



# Ashland Village

San Leandro, California



NAHMA 2011  
Affordable Housing Vanguard Award

Eden Housing, Inc.  
22645 Grand Street  
Hayward, CA 94541  
510.582.1460  
[www.edenhousing.org](http://www.edenhousing.org)

## A. Contact Info Form

---

Don't **miss out** on getting the **recognition** you deserve. **Submit** your entry **TODAY!**



apply now!

Please click on each box and type in your information; when complete, please use the "save as" function to customize the file name of the PDF you will submit. You may delete pages 1-3 of this award flyer, and attach your additional PDF pages to this form, save as one file, and submit to NAHMA as noted on page 2.

## Contact Information

### NAME OF PROPERTY:

Street Address:

City/State/Zip:

Property Manager:

Entry Contact and Title:

Phone:

Fax:

Email:

**NAME OF MANAGEMENT COMPANY:** Eden Housing Management, Inc.

Street Address:

City/State/Zip:

Contact and Title:

Phone:

Fax:

Email:

Management company is a  non-profit entity  for-profit entity.

**NAME OF PROPERTY OWNER:** Ashland Village Apartments, LP

Street Address:

City/State/Zip:

Contact and Title:

Phone:

Fax:

Email:

Property owner is a  non-profit entity  for-profit entity.

### The following information is required in all categories.

Vanguard Award Category:

Type of financing or subsidy (list all):

Number of units:

Original age of property (if applicable):

Completion date of new construction or major rehab project:

Type of housing (e.g. garden-style, high-rise):

Check one:  Rural Suburban  Urban

Please identify your AHMA:



### IS YOUR ENTRY COMPLETE?

- Submit your entry fee online (noting Property Name) at [www.nahma.org/store](http://www.nahma.org/store), or mail to NAHMA (see page 2)
- Complete this page (Contact Info form), and "save as" new file name to become your Application PDF; be sure to indicate the category in which you are competing
- Complete the essay, save as PDF and attach to your Application PDF
- Include photos as inserts or saved as PDF pages and attach to your Application PDF
- Include testimonials converted to PDF pages and attach to your Application PDF
- Provide Green Building Awards info saved as PDF page(s) and attach to your Application PDF
- List other awards and save as PDF page(s) and attach to your Application PDF
- Submit your Application PDF to NAHMA by April 15 (see page 2)

## B. Essay

---

## **NAHMA 2011 AFFORDABLE HOUSING VANGUARD AWARD**

### ***Ashland Village, Nominated by Eden Housing***

#### **What was the main goal of the development project?**

Ashland Village is a 142 unit affordable apartment community located in Unincorporated Alameda County in an area called Ashland. The apartments were originally built in the 1980s and before Eden Housing acquired the property, it was at risk of being converted to market rate housing. Ashland Village was an expiring use FHA insured family rental project and received project-based Section 8 rental assistance. At the time that Eden acquired Ashland Village its FHA insured loan had already been prepaid and the remaining Section 8 contract was scheduled to expire March 31, 2009. In this high cost rental market, the Alameda County Redevelopment Agency did not want to lose 142 units of deeply affordable housing. In addition, the property had suffered from several years of deferred maintenance, so was in need of major renovations and upgrades. The project is located within a defined Redevelopment Project Area that was established to address issues of blight. The particular problem with Ashland Village was a high incidence of crime. Prior to Eden's acquisition of the property, the Sherriff's office described Ashland Village as the place where criminals from the surrounding unincorporated areas would go to hide from the police.

There were several main goals Eden Housing had for Ashland Village:

- 1) To preserve its long-term affordability;
- 2) To improve the quality of life of the residents through the planned renovations to the buildings and grounds and through offering supportive services on site in a newly constructed community services building;
- 3) To reduce crime at the property, and by extension, in the surrounding neighborhood.

#### **Was the main goal met, and how was this determined?**

Eden Housing's success in acquiring, renovating and preserving Ashland Village was a demonstration of strong community support, improving the safety and security of the property for its residents, providing a new community facility for, and enhancing the level of services available to resident families, and an

innovative solution to an eleventh hour event triggered by the national economic crisis that risked jeopardizing the entire project.

- 1) **Long-term affordability preservation:** After dealing with several major financing issues (see below for details), Eden Housing successfully acquired Ashland Village. All residential units are affordable to households earning 35 percent - 60 percent of the Alameda County Area Median Income (AMI) and will be affordable for a minimum of 55 years.
- 2) **Improved quality of life for residents:** In addition to the construction of the new community building where vital supportive services for the residents are coordinated (refer to the Resident Services discussion for details), Eden performed a substantial renovation of the residential property, which included a complete retrofit of six units to be made handicapped accessible, new appliances, window glazing, plumbing fixtures, and in many cases new flooring and paint. Dry rot was addressed throughout the property, particularly at stairs and landings to address safety concerns and prevent future damage. Throughout the site, we made numerous improvements to path of travel, replacing broken sidewalks and improving site accessibility and security, we replaced old play equipment and play surfaces, and improved landscaping across the project. Existing lighting was upgraded across the site and substantial new site lighting was added. The new community building, physical upgrades to the property, and supportive resident services programs have significantly improved the quality of life for the low income families that live at Ashland Village.
- 3) **Reduction of crime:** By implementing active property management practices, soliciting input from and working closely with the local Sheriff's department, and addressing security related design features, such as improved view corridors and site lighting, Eden has directly and significantly supported the Redevelopment Agency's goals of crime reduction.

