2010 Year in Review

Dear Friends of Eden Housing,

When we talk about preservation, projects like The Fireside and The Altenheim immediately jump to mind—icons of California architecture and local lore, ready to begin the next chapter in their storied histories. The nearly 100-year old Fireside in Marin County now has 50 new affordable apartments and a community center for lower income seniors, families and individuals with special needs. The Altenheim, a community founded in the 1890s by immigrants from German-speaking countries and listed on the National Register of Historic Places, include nearly 200 new apartments for seniors and low-income residents and over 10,000 square feet of community space housing on-site supportive services, community and creative programs for residents. We at Eden are proud that Citizens Housing selected us to be the long-term steward of these incredible community assets in our effort to preserve nearly 1,000 homes in the Citizens portfolio.

We are also thinking about preservation in a much broader context. Eden has been a long time leader and early adopter in a wide range of green technologies and practices. We installed our first solar hot water system over twenty five years ago, completed one of the first GreenPoint Rated developments in Alameda County, and we are one of the first developers to install a photovoltaic solar system that will power both common areas and residential units.

In 2010, Eden Housing was named as a winner of the California Sustainability Showcase Awards. Given by the California Sustainability Alliance, the Showcase Awards recognize businesses and public organizations in California that are advancing sustainability goals. Eden was named the winner in the

I am so grateful for the great home my family has found at Eden Housing. Living at Eden has opened the door to so many opportunities. I participated in the after-school and summer programs where I learned that I could accomplish anything that I put my mind to, that I can graduate from high school, and that I can be the first in my family to go to college. All I can say is thank you. Thank you, Eden Housing.

Diana Gutierrez, Resident of Corona Ranch in Petaluma, Eden’s Howard T. Collins Memorial Scholarship Program Recipient (multiple years)
The Low Income Housing Tax Credit Program has helped create affordable housing projects across the country, including Foss Creek Court in Healdsburg. Foss Creek Court provides low-income families and seniors with quality homes built according to green building standards. These types of housing projects not only provide affordable places to live, they also create new jobs and economic growth in our community.

Congressman Mike Thompson,  
United States Congress, District 1

Located near downtown Healdsburg, Foss Creek Court is a GreenPoint Rated community that provides 64 new affordable apartments, a community building, computer learning center, community garden, two tot lots, and beautifully landscaped grounds for lower income families.

Multifamily Housing category, one of four key program areas. Eden’s Ashland Village won the prize for best preservation project in the nation in the Affordable Housing Finance Readers’ Choice Awards.

We are going to be honest: It is hard to look at the successes of the past year without acknowledging the challenges that go hand in hand with operating in an already difficult economic climate. The focus at Eden has quickly become preserving the ability to produce affordable housing, and the jobs that come with that production: for every 100 units of affordable housing built, 122 local jobs are generated during construction and 32 permanent jobs after completion.

We are committed to continuing with our mission of building and maintaining high-quality, well-managed, service-enhanced affordable housing communities that meet the needs of lower income families, seniors and persons with disabilities. We must continue to ensure that we have the means and mechanisms that allow us to do that.

We are grateful for your support this past year, and look forward to accomplishing our goals together with you in 2011.

Sincerely,

John Gaffney, President  
Eden Housing Board of Directors

Linda Mandolini,  
Executive Director, Eden Housing

Eden Housing scholarship recipient and resident Cassandra Phelps with her son Alonzo Junior at the Annual Howard T. Collins Memorial Scholarship Award Ceremony.
This is the nicest place I have ever lived. When I first saw it, I was amazed. It is beautiful... and I can afford to live here. This place has literally changed my whole life. Everything and everyone is so nice here I couldn’t ask for anything more. I still can’t believe how lucky I am. I plan to live here for a very long time.

