



The Hancock

35 Campbell Avenue SW, Roanoke VA 24011

A former commercial building is now a revitalized mixed-use/mixed-income complex providing workforce housing in the heart of historic downtown Roanoke. Immediate leasing success confirmed the need for affordable housing in this district that is gradually becoming a true neighborhood.

THE COMMUNITY. During colonial times the Roanoke area was an important hub of trails and roads. Today the City of Roanoke, situated at the southern end of the scenic Shenandoah Valley, has grown into a hub for commerce and business, with a population of more than 100,000 and an area median income of \$39,000. The city also boasts a 65-block downtown district that is evolving into an entertainment focal point where residents can find something to do 24/7.

THE SITUATION. In 2001, Roanoke's residents and city leaders unveiled a blueprint to guide development through 2020, with a major goal of revitalizing its neighborhoods. Roanoke is emerging as one of the hottest cities in America for manufacturing locations and expansions. As a result, even with a focus on revitalization, the growing workforce of low- to moderate-income residents employed in and around downtown finds that affordable housing opportunities remain limited.

THE PROCESS. In 2002, Roanoke residents and private developers Scott Graeff and Ed Walker shared a dream—to do something very special with the former Grand Piano and Furniture building they had just purchased. Five years later they approached the City of Roanoke with the idea of restoring the historic landmark and, at the same time, creating rental alternatives for the city's diverse workforce.

Roanoke's assistant city manager for community development, Brian Townsend, was familiar with VHDA from an earlier Mixed-use/Mixed-income (MUMI) project. He contacted VHDA's REACH Virginia team for collaborative assistance that initially included working through issues with the city, developer and others.

THE DESIGN. The site originally consisted of multiple buildings, including Hancock Dry Goods built in 1898. In 1929, N.W. Pugh Department Store purchased this group of buildings. To unify them, a mosaic terra cotta façade was constructed. The Art Deco façade, including octagon-shaped windows, was entirely bricked over in 1965 when the building was purchased by Grand Piano and Furniture.

Start a metamorphosis of your own.

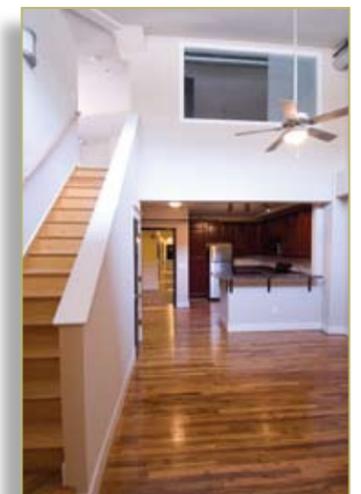
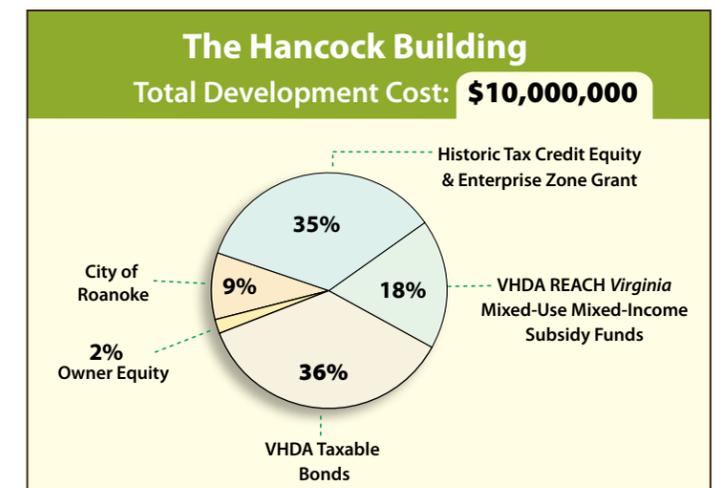


The challenge of restoring the exterior to its original Art Deco design was successfully tackled by historic renovation specialist Stanley Shield LLC. In addition, apartments in the four-story building feature the original oak floors and decorative upper-floor windows, as well as a view of the city. The building also includes 12,500 feet of office space on the bottom floor leased to a local law firm. The Hancock primarily attracts young professionals who want an urban lifestyle and a range of amenities within walking distance.

THE FINANCING. Members of VHDA's REACH Virginia team worked with the developers for more than a year to structure an adaptive re-use financing package. In addition to Virginia Historic Tax Credit equity, the project was funded by VHDA through our MUMI program and REACH Virginia subsidy funds, blended with taxable bonds. The City of Roanoke contributed a one-time economic development performance grant of \$880,000 through the Roanoke Redevelopment and Housing Authority. This grant helps offset the \$10 million in total development cost necessary to restore the exterior façade.

Under VHDA's MUMI program a property must be primarily residential housing, combined with commercial or non-housing space, and serve residents with varying income levels. Initial monthly rents were \$650 a month for the 46 one-bedroom apartments and \$1,200 for the 12 two-bedroom units. The Hancock's developers will maintain 17 units as affordable for the life of the loan. The remaining 41 apartments can be rented at prevailing market rates.

CONTACT INFORMATION. To learn more about this project and other housing finance solutions that can transform once-neglected buildings into desirable residences and street-level businesses, please contact Costa Canavos at 804-343-5735 or costa.canavos@vhda.com.





VHDA FINANCED MIXED-USE/MIXED-INCOME DEVELOPMENT

The Hancock

Business and Community Blended for Vibrant Living

20
SPRING
08



LOCATION Downtown Roanoke, VA	RESIDENTIAL 58 apartments	VHDA LOAN \$5.4 million permanent forward (REACH/taxable)* * Blends REACH Virginia subsidy funds with taxable bonds to provide a lower interest rate than our standard taxable bond rate.
DEVELOPER Scott Graeff & Ed Walker	COMMERCIAL 12,500 sq. ft. office space	
ARCHITECT Jeff Loinette		
GENERAL CONTRACTOR Stanley Shield, LLC		

The information contained herein (including but not limited to any description of VHDA and its lending programs and products, eligibility criteria, interest rates, fees and all other loan terms) is subject to change without notice.

