needs.
- **Creative, collaborative financing is key:** The City of Denver’s ROFR and responsive staff enabled Archway to secure multiple sources of capital for acquisition. Flexible CDFI financing was critical.
- **Preservation policy tools require public awareness:** Even though Archway was familiar with Denver’s right of first refusal law, they had to educate the broker and seller about its mechanics.





### Recommendations

- **Scale and institutionalize preservation tools:** Colorado could benefit from new policy tools to facilitate affordable preservation and more robust implementation of existing policies and programs, including greater technical assistance to developers and education opportunities for brokers and sellers about their role in preserving affordability.
- **Expand access to flexible capital:** Grants and low-cost loans are needed for activities to determine project costs and feasibility. Low-cost, flexible and fast-acting acquisition bridge loans, along with reliable long-term funding tools, are essential
- **Support for aging in place:** Older adults may benefit from more than affordable rent from their property managers, such as services addressing isolation, mobility, food access, and healthcare navigation. Public agencies and funders should prioritize preservation enabling healthy aging in place, especially in walkable, transit-connected communities like Five Points.
- **Center resident engagement in transitions:** Experienced affordable housing managers and service coordinators can begin work at acquisition and build resident trust through town halls, multilingual communications, and transparency around operations, upgrades, events, and available supports. Property rehabilitation and operating plans should be created with resident input and tailored to their preferences and needs.

“ I think the biggest challenge we face in Colorado to preserve affordable housing is having needed funding to act quickly, compete with market-rate buyers, provide needed renovations to keep buildings well-running long-term, and keep rents low. It really requires a combination of federal, state, and local resources committed to keeping affordable housing in our communities.”

– KATIE MCKENNA  
HOUSING DEVELOPMENT MANAGER  
ARCHWAY COMMUNITIES

For more on Archway Communities, visit: [archwaycommunities.org](https://www.archwaycommunities.org)



## About Enterprise Community Partners

Enterprise is a national nonprofit that exists to make a good home possible for the millions of families without one. We support community development organizations on the ground, aggregate and invest capital for impact, advance housing policy at every level of government, and build and manage communities ourselves. Since 1982, we have invested \$80.9 billion and created 1 million homes across all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands – all to make home and community places of pride, power and belonging. Join us at [enterprisecommunity.org](https://www.enterprisecommunity.org).