



Impact Report: The Savoy

Supportive Housing for the Formerly Homeless in Oakland, California

This report analyzes market trends in Oakland and the broader California Bay Area and then narrows to highlight stories of residents from The Savoy Apartments, developed by Satellite Affordable Housing Associates and financed in-part by Enterprise Community Loan Fund, Inc.



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Social Return on Investment Report



The Impact Report: The Savoy is part of the broader [2014 Social Return on Investment Report](#) issued by Enterprise Community Loan Fund.

Enterprise Community Loan Fund is committed to creating vibrant and equitable communities where families have access to quality affordable homes connected to good schools, jobs, transit and health care services.

Each year, Enterprise Community Loan Fund returns to the communities where it has invested in high-impact community projects to examine how those investments have served the residents now living in the properties.



Introduction

This report presents a social impact analysis of [The Savoy Apartments \(The Savoy\)](#), an affordable, supportive housing property in downtown Oakland, California. Renovated and [opened in 2013](#), The Savoy provides a permanent home for over 100 people who were formerly homeless or at risk of homelessness. [Enterprise Community Loan Fund, Inc.](#) (ECLF) provided a \$4 million loan through the State Farm Neighborhood Partners Fund and a \$45,000 Community Green initiative grant to [Satellite Affordable Housing Associates](#) (SAHA), the developer of The Savoy. In keeping with Enterprise's commitment to tracking the impact of its investments, the goal of this report is to analyze The Savoy's impact on three levels – impact on individual residents, impact on the surrounding neighborhood and community, and impact on SAHA in its mission to build affordable housing in the California Bay Area (Bay Area).

Enterprise Community Partners

[Enterprise Community Partners, Inc.](#) (Enterprise) is a nonprofit organization that works to expand the nation's supply of quality, healthy, affordable housing. Enterprise was founded in 1982 by Jim Rouse, a successful real estate developer who devoted his life to expanding housing options for low-income Americans. Enterprise still uses the innovative business model he put into place - one that combines technical expertise, financing know-how, partnerships with community leaders and a strong commitment to the spirit of social enterprise. Enterprise's work focuses on creating affordable housing as a platform for holistic community development.

Enterprise Community Loan Fund, Inc. (ECLF) is a community development financial institution (CDFI) and nonprofit subsidiary of Enterprise Community Partners; it brings capital into affordable housing projects. Many of ECLF's investments are made in the form of early-stage financing such as predevelopment or acquisition loans; thus, it is often challenging to assess the impact of these investments. However, through careful analysis of both data trends and case studies of resident experience, it is possible to understand the effects of an individual Enterprise project on its surrounding community. In some cases, a project can stand as a model for future best practices in affordable housing: built sustainably, integrated into the fabric of its city and comprehensive in its supportive services.

Enterprise has created or preserved more than 300,000 homes for over 1 million people. Within that wider impact are ambitious goals in both financial innovation and policy: from championing [Low-Income Housing Tax Credit](#) policy to advancing formal systems for sustainable building, Enterprise has always worked systemically to create communities that help Americans thrive. However, though the organization has seen great success in these kinds of sweeping changes, Enterprise is still



committed to the smaller changes that make the most tangible difference to families, neighborhoods, and cities across the country.

Overview of The Savoy

Only two blocks from City Hall in downtown Oakland, California, [The Savoy Apartments](#) (The Savoy) bright interior and historic exterior blends in perfectly with the rapidly-changing character of the neighborhood. The property, which opened in 2013, combined two historic but badly-maintained hotels into a 101-unit, supportive housing location for people who were previously homeless.