**What were the major challenges in developing the property? (i.e., financing, zoning, relocating residents, etc.)**

This project should win the award for scaling the most obstacles during an economic meltdown. Ashland Village had to close its financing in the middle of one of the most significant economic crises in the past 20 years. On paper, this development can and should have been an easy transaction, instead, it was one that had unimaginable unforeseen challenges. There are three specific challenges that we faced that were unthinkable just 12 months before we started to close:

- 1) The project's original lender, one of the largest financial institutions in the United States, went out of business.
- 2) In December 2008, as Eden was preparing to close on its acquisition and construction financing, the State of California declared a freeze on all State bond sales. This included the Prop 1C MHP bond program that was the source of a \$7.7 million permanent loan for the project. The State would not guarantee when or if funds would be available to any projects with 1C financing commitments. Without an enforceable commitment from the State, the construction lender (Bank of America) and the County had no certainty that construction period loans would be repaid. The State's whole pipeline of 1C affordable housing projects was at risk, including Ashland Village.
- 3) Beyond the unexpected meltdown in the broader economy, this development had a specific challenge related to the tax credit ten year rule that was so minute and technical that the attorneys didn't catch it until the transaction was well on its way. The family selling the development to Eden had inherited the property from their parents. While this would not normally trigger a problem with the 10 year rule, in this case, the way they formed a partnership to inherit caused a technical violation of the rule – but truly the property had always been owned by the family. The Sellers went to great lengths to come up with innovative partnership restructurings to allow Eden to acquire the property. Sadly, none of them would work.

#### **How were the major challenges overcome?**

All of the above challenges were successfully overcome as follows:

- 1) The lending team at Bank of America was ready, able and willing to step in quickly to fill the void of our lender going out of business.
- 2) The State of California ran out of money and could not issue bonds. The ability and willingness of the partners to come together to bridge the unthinkable financial challenge faced by the State of California made it possible to preserve this incredibly important affordable housing resource. After several months of negotiations with all lenders and the investor, Ashland Village was able to close on its construction loan and begin construction only by obtaining approval from the County Redevelopment Agency that the \$4.5M portion of its \$6.5M construction loan that was scheduled for repayment at permanent loan conversion could be loaned permanently, until the State was able

to repay the funds. Each of the neighboring Citizens Advisory Committees (CACs) in the County was consulted, and each gave their approval to extend a loan initially committed for a two-year term to a fifty-five year term, with repayment expected within twenty years. With a funding backstop in place for the State MHP financing, the construction lender and the investor, which had held its equity pricing for over a year by this time, approved the backup financing plan, and Eden acquired the Ashland Village property in the midst of a rapidly falling tax credit market and a State budget crisis that continues unabated.

- 3) With regard to the tax credit ten year rule, the day was literally saved by an Act of Congress, with special thanks to the leadership of our local Congresswoman Barbara Lee. Eden had already been heavily involved in advocating for funding for affordable housing in the original Stimulus package in 2008. By working closely with its congressional delegation, Eden was able to insert language into the Housing and Economic Reform Act (HERA) of 2008 legislation that provided an exemption to the 10-year rule for properties with expiring use restrictions that were at risk of converting to market rate. This change meant Eden could proceed with the acquisition of the property and obtain the necessary tax credit financing to complete the acquisition and rehabilitation. On a broader level, this legislative change will facilitate the preservation of countless other expiring use properties in which technical ownership changes have occurred that previously would have prevented the use of tax credit financing.

Through a combination of effective advocacy at the County and State levels, Bank of America's willingness to underwrite its loans without the State 1C program's deeper rent and income targeting, and the County's agreement to increase its permanent loan by \$5 million, Ashland Village was able to assemble a "Plan B" to bridge the potential \$7.7 million gap. Ashland Village successfully closed by the critical March 31, 2009 deadline. At every level, our local community, political representatives and our lending and investment partners moved mountains to make this project happen at a time when everything was standing still.

### **What were the financing methods/tools used to develop the property?**

At acquisition, the property qualified as an expiring use project; its affordability was considered to be "at risk" when the project-based Section 8 contract was scheduled to terminate on March 27, 2009. The



Section 8 contract with HUD provided an operating subsidy for all of the units except the managers' units and was vital to continuing to make deeply affordable units available in this area of the county. The project was originally financed with an FHA-insured, permanent loan and then refinanced with a HUD-insured 223(f) loan. In order to make the rehabilitation feasible and retire the existing HUD loan, five funding sources were required, along with an extension of the subsidy contract for a new 20-year term. This required extensive negotiations with HUD and the other public and private lenders and investor. Funding was obtained through the use of 4% tax credits, tax exempt bonds allocated by the State and issued through the County of Alameda, an Alameda County Redevelopment Agency loan, an Alameda County Housing and Community Development loan, and an allocation of funds from the State of California Multifamily Housing Program (MHP).