Heather Dunlop, Resident, The Altenheim in Oakland

Eden Housing’s accomplishments are extraordinary, even more so viewed through the lens of the ongoing recession. We have begun construction on three new projects which together will create 98 affordable homes for seniors in Fremont and 176 homes for families in San Jose. Eden Housing expanded its portfolio by more than thirty percent in 2010, creating and preserving nearly 1,500 quality affordable apartments for families and seniors throughout the State. We completed four beautiful—and sustainable—developments – Foss Creek Court in Healdsburg, The Altenheim in Oakland, Estabrook Place in San Leandro and The Fireside in Unincorporated Marin County – that together created 246 new affordable homes, 178 local jobs during construction and 47 permanent jobs after completion. We also acquired and preserved ten affordable housing communities in 2010 with a long term goal of protecting their affordability, and a more immediate goal of keeping the low income families and seniors in their homes.

Citizens Housing Portfolio: In November 2009, Eden Housing was approached by Citizens Housing Corporation to acquire ownership and management interests of eleven properties in nine jurisdictions, totaling almost 1,000 affordable homes, including two in Southern California. Two of the properties were in mid-construction when taken over, and all of the properties had extensive work out requirements to ensure their sustainability. Eden acquired general

The Fireside is a transit-oriented, green community located in Unincorporated Marin County that provides 50 new affordable apartments and a community center for lower income seniors, families and individuals with special needs.
At every level, our local community, elected officials and our lending and investment partners moved mountains to make this project happen at a time when everything was standing still. Today, Ashland Village’s residents benefit from this enormous effort. The newly upgraded and renovated property includes a new community room where Eden runs programs, a much more secure living environment, making this truly a long-term asset for the residents and the neighboring community.

Supervisor Nate Miley, President, Alameda County Board of Supervisors, District 4

partnership interests in seven of the Citizens properties in 2010, and the remaining three will be acquired in 2011. One of the properties will not be acquired despite a diligent effort. The vacancy rates in these properties averaged more than 12%, with some as high as 25% when Eden took over management in late 2009. One year later, this portfolio has vacancies averaging less than 4.5%.

Preservation Portfolio: In addition to the Citizens portfolio, Eden Housing acquired ownership responsibilities for an additional 377 units in three properties. In the case of Tennyson Gardens in Hayward, we were asked by a managing general partner, lenders and investors to step in to stabilize and improve a project-based Section 8 development that was deteriorating. Eden also acquired, preserved, and renovated Ashland Village in Unincorporated Alameda County, an expiring Section 8 development. Hillview Glen in San Jose, a tax credit property that had reached year 15 of its compliance period, was also acquired and preserved. We undertook these transactions simultaneously with the Citizens transactions and increased our portfolio under management by 1,518 units and 33%.

Neighborhood Revitalization: Eden’s intervention in many of these properties created better communities for the residents to live in and improved the quality of life for the surrounding neighborhood. In every case, Eden Housing worked closely with the local jurisdictions, the police departments and the residents to improve property management and resident services.
The San Francisco Foundation is pleased to support Eden’s innovative work to build and preserve environmentally sustainable affordable housing. From its efforts to preserve more than 900 affordable homes, to its comprehensive “greening” of its current portfolio of affordable housing through solar installations, water conservation, and recycling, Eden is providing models for others to replicate throughout the state and country.

Vanitha Venugopal, Program Director, Community Development and Investment, The San Francisco Foundation

Eden Housing is not only committed to sustainable practices, technologies, and features in our new affordable housing construction, we have launched a major initiative to “go green” in our existing affordable portfolio. We set a goal for reducing utility expenses by thirty percent across the company and portfolio over a three year period. This effort includes solar, lighting, heating/cooling, water conservation, and other green retrofits. An exciting training and education program to engage Eden’s residents in conservation has also been a critical component in Eden’s green initiative. We are proud of our long list of successes for this past year.

