



Community Preservation Partners and Jamboree Housing in \$53 Mil Venture to Rehabilitate and Maintain Affordable Housing Community in San Jose

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Community Preservation Partners (CPP) and Jamboree Housing have closed a \$53 mil joint venture to rehabilitate and protect affordable housing at Monte Vista Gardens, a 144-unit multifamily property in San Jose.



Photos -- www.TheFotoFinisher.com

CPP will invest more than \$5.5 mil in the rehabilitation of the community, located at 2601 Nuestra Castillo Ct in San Jose. The investment locks in a series of tax incentives that will keep 80 percent of the units at affordable levels, while the other 20 percent will remain set by the open market, which has been very bullish. 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 percent 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. According to Gellis, the region has the fastest increasing rents in the nation.

Work at Monte Vista Gardens will begin in August and conclude in April 2017, and no tenants will be relocated during construction. The following is included in the rehabilitation:

- Safety and accessibility upgrades
- LED bulb installations
- New air conditioning units
- New paint
- Pool enhancements and exterior repairs
- New kitchens and bathrooms
- Energy efficiency improvements
- Renovations to office and community room

Later this year, CPP will begin discussions with tenants to determine what resident services would provide the most impact. The company has a reputation for providing tenants with first-rate amenities and support for social programs, such as computer training, recreational activities and children's education.



Monte Vista Gardens was purchased by CPP for approximately \$37 mil. With rehabilitation, reserves and financing costs, the total preservation cost is estimated to be about \$53 mil. 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. The other six, which are 100 percent affordable, are:

- Courtyard Plaza, San Jose, 81 units
- Park Sunset, San Francisco, 30 units
- Northgate Terrace, Oakland, 202 units
- Franco Center, Stockton, 112 units
- Oak Center Apartments, Oakland, 77 units
- Morh 1 Apartments, Oakland, 126 units

"Keeping such a large percentage of apartments affordable in a community like Monte Vista Gardens is unusual. Most affordability ratios are the opposite – 80 percent market rate and 20 percent affordable," noted Anand Kannan, president of CPP.