Figure 1: Exterior of The Savoy

Image credit: Amy Sullivan

The Oaks Hotel (Oaks) was formerly a single-room occupancy (SRO) hotel for formerly-homeless people, who had to share bathrooms and kitchenettes and endured years of poor building maintenance. The Jefferson Inn (Jefferson) was formerly a low-cost hotel that housed many long-term, low-income residents. When the properties were renovated and combined, residents of the Jefferson were given housing vouchers to move out into the community. Once the Jefferson was rehabilitated, residents of the Oaks moved in while their building was renovated. Now that the project is complete, each resident has a private studio unit with a kitchenette and bathroom, as well as access to case management and health referrals from the ground floor of their very own building. A vibrant social community has developed in the building, supported by events and services organized by the property management, [John Stewart Company](#), and the health and social service provider, [Lifelong Medical Care](#). Just steps from rapid transit and several bus lines, The Savoy's location allows residents the mobility needed for daily activities and healthcare access.

The Savoy is an ideal case for an analysis of Enterprise's impact for several reasons: it is a successfully-completed and well-operated rehabilitation of a former single-resident occupancy (SRO) hotel, it



operates in a city experiencing extreme housing affordability pressures, and it combines affordable housing with supportive healthcare and case management services. In 2014, The Savoy was selected as the San Francisco Business Times' "[Real Estate Deal of the Year](#)" in the category of affordable residential deals outside San Francisco.¹ The property was also selected as a finalist in the 2014 [Affordable Housing Finance Readers' Choice Awards](#).²

SROs were built en masse in U.S. cities in the late 19th and early 20th centuries. This style of residence offers private rooms with shared bathrooms and kitchens on each floor. Due to the limited amenities and smaller size of these units, they were and continue to be an affordable housing option, especially in neighborhoods with high rents. While first inhabited by a range of temporary residents, workers, and single people, SROs came in the latter half of the 20th century to be inhabited largely by low-income single people.

In the past 60-odd years, the SRO stock in the U.S. has decreased dramatically. This trend is due to a mix of factors, including 1940s-60s urban renewal policies, redevelopment pressures in high-value land markets, and SROs' cultural associations – sometimes undeserved – with crime, drug use, and prostitution. While many SROs, but public and privately-run, are in poor repair, they remain an important source of affordable housing for poor and formerly-homeless people in the Bay Area, which has over 500 SRO buildings.³ SRO residents are often deeply attached to the communities that exist in these buildings. In the affordable housing sector, many existing SROs are being renovated and converted into efficiency units. While providing better amenities and privacy for residents, these types of conversions often decrease the number of units available. The Savoy represents a rare case in which an SRO conversion did not decrease the number of units available to existing residents of the building.

Report Structure

This report begins with a description of The Savoy's regional and local context, as well as an overview of supportive housing in the Bay Area and Enterprise's other work in this region. This leads to a description of housing conditions in the Bay Area and Oakland specifically, establishing the need for supportive housing for formerly homeless people. The report then provides information on Enterprise's partnering organizations in the rehabilitation and management of The Savoy, and

¹ Proctor, R. (2014). Affordable residential/outside San Francisco (winner): The Savoy. San Francisco Business Times, March 28. Retrieved from: <http://www.bizjournals.com/sanfrancisco/print-edition/2014/03/28/affordable-residential-outside-san-francisco-savoy.html>

² Machak, L., Serlin, C., & Kimura D. (2014). 2014 readers' choice awards. *Affordable Housing Finance*, July 9. Retrieved from: http://www.housingfinance.com/affordable-housing/the-2014-ahf-readers-choice-finalists_o.aspx?dfpzone=home.

³ Groth, P. (1994). *Living downtown: the history of residential hotels in the United States*. Berkeley and Los Angeles: University of California Press.



describes The Savoy property's history, design, and financing. The final sections of this report contain an analysis of the three levels of impact described above and best practices that emerged from the research conducted.

Methods

The analysis contained in this report is derived from both primary and secondary data. Interviews were conducted with staff from Enterprise partners that contributed to the renovation and/or ongoing operations of The Savoy. A focus group and interviews were also held with existing residents of The Savoy. This report also reflects observations gathered from several visits to The Savoy and from a visual survey of the surrounding blocks and neighborhoods. Information on Oakland's housing market, neighborhood characteristics, demographics, and housing and homelessness policy was drawn from the US census, American Community Survey, City of Oakland, Oakland Housing Authority, various local, nonprofit community-based organizations, and internal Enterprise documents.

