

AFFORDABLE HOUSING F I N A N C E

AFFORDABLE HOUSING FINANCE

CPP Closes Its Largest Deal

The joint venture with Related Affordable will help preserve 203 homes in Oakland, Calif.

By [Donna Kimura](#)

Community Preservation Partners (CPP) has acquired two affordable housing developments in Oakland, Calif., and has committed to invest more than \$17 million for improvements and resident services at both sites.

The deal will preserve the affordability of 203 homes in the heart of the San Francisco Bay Area for the next 55 years.



CPP will invest \$5.9 million in the rehabilitation of Oak Center Apartments.

continue through October.

Irvine, Calif.–based CPP, which specializes in affordable housing rehabilitations and community enrichment, has purchased Mohr 1 Apartments for \$59 million and Oak Center Apartments for \$22 million through a joint venture with Related Affordable. This low-income housing transaction includes a recapitalization through the Department of Housing and Urban Development that will preserve affordability at both properties for the next 55 years. Work at both properties will begin in April and

Both properties were purchased from the same private owner.

Affordability has been a critical issue for the region as housing prices have surged in recent years. Oakland is the fourth most expensive housing market in the nation, reaching an all-time high of \$2,250 for a one-bedroom apartment, according to real estate website Zumper this month. The city trailed only San Francisco, New York, and Boston in Zumper's recent rent report, which noted that prices in Oakland are up 13.6% for one-bedroom units in the past year.



CPP will invest \$11.2 million in the rehabilitation of Mohr 1 Apartments.

“The Bay Area has been plagued with rising rents and a huge portion of the working-class population and their families are being priced out of their homes,” said Anand Kannan, president of CPP, in a statement. “By acquiring and rehabilitating the Mohr 1 and Oak

Center communities, we are protecting hundreds of families from possibly losing their homes.”

CPP said it will invest \$5.9 million in the rehabilitation of Oak Center Apartments, plus soft costs for furnishings. The 77-unit complex includes a mix of townhomes and apartments. Enhancements will be made to the property’s roofing, walking paths, gating, and security systems. Additionally, CPP will improve the interiors of each home by adding new floors, windows, countertops, microwaves, energy-efficient dishwashers, drought-resistant fixtures, and carpeting for the upstairs units. With reserves and financing costs, the total preservation cost for Oak Center is about \$36 million.

The firm will invest \$11.2 million in the rehabilitation of Mohr 1 Apartments, which is located a few blocks from Oak Center. The 126-townhome community will see the same interior improvements as Oak Center, and CPP will provide additional enhancements for new outdoor lighting, landscaping, community barbecue areas, and a full revamping of the complex’s security system. CPP also will improve the basketball court, the clubhouse, the computer room, and the exterior façade. With reserves and financing costs, the total preservation cost for Mohr 1 is about \$83 million.

Additionally, CPP plans to add WiFi to both communities and offer residents a variety of programs ranging from an afterschool learning center and tax preparation classes to social programs that support parenting, literacy, and wellness.

“Between the improvements inside and outside of each resident’s home and our resident services programs, we can greatly enrich the lives of people we serve through our rehabilitation projects,” said Jack Aronson, director of development acquisitions at CPP. “The Bay Area has an enormous need for such services. We plan to pursue many more affordable housing rehabilitation and acquisition opportunities in the region.”

The combined transaction, which closed March 24, is the largest deal CPP has made since being founded in 2004 as the development arm of WNC & Associates. The communities join five other Bay Area projects to bolster the company’s affordable housing portfolio in the region.

Donna Kimura is deputy editor of Affordable Housing Finance. She has covered the industry for more than a decade. Before that, she worked at an internet company and several daily newspapers. Connect with Donna at dkimura@hanleywood.com or follow her [@DKimura_AHF](https://twitter.com/DKimura_AHF).