### **What are the major innovative design features of the property?**

The most exciting design element of the Ashland Village rehabilitation is the construction of a new community building. Prior to this addition, the property did not have any on-site space available for residents to gather for community meetings, social activities, or to gain access to services. Eden designed approximately 2,600 square feet of flexible community space, management and social services offices, a computer lab, covered patio and associated outdoor gathering space for resident use. The building was sited on an underutilized area of the complex and did not require the relocation of any units or existing services. The community space is equipped with a kitchenette, television, DVD player, and is furnished with movable tables and chairs to accommodate meetings of all sizes. The computer lab has five work stations, each with high speed internet access, and is available for supervised use and training. The building's elegant design and the multitude of opportunities it represents have been welcomed by the tenants, who now have a place to gather, socialize, and learn, a place for children to engage in educational and social activities after school, and a place to form the heart of this community.

### **How has the management team contributed to the ultimate success of the venture?**

Eden's ownership of this property has improved the access residents have to community services and improved the overall security for the residents. Since acquiring the development, the property has been

certified through the “Crime Free” certification program, and our services and management staff have worked to connect our residents to our programs and other services in ways that benefit the residents and the neighborhood.

By implementing active property management practices, soliciting input from and working closely with the local Sheriff’s department, and addressing security related design features, such as improved view corridors and site lighting, Eden has directly and significantly supported the Redevelopment Agency’s goals of crime reduction. Additionally, the renovations to the project have set an example for the vision of improved physical appearance in the surrounding neighborhood.

Eden Housing believes its work is an integral part of our commitment to community development. The attention we place on property management represents a long-term investment that goes well beyond bricks and mortar and supports our goal of building communities.

**Tenant Relations:** Eden believes that the residents of our communities are an integral part of the success of our housing. We believe that positive communication with our residents is a critical feature of our work. We require our site management teams to hold regular tenant meetings at all of our sites and encourage them to coordinate other important community building activities including resident referral, barbeques, National Night Out, holiday parties, neighborhood watch groups, community clean-up day, and guest speaker presentations on topics that may be of interest to residents.

All Eden Housing property staff is adequately trained to provide good customer service to our diverse resident population and prospective residents. Site staff is trained to provide information and referrals to vital community resources. Additionally, staff is able to contact Eden’s Director of Resident Services to troubleshoot resident issues or to locate additional supportive services. The Director of Resident Services plays an active role in the Property Operations Team by facilitating trainings at quarterly property operations meetings as well as smaller training sessions at property portfolio meetings. Trainings have included meeting facilitation, cultural sensitivity and diversity, recognizing and managing behavioral issues, and community building and resource development. We also train the entire company on Fair Housing and Reasonable Accommodation policies and procedures on an annual basis.

**What are some of the major challenges in managing the property? How are the challenges overcome?**

Ashland Village had significant issues related to the tenant population and deleterious neighborhood influences. Accordingly, Eden property management staff has worked closely with the Sheriff's department to identify criminal activity, seek recommendations to improve security, and develop collaborative solutions to reduce crime and improve safety at the property. These efforts have been design-related, such as improving lighting, installing new security and gate access systems, replacing inadequate fencing to eliminate easy shortcuts through the property, and removing hiding spots, as well as community-focused. Community efforts include scheduling regular monthly meetings with residents, keeping a close watch on activity around the property, and engaging residents in a neighborhood watch program. The result has been a significant decrease in the amount police or emergency calls to the site and the surrounding neighborhood.

Another significant challenge that Eden Housing has encountered is the transition of management. Many residents of the Ashland Village community have lived there for many years. As such, they were extremely accustomed to a very different property management company, management staff, maintenance and customer service standards, policies and procedures, and house rules. It has been a big challenge for many residents to transition to a new management company and adhere to a new set of house rules, rights, responsibilities, policies, and procedures.

Eden Housing has been extremely diligent in establishing a reliable and consistent management presence at Ashland Village. Resident meetings are held at Ashland Village regularly in order to establish consistent, ongoing communication with the residents to communicate expectations of the management company and to deal with the concerns that the residents may have. As with all of our properties, the management team at Ashland Village is diligent and consistent in enforcing house rules and dealing with resident and maintenance issues as soon as they arise and in a timely manner.

### **What are the innovative programs / services provided to residents?**

Eden Housing provides more than a roof overhead. Through our resident services program, we provide a foundation for our residents to succeed and live more stable, productive lives. The overall goal of Eden Housing's resident services programs is to address the immediate needs of residents by providing access to valuable resources while promoting community involvement and building partnerships within the larger community.

Resident Services at Ashland Village focuses on information and referral for jobs/employment, economic access and financial literacy, community involvement, health & wellness, and safety. This also includes on-site presentations in at least one of these core service areas sited above. We are also fortunate to have an on-site computer learning center available to all residents living at Ashland Village and it is open daily. Residents have access to web-based information and referral services and programs that provide access to the internet, email and other online programs, as well as technology training for youth and adults.

An example of our financial literacy program is a large community event we had planned for April 9, 2011 focused on educating our youth residents. Together with one of our primary banking partners, we held a “Teach your Child to Save” event where parents will learn how to teach their children the fundamentals of saving, budgeting etc. This not only provided valuable information to our residents, both youth and adults, but was also a great opportunity to strengthen the community and encourage new friendships on site.

