



Community Preservation Partners Spends \$119M on Affordable Housing

by Anca Gagiuc

San Francisco—[Community Preservation Partners](#), in a joint venture with [Related Affordable](#) acquired two residential communities located in the heart of the San Francisco Bay Area in order to protect their [affordability](#). The transaction represents CPP's largest deal since its inception in 2004 as the development arm of WNC & Associates.



The firm acquired Mohr 1 Apartments for \$59 million and Oak Center Apartments for \$22 million, and has committed to invest more than \$17 million in upgrades and resident services at both sites. The properties were purchased from the same undisclosed seller. The low-income housing transaction includes a recapitalization through the [U.S. Department of Housing and Urban Development](#) that will preserve affordability at both properties for the next 55 years. Work at both communities began this April and will continue through October 2016.

“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,” Anand Kannan, president of CPP said in a prepared 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 on the rehabilitation of Oak Center Apartments, plus soft costs for furnishings. The 77-unit community consists of a mix of townhomes and apartments. Upgrades will be made to the property's roofing, walking paths, gating and security systems. In addition, the Irvine-based firm will renovate interiors by adding new flooring, windows, countertops, microwaves, energy-efficient dishwashers, drought-resistant fixtures and carpeting for the upstairs units. Including reserves and financing costs, the total preservation cost for Oak Center is about \$36 million.



The firm will invest \$11.2 million on the rehabilitation of Mohr 1 Apartments, located at 741 Filbert St., just a few blocks from Oak Center. The 126-unit townhome community will be subjected to the same interior improvements as Oak Center; additionally, CPP will provide upgrades to the outdoor lighting, landscaping, community barbecue areas and the community's security system,

April 4, 2016

as well as to the basketball court, clubhouse, computer room and the exterior façade. Including reserves and financing costs, the total preservation for Mohr 1 is about \$83 million.

In addition to the mentioned renovation works, both properties will have Wi-Fi as well as a variety of programs, including an afterschool learning center, tax preparation classes and 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.”