- More than $6.5 million in grants for retrofitting upgrades, including $2.8 million from Pacific, Gas & Electric (PG&E) through its Multifamily Affordable Solar Housing (MASH) Program.
- A $500,000 Program Related Investment from The San Francisco Foundation to finance the solar retrofitting.
- $7 million solar retrofit at 27 properties. Five solar installations were completed at properties in Dublin, Hayward, Martinez, San Jose, and San Leandro.
- Green retrofits underway on five properties—three completed—through the U.S. Department of Housing and Urban Development’s Green Retrofit Program (HUD GRP program) including more energy efficient lighting, appliances, and heating/cooling.
- Recycling programs instituted at 100% of Eden Housing managed properties, including a tenant education component to train and educate our residents, and engage them in conservation and recycling efforts. We will be rolling out our water conservation program next.
“Digital Connectors has positively impacted hundreds of young people, exposing them to the technology and skills that drive today’s economy. These tools are critical to every child’s future, and it’s why I’m proud to support Eden Housing’s Digital Connectors Program.”

Congresswoman Anna G. Eshoo, United State Congress District 14

- Engaged youth residents at several Eden sites to educate themselves, each other, their families, and their communities on green practices and their benefits for a healthier community and planet.

**Eden Housing’s Digital Connectors youth technology & leadership program** cultivates our students’ potential for leadership and civic responsibility through the use of 21st century technology. “Go Green” was a major theme of the program. Our students created videos and other multimedia projects for presentation before their fellow residents, peers, and communities. Thanks to federal funding support, we expanded our Digital Connectors program in 2010 to include an additional 14 program sites and serve hundreds more teens living at Eden’s properties.

**“Think Green”** is an exciting resident education program launched in 2010 as a part of PG&E’s MASH grant. Through this program, Eden’s youth residents living at Downtown River Apartments in Petaluma, CA are educated and trained on recycling, so that they can in turn teach and engage their families and adult neighbors to recycle. This youth-led effort has resulted in an impressive annualized savings of $8,000 due to waste reduction and increased recycling. We are rolling out similar programs at properties in San Jose and Hercules.

*Eden Housing’s Digital Connectors program is part of a network of nearly 300 programs nationwide developed by One Economy, offering young people in their affordable housing communities an opportunity to receive technology training and learn workplace and leadership skills. Eden’s program is funded in part by the US Department of Commerce Broadband Opportunities Program, US Department of Education, US Department of Justice, and Comcast Corporation.*
The Digital Connectors program opened up a world of new opportunities for my life. It has helped me better my social skills and education, and it is preparing me to attend college this fall. I encourage other young people to get involved with the program because it has changed my life.

Thuha Cao, Teen resident, Eden Palms in San Jose

FINANCIALS
Consolidated Statements of Financial Position for Eden Housing, Inc. and Subsidiaries

Assets

- Cash & cash equivalents: $7,865,946
- Contributions receivable: $1,290,000
- Notes receivable: $13,430,829
- Receivables (affiliates and projects): $21,787,567
- Investments in partnerships & LLCs: $247,601
- Property & equipment: $9,922,807
- Development in progress: $6,689,321
- Other assets: $24,075

Total assets: $61,258,147

Liabilities & net assets

- Accounts payable: $94,451
- Notes & interest payable: $20,329,147
- Deferred revenue: $88,972
- Payable to affiliates: $1,296,720
- Other liabilities: $226,141
- Total liabilities: $22,535,432
- Net assets: $38,722,715

Total liabilities & net assets: $61,258,147

Consolidated Statement of Activities

Revenue

- Development fees & partnership fees: $5,199,186
- Gain on sale of property
- Rental income: $221,120
- Grants & contributions: $1,701,264
- Interest & investment income: $439,376
- Other income: $601,202
- Total revenue: $8,162,147
- Total expenses: $3,703,461

Change in net assets: $4,458,685

Eden Housing’s mission is to build and maintain high-quality, well-managed, service-enhanced affordable housing communities that meet the needs of lower income families, seniors and persons with disabilities.