

AFFORDABLE HOUSING FINANCE

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CPP Enters a New State With an Acquisition in Montana

The firm, along with co-owner The Hampstead Cos., extends affordability at the Ponderosa Acres Apartments for 46 years.

Community Preservation Partners (CPP) has acquired its first property in Montana—the Ponderosa Acres Apartments located in Billings—in partnership with The Hampstead Cos. as part of a rehabilitation project totaling \$26.3 million.



Along with standard unit overhauls such as new cabinets, countertops, and energy-rated appliances, Ponderosa Acre Apartments will receive a suite of upgrades, including a complete replacement of roof, windows, and stairs, HVAC and air conditioning upgrades, a new security system, and common-space improvements.

First built in 1972 and last renovated in the late 1990s, the multifamily apartment property was purchased for \$12.5 million. The property will undergo significant renovations by the new owners at a cost of \$6.5 million, with additional soft costs of approximately \$7.3 million. Construction is set to begin in May and scheduled to finish by the end of the year.

The property's affordable housing protections were set to expire in less than three years. According to the terms of the deal, the community will now remain affordable for the next 46 years before converting to market-rate pricing.

"With the COVID-19 pandemic creating financial hardships across the country, families are in need of high-quality affordable housing more than ever before," said CPP vice president Karen Buckland. "We are tremendously gratified to be expanding the availability of safe and secure affordable housing nationwide during these difficult times."

CPP parent company, WNC, and Red Stone are providing additional financing for the rehabilitation project. The nonprofit Foundation for Affordable Housing will serve as the managing general partner with Tamarack Properties as the management agent and MFRG-ICON as the general contractor.

"No matter where you live, in urban or rural America, the COVID-19 outbreak is creating a financial crisis for many, many families," said CPP president Anand Kannan. "The current economic difficulties underscore the importance of our efforts in the affordable housing industry to serve vulnerable communities in Montana and throughout the country. We appreciate The Hampstead Cos. and our other partners for joining us in this venture."