In 2010, we implemented Eden Housing’s Digital Connectors Technology and Leadership Program. This program trains at-risk youth, ages 14-18, to bridge the digital divide in low-income communities. Youth, recruited from our affordable housing complexes, receive training including hands-on classes in PC use and repair, video techniques/editing, leadership development, and in-depth visits to technology-related venues throughout the bay area. With their new skills, Digital Connectors volunteer in their community to provide technical support in public venues, such as libraries, and provide free in-home tech support for their low-income neighbors. We have received a tremendous response from the youth at Ashland Village and have had high participation numbers since we launched the program.

Finally, Eden Housing runs a scholarship program every year – the Howard T. Collins Memorial Scholarship Program. All residents at Ashland Village will receive information about our 2011 program next week and residents ages 16 and up are encouraged to apply. In its 19<sup>th</sup> year, Eden Housing’s scholarship program benefits many residents annually who seek to further develop their professional/vocational and/or educational/academic goals. This year, Eden will be awarding a total of \$30,000 to deserving Eden residents throughout our portfolio.

### **How does the property integrate with, and meet the needs of, the surrounding community?**

Ashland Village integrates beautifully with the surrounding needs of the community. As mentioned, Ashland Village is located within the Joint/Ashland Redevelopment Project Area as administered by the County of Alameda Redevelopment Agency. County officials were extremely supportive of Eden's efforts to promote the goals of the agency. Both the County Redevelopment Agency and Housing & Community Development Department provided loans to ensure the success of the project. More specifically, Eden and the County of Alameda Redevelopment Agency met with local residents and members of the four CACs, those for the Ashland neighborhood and the three surrounding unincorporated neighborhoods, Cherryland, San Lorenzo, and Castro Valley. These CACs help set County policy and help determine priorities and projects to receive Redevelopment Agency funding dedicated to their neighborhoods. The purpose of these meetings was to solicit resident support and input on Eden's plans to acquire and rehabilitate Ashland Village. All four CACs supported the project and agreed that Ashland would allocate \$2 million and Cherryland, San Lorenzo, and Castro Valley would each contribute \$1.5 million of their increment to this high-priority project, with the intent of repaying the \$4.5 million at permanent loan conversion. A significant component of this broad community support was rooted in Eden's goal to improve the property and reduce crime at the property, and by extension, in the surrounding neighborhood.

Eden is involved in the community planning group working to develop the new Ashland Youth Center, located one block from our housing site. Both Ashland Village and the Ashland Youth Center are part of the Revitalization Plan for the area. This project is youth-led and the final result will be a multi-purpose center for all neighborhood youth to participate in programs and obtain services. Several of the youth on our site, as well as Eden's Director of Resident Services, are heavily involved in this community process. Our expectation is that many of our families will benefit from the center, and the networking that is occurring now will only strengthen the level of programming we can provide to our residents both on and off site. In fact, community planning meetings are currently being held in our newly built community center.

## C. Photographs

---

















**BEFORE**



**AFTER**



**BEFORE**



**AFTER**



**BEFORE**



**AFTER**





**BEFORE**



**AFTER**



## D. Testimonials

---



# Board of Supervisors

Nathan A. Miley, President  
Supervisor, District 4

Oakland Office  
1221 Oak Street, Suite 536  
Oakland, CA 94612  
510-272-6694/510-465-7628 Facsimile

Eden Area District Office  
20993 Redwood Road  
Castro Valley, CA 94546  
510-670-5717/510-537-7289 Facsimile

[district4@acgov.org](mailto:district4@acgov.org)

April 13, 2011

To Whom It May Concern:

I write in support of Eden Housing's nomination of Ashland Village for the NAHMA 2011 Affordable Housing Vanguard Award in the category of Major Rehabilitation of an Existing Rental Housing Community. Eden Housing is a non-profit housing development and property management organization based in the Bay Area of Northern California. Since 1968, Eden Housing has been developing and managing affordable housing for California's neediest residents. Its dedication to providing high quality, affordable, and supportive communities is evidenced by its work throughout Alameda County where I serve as the President of the Board of Supervisors.

Ashland Village is a 142-unit affordable apartment complex located in Unincorporated Alameda County that is home to 141 low income families. Ashland Village Apartments was an expiring use FHA insured family rental project. 141 of its 142 units received project-based Section 8 rental assistance. Eden Housing acquired the property in 2009 with a goal of to preserve its long-term affordability and to improve the quality of life of the residents and community through renovations to the buildings and grounds. The newly acquired and renovated project includes unit upgrades, new roofs and other exterior upgrades that provide better security on site, new play areas, accessibility and landscaping improvements. In addition, a new community building with management offices and a computer lab was built that provides a gathering space and a place for Eden to provide vitally needed community programs.

Since Eden Housing took over management and ownership of Ashland Village, there has been a transformation of the community. Eden Housing has worked closely with the Alameda County Sheriff Department to identify problems and safety issues, to problem-solve together, and to become certified as a Crime Free Multifamily property. This has resulted in reduced crime and police calls for the area, which ultimately has resulted in safer community for our residents. The new community building, computer lab, and free resident services programs that Eden Housing offers are valuable resources to the residents.

