

# AFFORDABLE HOUSING FINANCE

## NEWS

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# \$53 Million Deal Preserves Housing in San Jose, Calif.

CPP and Jamboree acquire Monte Vista Gardens.

By [Donna Kimura](#)

Community Preservation Partners (CPP) and Jamboree Housing have closed a \$53 million joint venture to protect affordability for the next 55 years at the 144-unit Monte Vista Gardens apartments in San Jose, Calif.

The deal calls for CPP to invest more than \$5.5 million in the rehabilitation of the community.



More than \$5.5 million in rehabilitation is planned at Monte Vista Gardens in San Jose, Calif.

The investment locks in a series of tax incentives that will keep 80% of the units at affordable levels, while rents for the other 20% will remain set by the open market.

Among counties with a population of at least 1 million, the San Jose metro area has seen the largest annual increase in rent (9.3% from 2015 to 2016), according to RealtyTrac's 2016 Rental Affordability Analysis.

“The whole Bay Area is dealing with a housing crisis due to a lack of inventory and surging demand, but San Jose probably has it the worst,” said Seth Gellis, director of community preservation at CPP, in a statement. “With the fastest increasing rents in the nation, we are proud to be able to enhance and preserve this affordable community and prevent residents from being displaced well into the future.”

Work at Monte Vista Gardens will begin this month and conclude in April 2017, and no tenants will be relocated during construction. The rehabilitation will include safety and accessibility upgrades, new air-conditioning units, and kitchens and bathrooms.

Later this year, CPP will begin discussions with tenants to determine what resident services would provide the most impact.

CPP purchased Monte Vista Gardens for approximately \$37 million. With rehabilitation, reserves, and financing costs, the total preservation cost is about \$53 million. It is the fourth affordable housing transaction CPP has made in the Bay Area this year and the seventh from the region to be added to CPP’s portfolio.

“Keeping such a large percentage of apartments affordable in a community like Monte Vista Gardens is unusual. Most affordability ratios are the opposite—80% market rate and 20% affordable—and we are thrilled with what we were able to accomplish with this agreement,” said Anand Kannan, president of CPP. “Monte Vista Gardens is another example of our dedication to preserving communities.”

The deal was financed with 4% low-income housing tax credits and tax-exempt bonds from the California Tax Credit Allocation Committee and the California Debt Limit Allocation Committee. The housing credits were syndicated by WNC, and the bonds were privately placed with Citi Community Capital. A seller’s note was also involved.

An affordable housing rehabilitation company, CPP owns more than 4,000 units across the United States. It is a subsidiary of WNC.

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Jamboree is a nonprofit company that develops, acquires, renovates, and manages permanently affordable rental and ownership housing throughout California. It has \$320 million in its development pipeline and a \$1.1 billion asset portfolio that includes the development of more than 8,200 homes in 88 California communities.

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](mailto:dkimura@hanleywood.com) or follow her [@DKimura\\_AHF](https://twitter.com/DKimura_AHF).