

AFFORDABLE HOUSING FINANCE

# CPP Preserves Affordability at Oregon Development

A \$4.5 million rehab and stable rents will keep Plaza Townhomes affordable for families.

By [Donna Kimura](#)

Plaza Townhomes will remain an affordable place to live for decades to come in Portland, Ore., a city that has seen rapidly rising rents in recent years.



*Courtesy of Community Preservation Partners*

Community Preservation Partners has rehabilitated Plaza Townhomes in Portland, Ore., after buying the 68-unit development for \$6.7 million in 2016. The affordable townhomes are spread across 17 buildings.

The 68-unit development has undergone a \$4.5 million rehabilitation after Community Preservation Partners (CPP) acquired it from Home Forward, the area public housing authority and affordable housing provider, for \$6.7 million last year.

The 12-month rehabilitation provides residents with a variety of upgrades, including new doors, windows, plumbing, HVAC, insulation, and exterior siding. CPP also updated a computer lab and a playground.

Under the terms of the deal closed by CPP, residents will not be subjected to a rent increase set by the open market for an additional 30 years. During that time, rents will be stabilized at affordable levels through a variety of government programs.

“These substantial improvements will enhance the lives of residents and preserve affordability within the city of Portland,” said Anand Kannan, CPP president. Plaza Townhomes was the first deal in Oregon for California-based CPP, which owns more than 5,000 affordable housing units nationwide.

CPP was able to acquire the community, which has 34 two-bedroom and 34 three-bedroom units, with the help of 4% low-income housing tax credits (LIHTCs) and tax-exempt bond proceeds.

The LIHTCs generated approximately \$4.5 million in equity for the project from lead investor Citi Community Capital and CPP’s parent company, WNC.

Oregon Housing and Community Services issued the bonds and awarded the housing credits.

“With a recent influx of luxury housing displacing much of the city’s working-class residents, there has been an accelerated local need for affordable housing protections in the city of Portland,” said Portland mayor Ted Wheeler in a statement. “Affordable housing is a top concern for our residents and the municipal government. Private-sector solutions like this are a huge help for us as we work to combat homelessness and provide fair and affordable housing for all.”

The Portland metro area has a shortage of nearly 53,000 affordable and available units for extremely low-income renter households, according to [The Gap: A Shortage of Affordable Homes](#) report by the National Low Income Housing Coalition.

Like many other areas, the city has seen rents skyrocket in recent years. The average monthly rent in Portland rose 7% between 2015 and 2016, with increases between 12% and 18% in one-, two-, and three-bedroom units. Studio apartments experienced a comparatively smaller increase of 3%. Last year was the fourth consecutive year that Portland saw an annual rent increase in excess of 5%, with the average rent increasing nearly 30% since 2012, according to the *State of Housing in Portland* report by the Portland Housing Bureau last December.

## ABOUT THE AUTHOR



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