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Joint Venture Ensures Affordability for 55 Years

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Published: August 2, 2016



Last month, Community Preservation also acquired 100% affordable Courtyard Plaza apartments.

SAN JOSE, CA—Among the counties with a population of at least 1 million, Santa Clara County, specifically San Jose, has recorded the largest annual increase in rent (9.3% from 2015 to 2016), according to **RealtyTrac's 2016 Rental Affordability Analysis**. As Bay Area residents struggle with rising rents, **Community Preservation Partners** 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.

“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 Community Preservation Partners. “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.”

Community Preservation Partners will invest more than \$5.5 million in the rehabilitation of the community, located at 2601 Nuestra Castillo Ct. Monte Vista Gardens was purchased by Community Preservation Partners for approximately \$37 million. With rehabilitation, reserves and financing costs, the total preservation cost is about \$53 million.

Work at Monte Vista Gardens will begin this month and conclude in April 2017, with no tenants required to relocate during construction. The investment locks in a series of tax incentives that will keep 80% of the units at affordable levels, while the other 20% will remain set by the open market, which has been very bullish.

Anand Kannan, president of Community Preservation Partners tells GlobeSt.com: “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. Monte Vista Gardens is another example of our dedication to preserving communities.”

Later this year, Community Preservation Partners 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.

It is the fourth affordable housing transaction Community Preservation Partners has made in the Bay Area this year and the seventh from the region to be added to its portfolio. The other six, which are 100% affordable, are Courtyard Plaza in San Jose with 81 units, Park Sunset in San Francisco with 30 units, Northgate Terrace in Oakland, CA with 202 units, Franco Center in Stockton, CA with 112 units, Oak Center Apartments in Oakland with 77 units and Mohr 1 Apartments in Oakland with 126 units.