Context

The Bay Area of northern California is one of the most expensive housing markets in the country, with income inequality and housing affordability pressures continuing to increase. Rapidly rising housing costs are related to a number of economic and political factors. These include technology booms that brought an influx of high-income newcomers to the area, increases in public and private capital investment in urban residential development, gentrification-induced displacement from formerly-disinvested neighborhoods, both redlining and speculation in real estate after the financial crisis of 2007-2009, and zoning regulations that squeeze affordable housing into small pockets of residential land.⁴

Both lower-income and middle-class households are being pushed out of urban centers to find housing they can afford;⁵ lower- and middle-income residents who are priced out of the San Francisco market are also relocating to adjacent municipalities like Oakland, increasing rental prices in the East Bay.⁶ Average rents in San Francisco and San Jose increased by approximately 10% between 2013 and

⁴ Causa Justa:Just Cause and Alameda County Public Health Department (2014). Development without displacement: resisting gentrification in the Bay Area. Oakland, CA. Retrieved from: <http://cjjc.org/images/development-without-displacement.pdf>

⁵ Florida, R. (2014). The search for affordable housing is pushing the middle class to the exurbs. The Atlantic CITYLAB, April 8. Retrieved from: <http://www.citylab.com/housing/2014/04/search-affordable-housing-pushing-middle-class-exurbs/8816/>

⁶ Richards, K. (2012). Rent prices soar in Oakland. East Bay Express, December 19. Retrieved from: <http://www.eastbayexpress.com/oakland/rent-prices-soar-in-oakland/Content?oid=3417061>



increase in rents from 2011-2012.⁷

Oakland is the largest city and county seat of Alameda County, the most populous county in the East Bay. Housing costs present a challenge for many Oakland residents, especially people in the lowest income brackets. In 2010, 46% of low-income people (50-80% AMI), 78% of very low-income people (30-50% AMI) and 79% of extremely low-income people (below 30% AMI) paid more than 30% of their income for housing costs. 66% of the latter category paid over 50% of their income for housing costs.⁸ The most recent homeless count (2013) revealed that 4,264 people in Alameda County are homeless on any given night. About half of these people – 2,217, or 1,412 households – are in Oakland.⁹

As of July, 2014, the City of Oakland is planning its Housing Element for 2015-2023. California state law requires every city and county to adopt a Housing Element as part of its General Plan. The Element is subject to state approval and is required for the city to access to local, state, and federal funds. The Housing Element also serves as a blueprint for housing the city's residents. Oakland's current planning process recognizes the housing affordability challenges present in the city and its goals for addressing homelessness are coordinated through [Oakland's Permanent Access to Housing \(PATH strategy\)](#), which seeks to end homelessness in the city by 2022. The city has adopted a "housing first" model to ending homelessness, meaning that homeless people are moved into housing first, with health and case management services offered *after* a person is housed.¹⁰ The goal of this approach is to end homelessness by keeping people stably housed in permanent housing options.

Unfortunately, there are long waiting lists for affordable units in Oakland, many of which do not offer supportive services. The dissolution of California's redevelopment agencies in 2011, coupled with large recent federal cuts to housing resources, resulted in a significant loss of funds for affordable

⁷ Said, C. (2013). Bay Area rents, home prices up sharply. SFGate, January 2. Retrieved from: <http://www.sfgate.com/realestate/article/Bay-Area-rents-home-prices-up-sharply-4163037.php>.

⁸ U.S. Department of Housing and Community Development (2010). 2010 CHAS Data Books, derived from American Community Survey 2006-2010 5-year averages. Washington, DC: U.S. Department of Housing and Community Development.

