

AFFORDABLE HOUSING FINANCE

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Community Preservation Partners Acquires its Largest Community

The acquisition is also among the largest under the USDA rural housing programs.

By [Donna Kimura](#)

Community Preservation Partners (CPP) has acquired its largest affordable housing development—the 280-unit Mountain View Apartments complex in Cathedral City, Calif.

The transaction is also believed to be one of largest deals under the U.S. Department of Agriculture (USDA) rural housing programs, according to CPP leaders.



The 280-unit Mountain View Apartments in Cathedral City, Calif., will receive \$11.3 million in improvements by new owner Community Preservation Partners.

Typically, rural properties are much smaller in the 30- to 60-unit range, says Anand Kannan, CPP president.

“It was unique to preserve this many units under a single transaction at one time,” he says.

CPP purchased the senior housing community near Palm Springs from a private trust. After the death of the prior owner, the property went into the owner’s estate.

The acquisition will maintain the affordability of the property for residents and allow for needed improvements, according to Kannan.

Built in the early 1980s, the property is a sprawling campus of 70 four-unit residential buildings over 20 acres.

Each apartment has one bedroom, and the homes are reserved for low-income seniors.

Overall, the deal is an approximately \$42 million transaction for CPP, an Irvine, Calif.–based firm that specializes in affordable housing rehabilitation. It owns more than 4,500 units across the nation.

Financing includes approximately \$16 million from the USDA Sec. 538 loan guarantee program and an approximately \$9 million USDA Sec. 515 rural rental housing loan.

CPP will invest approximately \$11.3 million, or \$40,000 per unit, in rehabilitating the community, including replacing all windows and doors, making water-efficiency upgrades, installing energy-efficient appliances, and remodeling bathrooms. In addition, two community spaces will be upgraded.

Under the deal, rents will remain below market for 55 years.

ABOUT THE AUTHOR



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