

THE SPOKESMAN-REVIEW

April 24, 2014

California group buys Spokane's Park Tower Apartments

Low-income housing offerings will continue, new owner says

Tom Sowa

The Spokesman-Review

Tags: California Commercial Investments Don Barbieri Expo '74 Park Tower Apartments Sharon Smith



Don Barbieri and Sharon Smith, managers of the charitable foundation Smith-Barbieri Progressive Fund, pose for a photo after announcing the sale of the Park Tower Apartments in downtown Spokane to a California company.

A California company specializing in owning and managing affordable and low-income housing has purchased the 20-story Park Tower Apartments across from the Spokane Convention Center.

Built in 1973, the Park Tower has 184 units for seniors and disabled residents, most of whom are able to afford rents in the building through federal housing assistance.

The new owner is California Commercial Investments of Westlake Village, Calif. It owns and manages about 50 properties with nearly 5,000 units across the country. It provides affordable housing and conventional housing, said Danielle Hastie, a company spokeswoman.

"We will continue to operate the Park Tower in the same way as the previous owner has," Hastie said. Over time upgrades will be made to improve the apartments, she said.

The company paid just over \$5 million to the Smith-Barbieri Progressive Fund, a charitable foundation in Spokane.

Because of debts and mortgage obligations, the net proceeds will be about \$3.5 million, said Sharon Smith.

She and her domestic partner, Spokane businessman Don Barbieri, are foundation co-trustees.



The money will remain with the foundation and be used for programs to reduce poverty and provide affordable housing, Barbieri said.

Barbieri, whose family launched the hotel company that later became Red Lion Hotels, initially devoted his early career to developing affordable housing. His projects included several major housing developments, including the Cathedral Plaza Apartments and the Hamilton House apartments.

The Park Tower was completed just before Expo '74 but had nothing to do with that civic undertaking, Barbieri said.

The U.S. Housing and Urban Development Department contacted Barbieri, asking him to help develop an apartment complex to bring more affordable housing to downtown residents, he said.

His father, Lou Barbieri, and other investors formed a limited liability corporation that bought the property at 227 W. Spokane Falls Blvd. and tore down the industrial shop that had been there.

From the start the 184 units were set aside for seniors and low-income residents, he said.

Fifteen years ago Barbieri arranged for the investors to sell off their interest in the Park Tower, then transferred ownership to the foundation. At times he and Smith heard from potential buyers looking to buy the centrally located apartments, knowing that converting them to market-rate units would generate much higher returns for investors.

"We were not looking for a buyer," Smith said. But California Commercial Investments made an offer using a broker who had worked with the foundation before. The company was committed to run the building as they had, opening the door to earning more money for the foundation, she added.

Before closing the sale earlier this month the foundation required the new owner keep the housing affordable through 2049, Barbieri said.

“When we found that CCI has a solid reputation as a good operator, why wouldn't we do this?” Smith said.

CCI owns two senior-housing developments in Spokane Valley: the Pines Affordable Apartments and the Ponderosa Apartments.

Get more news and information at Spokesman.com