The transformation of Ashland Village has had a profound impact on the lives of its low-income households as well as on the revitalization of the surrounding neighborhoods. Ashland Village is an excellent example of the care that Eden Housing puts into creating safe, attractive, welcoming environments that can transform the lives of the families they serve as well as the neighborhoods where they live.

I am pleased to have Eden Housing, a high-quality affordable housing developer and property manager, working in my district and throughout Alameda County and the State.

Sincerely,

  
Nate Miley

**Jenny Lee**  
Ashland Village Apartments  
1240 Kentwood Lane, Apt #903  
San Leandro, CA 94578

April 13, 2011

To Whom It May Concern:

I am writing to tell you what a difference living at Ashland Village has made in my life. I had been homeless, and was able to move in quickly. I love living at Ashland for many reasons. The main reason is that I am able to have nice housing even though I am on SSI. My "living" is covered, so I can spend the little money I have on food and other necessities. My children have been able to excel at school, and with scholarships, are now pursuing higher education. Without Ashland, this would not be possible.

I first moved to Ashland in 1990 and it didn't feel very safe here then. Also there was no community center. After Eden took over, it was an upgrade. When the grounds and buildings started looking nicer here, I felt motivated to fix up my home to look prettier too. It is much more beautiful here at Ashland now. I feel like I live in a castle. I look around and I appreciate the beauty of the place.

I also feel a lot safer now than before. There is much less crime. I have good relationships with my neighbors and we look out for each other.

I am happy that PG&E Energy Partners are making their improvements, to help save on energy costs.

Sincerely,



Jenny Lee  
Apartment #903



Eden Housing Management, Inc. does not discriminate based on race, color, creed, religion, sex, national origin, age, familial status, handicap, ancestry, medical condition, physical handicap, veteran status, sexual orientation, AIDS, AIDS related condition (ARC), mental disability, or any other arbitrary basis.

TDD/TTY 1-800-735-2922



Brenda Ortiz  
Ashland Village  
1140 Kentwood Lane, Apt. 305  
San Leandro, Ca. 94578

April 14, 2011


To whom it may concern:

I am writing to tell you what a difference living in Ashland Village has made in my life. I am thankful for being able to live here because it is affordable. It has allowed me to raise my daughter in a safe environment. If I could not have lived here, I feel I would have lost my daughter to the streets.

I also appreciate that I have never had any problems with the management. They have always treated me with respect, fairly, and with courtesy. The staff seems very organized. Something I have recently noticed is the beefing up of security since Eden Housing has taken over management. It seems that the neighborhood has been "cleaned up", so to speak. I don't see gangs loitering around anymore, and I sleep better at night. I especially appreciate the security screen door they allowed me to install on my front door, for I had a break-in a while back, which really scared me.

The other thing I appreciate about Eden Housing is their Community meetings they hold periodically. It keeps us connected, and makes us feel like our opinions matter.

Sincerely,

A handwritten signature in cursive script that reads "Brenda M. Ortiz". The signature is written in dark ink and is positioned below the typed name.

Brenda Ortiz

Master-Planned/Mixed-Use



Lots of finance choices.  A single point of access.

[Home](#) | [Contact Us](#) | [Calendar](#) | [Blog](#) | [AHF LIVE](#) | [AFT Conference](#) | [Advertising Info](#) | [Editorial Info](#) | [Article Archives](#) |



**SUBSCRIBE**

[AHF Table of Contents](#)

[About the Magazine](#)

[Professional Services](#)

[Tax Credit/Tax Exempt Bond Contracts](#)

[2006-07 Affordable Housing and Community Development Directory](#)

[Online Housing Resources](#)

[Housing Reference Center](#)

## Affordable Housing Finance

### SPECIAL FOCUS

Readers' Choice Finalists

## Preservation Finalists

AFFORDABLE HOUSING FINANCE • July/August 2010

### ASHLAND VILLAGE

**Developer:** Eden Housing, Inc.

**Architect:** Weir/Andrewson Associates, Inc.

**Major Funders:** Bank of America; Merritt Community Capital; California Department of Housing and Community Development; Alameda County; Department of Housing and Urban Development



Photo: Chandra Smith for Weir/Andrewson Associates, Inc.

**SAN LEANDRO, CALIF.—** The acquisition and rehab of Ashland Village started out as a no-brainer for Eden Housing, Inc., says Executive Director Linda Mandolini.

The owner of the Sec. 8 property in the unincorporated area of Ashland in Alameda County had passed away, and its Sec. 8 contract was up for expiration March 31, 2009. The owner's sons did not want to keep the project but wanted it to remain as affordable housing.

However, in the 12 months before closing, the project's original lender went out of business; California froze state bond sales, including the Proposition 1C Multifamily Housing Program bond financing that was providing a \$7.7 million permanent loan for the project; and a technical violation of the tax credit's 10-year rule due to the inheritance structure created another snag.

But the stars aligned for Eden. The lending team at Bank of America stepped in to fill the void. Bank of America agreed to underwrite the loans without the Prop. 1C program's deeper income targeting, and Alameda County agreed to increase its permanent loan by \$5 million to bridge the potential gap during construction. And Reps. Barbara Lee and Pete Stark (D-Calif.) rallied to keep legislation regarding the reform of the 10-year rule in the Housing and Economic Reform Act of 2008. Eden closed on the project in March 2009, with its 4 percent low-income housing tax credit investor holding its pricing at \$0.98 for more than a year.

