



Community Preservation Partners to Renovate and Preserve Needed Affordable Housing Property in San Jose

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Community Preservation Partners (CPP) has acquired Courtyard Plaza Apartments, an 81-unit affordable housing complex in San Jose, in a \$25 mil transaction. CPP's purchase and planned renovation of the property will preserve much needed affordable housing units in a region with some of the highest rent increases in the country.



BEFORE: Courtyard Plaza Apartments

Under the agreement, CPP will invest \$4.5 mil in the rehabilitation of the property, located at 2950 Story Road, for a total of \$55k per unit. Affordable housing rehabilitation projects usually net a per-unit investment of \$25,000-30,000, according to Karen Buckland, director of community preservation for CPP.

"This project is quite extensive because it entails full interior remodeling and structural exterior improvements as well as solar panel installation, accessibility upgrades and major enhancements to the complex's common areas," Buckland said. "Each home will be like new."

Work at Courtyard Plaza will begin in June and conclude in December. The following is included in the rehabilitation:

- Expanded lounge areas at two pools
- Remodeled community room
- Remodeled manager's office
- New kitchen cabinets
- Flooring installation
- New bath tubs
- New appliances
- New vanities
- Fresh paint
- New siding
- Full stucco replacement
- New windows
- New doors

Nine of the apartments will be upgraded to comply with the Americans With Disabilities Act.

The property was purchased by CPP last fall from a private developer. CPP gained site control after ensuring the

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seller their ability to move quickly. CPP closed on the existing tax credit property within 60 days, held the project until the 15-year tax credit compliance period expired and recapitalized the deal on May 26, which was financed through bond purchases and tax credits from California's Tax Credit and Debt Limit allocation committees. The construction, renovations, equipment purchases and closing costs total \$10.2 mil.

For the next 55 years, each of the 81 apartments must be rented for less than market rates, according to the new regulatory agreement. Additionally, the common areas will be powered by solar energy, which will help reduce utility costs for tenants.

"The San Francisco Bay area has been challenged by soaring rents that have stretched many families so thin that they are forced to leave. At CPP, we are committed to keeping these families in their homes," said Anand Kannan, president of CPP. "The Courtyard Plaza Apartments are another example of our dedication to preserving communities."

It joins six other Bay Area projects to bolster the company's affordable housing portfolio in the region. Other recent local CPP projects include:

- Park Sunset, San Francisco, 30 units
- Northgate Terrace, Oakland, 202 units
- Franco Center, Stockton, 112 units
- Oak Center Apartments, Oakland, 77 units
- Mohr 1 Apartments, Oakland, 126 units