

RESIDENTIAL & MIXED USE

CPP, L+M launch \$123 million rehab of East Orange senior housing complex



By Joshua Burd

A joint venture has started construction on a \$123 million overhaul of a 40-year-old, 406-unit affordable housing property in East Orange.

The investment group, which includes Community Preservation Partners and L+M Development Partners, announced this week that they've purchased the Norman Towers complex on Walnut Street for \$94 million and will invest more than \$29 million in improvements. They added that affordable housing mandates for the community were set to expire in 10 years but will now be extended for 30 years as part of the purchase agreement.

The project is Community Preservation Partners' first in New Jersey.

"We're proud to add another state to our growing Eastern portfolio and the Norman Towers project is a great way to make our New Jersey debut," said Seth Gellis, a vice president with the Irvine, California-based affordable housing developer. "In keeping with our mission of enriching lives and strengthening neighborhoods, we're giving the Norman Towers a complete facelift in addition to new amenities and community activity areas to revitalize the quality of life for the senior residents."

Built in 1980, Norman Towers has not received any major renovations since the original construction, according to a news release. But the rehabilitation by CPP and L+M will bring much-needed upgrades to individual apartments such as energy-efficient appliances, new cabinets and countertops.

CPP also plans enhancements to the common areas both inside and out, including an expansion of the community room and the remodeling of additional spaces, a new computer room and fitness center, along with new landscaping, lighting, built-in grills and outdoor dining areas.

Construction is expected to take about two years.

"Much of our work in northern New Jersey is focused not just on revitalizing properties but also ensuring that those living in them can remain in their homes," said Jeffrey Moelis, L+M's managing director of preservation. "We are proud to work with CPP as well as our government and financial partners, including the City of East Orange, the New Jersey Housing and Mortgage Finance Agency, Freddie Mac, HUD, and Wells Fargo to deliver essential upgrades and preserve affordability for seniors at Norman Towers."

L+M, which is known locally for high-profile projects such as the restoration of Newark's Hahne & Co. building and the former New Jersey Bell tower, also has other preservation projects in its New Jersey portfolio. In 2019, the company closed on financing to preserve and modernize 268 units of Section 8 housing at Zion Towers in the South Ward, allowing for immediate repairs on the severely neglected building and guaranteeing affordability for the next 30 years.

The company also recently finished work on more than \$30 million of capital improvements at Georgia King Village, a Section 8 complex in the West Ward, including façade improvements, boiler plant replacement, extensive apartment renovations, enhanced security, the addition of a children's library, revamped open space and the installation of a free WiFi network for residents.

In East Orange, the firm will bring that focus to one of the city's best-known and most visible housing communities.

"L+M Development Partners, CPP and Wells Fargo share a longstanding commitment to meet the urgent need for affordable housing in low-to-moderate income communities," said Alan Wiener, head of Wells Fargo Multifamily Capital. "We are proud to be a part of the Norman Towers project, which will provide supportive housing for low-income seniors and will help to transform the communities of East Orange, New Jersey."

The project also drew praise from local officials.

"This significant investment by Community Preservation Partners and L+M Development Partners is a game changer for the revitalization of residential properties in the city," Mayor Ted Green said. "This pandemic has reinforced the real value of living in a 'home' that nurtures the mental, physical and spiritual well-being of those who live in it. These planned renovations will set the standard for affordable and contemporary senior living in the City of East Orange."

Fifth Ward Councilmember Alicia Holman said she appreciated the new owners of Norman Towers listening to and incorporating resident feedback into the construction plans.

"I am very excited about this project," she said. "Norman Towers was very well maintained under the former owners and I am in full support of this project not only for the residents who live there, but for the Norman Towers Complex remaining open and accessible as a venue for community-wide meetings."

Councilmember Mustafa Brent added: "Providing the highest quality of service and living conditions are cornerstones of any successful community, and East Orange is working to become a leader in this regard."

Meantime, CPP President Anand Kannan said the move into New Jersey represented an important step for the firm.

"One of the best things about adding another state to our portfolio is the preservation that comes with it – not just of the buildings themselves, but the affordability as well," Kannan said. "This is a critical aspect of what we do – every new development is a chance to deepen and extend affordability, ensuring those in need can lead rich, fulfilling lives in the communities they've come to love."