Renovations of the \$34 million project include unit and exterior upgrades as well as a new community room.

The project-based Sec. 8 contract was renewed; 53 percent of the 142 units are for residents earning 35 percent of the area median income (AMI), 40 percent at 50 percent of AMI, and 7 percent at 60 percent of AMI. —Christine Serlin

### CHANCELLOR MANOR

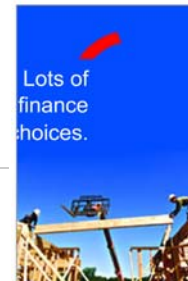
**Developer:** Community Housing Development Corp.

**Architect:** Cermak Rhoades Architects

**Major Funders:** U.S. Bank Community Development Corp.; Dakota County Community Development Agency; Minnesota Housing; Dakota County; Department of Housing and Urban Development; Family Housing Fund



**BURNSVILLE, MINN.—** Chancellor Manor, built in 1972 and the largest project-based Sec. 8 development in Dakota County, has



Citi never sleeps™  
CITI



# HOUSING PRESERVATION NEWS

## CHPC STAFF

### PRESERVATION & POLICY

#### Nadia Shihab

Housing Preservation Specialist

Ph: (415) 433-6804 x316

Email:

[nshihab@chpc.net](mailto:nshihab@chpc.net)

#### Marilyn Wacks

Housing Policy Manager

Ph: (415) 433-6804 x13

Email:

[mwacks@chpc.net](mailto:mwacks@chpc.net)

#### Matt Schwartz

President

Ph: (415) 433-6804 x11

Email:

[mschwartz@chpc.net](mailto:mschwartz@chpc.net)

### How to contact us:

#### MAIN OFFICE

369 Pine Street  
Suite 300  
San Francisco, CA 94104  
Ph: (415) 433-6804  
Fax: (415) 433-6805

#### LOS ANGELES

800 South Figueroa Street,  
Suite 760  
Los Angeles, CA 90017  
Ph: (213) 892-8775  
Fax: (213) 892-8776

#### SACRAMENTO

PO Box 8132  
5325 Elkhorn Blvd.  
Sacramento, CA 95842  
Ph: (916) 683-1180  
Fax: (916) 683-1194

#### SAN DIEGO

PO Box 319  
113 West G Street  
San Diego, CA 92101  
Ph: (858) 693-1572  
Fax: (213) 892-8776

## Eden Housing Perseveres in Transforming Low Income Community in Alameda County



### Project Background

The preservation of Ashland Village has been a welcome change for the residents of the 21-year old 142-apartment community in unincorporated Alameda County. When Eden Housing set out to acquire and rehabilitate Ashland Village in May of 2008, the Section 8 contract was one year from expiration threatening the ability of its very low income residents to remain in their homes and the entire property was in need of extensive rehabilitation.

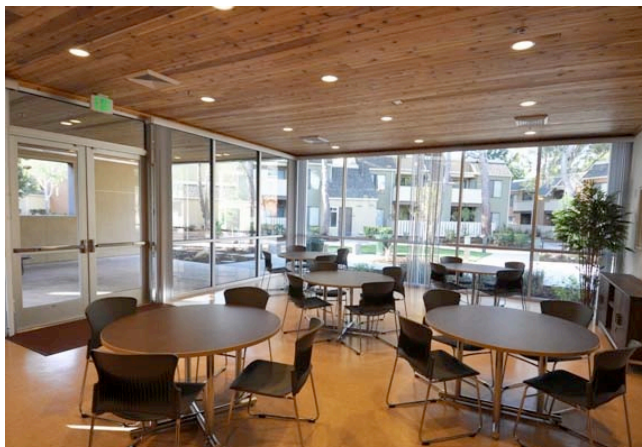
Despite unanticipated regulatory challenges around the “Ten-Year rule” (see below), the melt-down of the housing finance markets, and a state budget crisis that threatened to freeze a critical resource, Eden succeeded not only in preserving the affordability of the apartments but also in creating a healthier and more supportive environment for its residents. Today, the newly acquired and renovated property includes interior and exterior upgrades, lighted paths with new landscaping to improve security, a playground, and a beautiful community center that now serves as a technology, training, leadership, and community building hub for Ashland Village’s youth and residents. Equally important, Eden’s work has preserved the long-term affordability of the property for low income residents earning between 35% and 60% of the area median income (AMI).

“Ashland Village faced unimaginable challenges related to the unprecedented

*(continued on next page)*

downturn in the economy. In the end, the project was successful because Eden is fortunate to work with so many terrific partners and elected officials. Their collective commitment to affordable housing and the Ashland community is what made this project happen,” said Linda Mandolini, Executive Director of Eden Housing.

In recognition of this achievement, Ashland Village was selected as finalist in the Reader’s Choice Awards in the Preservation Category for the Affordable Housing Finance Magazine (AHF) and received national recognition through the Affordable Housing Tax Credit Coalition’s Tax Credit Excellence Awards.



