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REAL ESTATE INC.

California company closes \$16.5M deal on affordable housing in North Portland

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In a rare real estate deal where Californians probably won't be accused of driving up home prices in Oregon, an affordable housing company from the Golden State has acquired a 68-unit affordable housing complex in North Portland and plans to keep it that way.

Community Preservation Partners, an affordable housing rehabilitation company with more than 4,500 units across the country, announced this week that it has closed a \$16.5 million deal to acquire the Plaza Townhomes at 5802 N. Michigan Ave. The company bought the

complex from Home Forward, the housing authority that serves the Portland metro region.



The Plaza Townhomes in North Portland have sold to a California affordable housing... [more](#)

[CPP first entered into the agreement](#) to buy the property about a year ago. It is the company's first foray into the Oregon market.

According to a release, CPP plans to invest \$4 million, or about \$50,000 per unit, to rehabilitate the town homes, including new siding, windows, doors, insulation, plumbing and HVAC systems. The actual purchase price of the complex was \$6.7 million, but adding in financing fees, "soft costs" and the remodel, the entire acquisition cost hit \$16.5 million.

CPP purchased the property using 4 percent tax credits and bond proceeds. The release notes that the transaction included a transfer and assumption of an existing subsidy contract through the [U.S. Department of Housing and Urban Development](#).

Even after the renovation, the Plaza Townhomes will remain affordable housing for at least the next 30 years. Currently, units are available to families earning no more than 50 percent of the area's median income level, and those that meet requirements of the Section 8 program

“We're thrilled to expand our portfolio and add Oregon as the sixth state we are providing affordable housing rehabilitation services to in the U.S.,” said [Jack Aronson](#), director of development acquisitions for CPP, in the release. “The rehabilitation to Plaza Townhomes is just the first step in providing much-needed affordable housing to the Pacific Northwest.”

Jon covers real estate for the Portland Business Journal. [Sign up for his daily newsletter](#) to hear about new projects and get behind-the-scenes looks at Portland's rapidly changing built environment.