### **Legislative Challenges**

At first, Ashland Village seemed like a typical older federally assisted rental property that had been well managed but needed additional investments in lighting, security and fixtures. The owner of the Section 8 property in the unincorporated area of Ashland in Alameda County had passed away and its Section 8 contract was set to expire March 31, 2009 putting the long-term affordability of the apartments at-risk. The owner’s sons did not want to retain ownership of the property, but wanted to find a way to sell it such that it remained affordable to the residents. Eden planned to purchase Ashland Village with financing from the state and from Alameda County. Months before closing, however, Eden Housing discovered that Ashland Village’s ownership structure made it technically ineligible for Low-Income Housing Tax Credits (LIHTC) because it failed to conform to the “Ten-Year rule”, which requires that there not have been a transfer of more than 49% interest in the property in the ten years preceding the application for Tax Credits.

With the committed leadership of Representatives Barbara Lee and Pete Stark, Eden Housing fought the uphill battle to keep provisions in the Housing and Economic Recovery Act (HERA) of 2008 to reform the 10-year rule to exempt at-risk federally assisted developments like Ashland Village. The passing of HERA was a big victory not only for the low-income families and preservation advocates in California, but also for communities across the country seeking to preserve similar properties.

### **Financial Challenges and Heroes**

While the success of HERA was a huge victory for Eden Housing, they soon faced another roadblock when their original mortgage lender was taken over by the FDIC in the midst of the national economic crisis. The search for a new lender was further complicated when the Pooled Money Investment Board (PMIB) of California froze state bond sales and prohibited the state from issuing enforceable financing commitments, including the Proposition 1C Multifamily Housing Program (MHP) bond financing that was providing a \$7.7 million permanent loan for the project. Eden Housing responded by persuading the County of Alameda





Redevelopment Agency (RDA) to agree to allow its construction-only funding to be used as permanent funding in the event the state was unable to fund the MHP loan. Bank of America, the construction and permanent lender, accepted this solution and agreed to close its loan. Throughout this period of uncertainty, Merritt Community Capital Corporation remained committed as the tax-credit investor, holding its extremely competitive pricing at \$0.98 for more than a year.

“Merritt has shown a long-term commitment to non-profits in the Bay Area, ” said Richard Mandel, CHPC Director of Financial Consulting. “We find it very encouraging that an investor whose senior staff were HUD alumni themselves showed such confidence in making a long-term investment in a Section 8 preservation project.”

In addition to acquiring and preserving the building, Eden made more than \$8 million in renovations including a new community room that will serve youth through organized after-school activities, community-building and educational programs. Resident youths will also participate in Eden’s “Digital Connectors” technology and leadership training program, which was made possible by Congresswoman Barbara Lee’s introduction of a special appropriation to run a technology program at the center to train the youth of the community in hardware and software skills, video production, leadership skills, and community service. As a result of the improvements to the property, including lighted pathways and new community room, there has been a visible reduction in crime in the community.

“The changes have really helped to bring the community together,” said Corey Walker, Ashland Village Property Manager. “Now, people are coming here asking if they can rent an apartment. They don’t even realize it’s affordable housing.”

Major funding partners include the County of Alameda Redevelopment Agency, County of Alameda Housing & Community Development, Bank of America, Merritt Community Capital, California Department of Housing and Community Development, and the U.S. Department of Housing and Urban Development. Key partners in putting together the complex financing included the California Housing Partnership, Mosaic Urban Development and the law firm of Gubb and Barshay.

<b>SOURCES</b>	<b>Construction</b>	<b>Permanent</b>
Tax-Exempt Construction Loan (fixed rate)	19,304,383	-
Tax-Exempt Permanent Bond	-	4,855,000
Tax-Exempt Section 8 Bond	-	7,229,000
HCD Multifamily Housing Program (MHP)	-	7,720,000
County of Alameda Redevelopment	6,500,000	1,300,000
County of Alameda HOME	1,096,631	1,096,631
Income from Operations prior to Conversion	1,153,190	1,153,190
Deferred Developer Fee	1,290,000	1,290,000
Capital Contributions		
General Partners	10,000	10,000
Limited Partners	1,250,000	7,599,618
<b>Total Sources</b>	<b>30,604,204</b>	<b>32,253,439</b>
<b>USES</b>	<b>Construction</b>	<b>Permanent</b>
Land and Structures	18,139,334	18,139,334
Hard Costs	6,731,951	6,731,951
Architecture, Engineering, and Local Fees	1,294,014	1,294,014
Financing, Syndication, and Construction Interest	1,294,972	1,294,972
Reserves	-	1,410,133
Legal and Other Costs	643,933	883,035
Developer Fee	2,500,000	2,500,000
<b>Total Uses</b>	<b>30,604,204</b>	<b>32,253,439</b>

## E. Green Building Aspects

---

## Ashland Village Green Building Features

Ashland Village Apartments incorporates the following sustainability features:

- Irrigation water conserving controller + new heads
- Insulation is formaldehyde free and blown-in
- Dual pane glazed windows in all units
- Energy star appliances in all units
- Kitchen cabinets are formaldehyde free

In 2010, Eden Housing launched a comprehensive “green initiative” to green our existing affordable housing portfolio. We set a goal for reducing utility expenses by thirty percent across the company and portfolio over a three year period. An exciting training and education program to engage Eden’s residents in conservation has also been a critical component in Eden’s green initiative. Our goal is not only to educate our residents about the importance of our sustainability plan, but also to provide them with money saving information for conserving water and energy that will increase resident participation in efforts to improve efficiency and reduce costs which will also help to save the planet. To date, we have implemented a recycling program with residents at 100 percent of Eden Housing properties. At Ashland Village, the recycling program was rolled out over a series of resident meetings. We will be rolling out our water conservation program next, followed by an energy conservation program. In 2010, Eden Housing received the Sustainability Showcase Award for Multifamily Housing from the California Sustainability Alliance for these efforts.

## F. Other Awards

---

## **Ashland Village Awards List**

2010 Readers' Choice Award, Preservation Category, Affordable Housing Finance

2010 Charles L. Edson Tax Credit Excellence Awards, Honorable Mention, Affordable Housing Tax Credit Coalition (AHTCC)

## In-Depth Online Background Screening

[Affordable housing news](#) | [Multifamily news](#) | [Blog](#) | [Advertising info](#) | [Editorial info](#)  
[Industry events calendar](#) | [AHF Live conference](#) | [Contact us](#)



**SUBSCRIBE**

[About the magazine](#)

[Past online articles](#)

[Professional services directory](#)

[Tax credit/tax-exempt bond deadlines and contact information](#)

[2006-07 Affordable Housing and Community Development Directory](#)

[Online housing resources](#)

[Housing Reference Center](#)

[Subscribe](#)

### HOUSING FINANCE NEWS

#### NEWS HEADLINES

## Readers' Choice Award Winners Announced

**SAN FRANCISCO**—A 12-story development that provides 135 affordable apartments and helps dispel the notion that high-rises are not an appropriate building model for low-income families has been selected the overall winner in Affordable Housing Finance's Readers' Choice Awards.

10th and Mission Family Housing is the first affordable housing high-rise built in San Francisco in about 20 years.

The \$69 million project, which includes a 5,000-square-foot youth center and commercial space, was developed by Mercy Housing California.

The development was financed with more than \$25 million from the San Francisco Redevelopment Agency. The project also uses 4 percent low-income housing tax credit equity from RBC Capital Markets and a tax-exempt bond-backed loan from Union Bank. The Department of Housing and Urban Development helped fund the youth center through its Economic Development Initiative.

In addition to being voted the top overall development, 10th and Mission Family Housing was chosen as the best urban project.

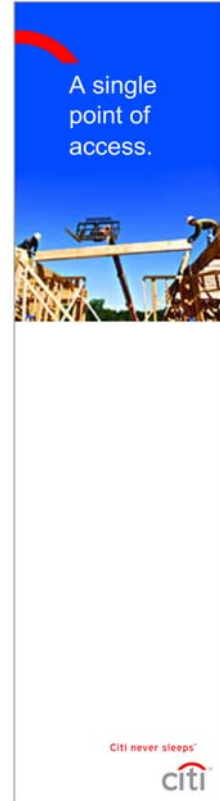
The magazine received more than 140 nominations this year. Subscribers then selected the winners from 33 finalists.

The others winners are:

- Family: Petaluma Avenue Homes in Sebastopol, Calif., developed by Affordable Housing Associates;
- Green: Casa Feliz Studios in San Jose, Calif., developed by First Community Housing and The John Stewart Co.;
- Historic Rehab: Britton Budd Apartments in Chicago, developed by the Chicago Housing Authority;
- Master-Planned/Mixed-Use: Mosaica in San Francisco, developed by Citizens Housing Corp. and Tenderloin Neighborhood Development Corp.;
- **Preservation: Ashland Village in San Leandro, Calif., developed by Eden Housing;**
- Rural: Villa San Juan Bautista in Centralia, Wash., developed by Catholic Housing Services;
- Seniors: The Terraces on Tulane in New Orleans, developed by Volunteers of America;
- Special-needs: New Carver Apartments in Los Angeles, developed by Skid Row Housing Trust.

The winners will be featured in the November/December issue and will be recognized at a luncheon concluding AHF Live: The 2010 Affordable Housing Developers' Summit on Nov. 5 at the Fairmont Millennium Park in Chicago.

[HousingFinance.com home](#)



Unauthorized duplication of articles in *Affordable Housing Finance*, *Apartment Finance Today*, or HousingFinance.com is strictly prohibited. All rights reserved and all copyrights held by Hanley Wood, LLC. Reproduction of this publication in whole or in part in any form, on paper or electronically, without written permission from the publisher is prohibited by law.



2010 CHARLES L. EDSON TAX CREDIT  
EXCELLENCE AWARDS

HONORABLE MENTION  
PRESENTED TO

ASHLAND VILLAGE

TO RECOGNIZE AN OUTSTANDING EFFORT IN PROVIDING AFFORDABLE  
HOUSING TO PEOPLE METROPOLITAN AREAS

June 2, 2010  
Washington, DC

*Victoria Spielman*  
Victoria E. Spielman, Executive Director

*Joseph S. Hagar*  
Joseph S. Hagar, President