⁹ City of Oakland (2014). City of Oakland Housing Element: 2015-2023, Public Review Draft May 2014. Oakland, CA: City of Oakland. Retrieved from: <http://www2.oaklandnet.com/oakca1/groups/ceda/documents/report/oak046882.pdf>

¹⁰ City of Oakland (2014). City of Oakland Housing Element: 2015-2023, Public Review Draft May 2014. Oakland, CA: City of Oakland. Retrieved from: <http://www2.oaklandnet.com/oakca1/groups/ceda/documents/report/oak046882.pdf>



housing construction and preservation in Oakland.^{11,12} Furthermore, there is a disconnect between the short-term, piecemeal funding for health and supportive services and the 30-year mandates provided for most affordable housing properties.¹³ The need for funding, construction, and preservation of permanent, supportive housing in Oakland therefore remains enormous and unmet.

Properties like The Savoy are a key part of addressing this need. The two historic hotels that were renovated to create The Savoy easily could have been purchased by a private developer and converted into market-rate or luxury housing given their location in Oakland's rapidly-gentrifying downtown.^{14,15} Preserving the affordability of properties like these, providing supportive services in-house, and keeping former residents in place while expanding the number of units available helps move Oakland toward its zero-homelessness goal.^{16,17} Supportive housing is also a growing part of SAHA's property portfolio in Oakland.

Enterprise Community Loan Fund has provided loans for 16 SAHA properties throughout Oakland and 45 total affordable housing properties in the city. In the Bay Area context of extremely rapid rent increases and resultant displacement of many low- and moderate-income people, Enterprise is focusing on improving the health of low-income residents, lowering the environmental impact of affordable housing, building and preserving affordable homes near transit hubs, helping nonprofits in the area weather economic challenges, and partnering with government and community development organizations to create policy solutions for housing and minimize income-related displacement.

Since Enterprise entered the Northern California market in 2008, the organization has invested more than \$680 million. With its partners, Enterprise has helped create more than 14,000 affordable residences for 7,500 people. Enterprise has also provided technical assistance, grants, and training to

¹¹ Ibid.

¹² Christia Mulvey, City of Oakland Housing and Community Development Agency. Personal interview, June 17, 2014, Oakland, CA.

¹³ Brenda Goldstein, Lifelong Medical Care. Personal interview. June 27, 2014, Berkeley, CA.

¹⁴ Eve Stewart, Satellite Affordable Housing Associates. Personal interview. May 21, 2014, Berkeley, CA.

¹⁵ Proctor, R. (2014). Affordable residential/outside San Francisco (winner): The Savoy. San Francisco Business Times, March 28. Retrieved from: <http://www.bizjournals.com/sanfrancisco/print-edition/2014/03/28/affordable-residential-outside-san-francisco-savoy.html>

¹⁶ EveryOne Home: Ending Homelessness in Alameda County (2014). The plan. Retrieved from: http://www.everyonehome.org/plan_strategies.html

¹⁷ AIDS Housing of Washington (2006). Alameda Countywide Homeless and Special Needs Housing Plan. Retrieved from: http://www.everyonehome.org/media/resources_EveryOneHome_plan.pdf



more than 62 community-based organizations and local governments to create affordable housing and provide services to low-income people. Since providing a loan for The Savoy, Enterprise has continued to fund supportive housing, such as the [recently-opened California Hotel](#) in West Oakland, which contains 137 newly renovated units and was made possible by \$23.1 million in Low Income Housing Tax Credit (LIHTC) equity that [Enterprise Community Investment](#) provided to another local nonprofit developer, the [East Bay Asian Local Development Corporation](#). Enterprise also leads the housing work group of a community planning process called [Oakland Sustainable Neighborhoods Initiative \(OSNI\)](#), which is helping to guide the [Oakland International Boulevard Transit-Oriented Development \(TOD\) Implementation](#). Through participation in OSNI, Enterprise is helping to facilitate the redevelopment of International Boulevard with minimal displacement and to prioritize the preservation of affordable housing in the area.

Neighborhoods in Transition: Downtown, Uptown, and ‘San Pablo Gateway’

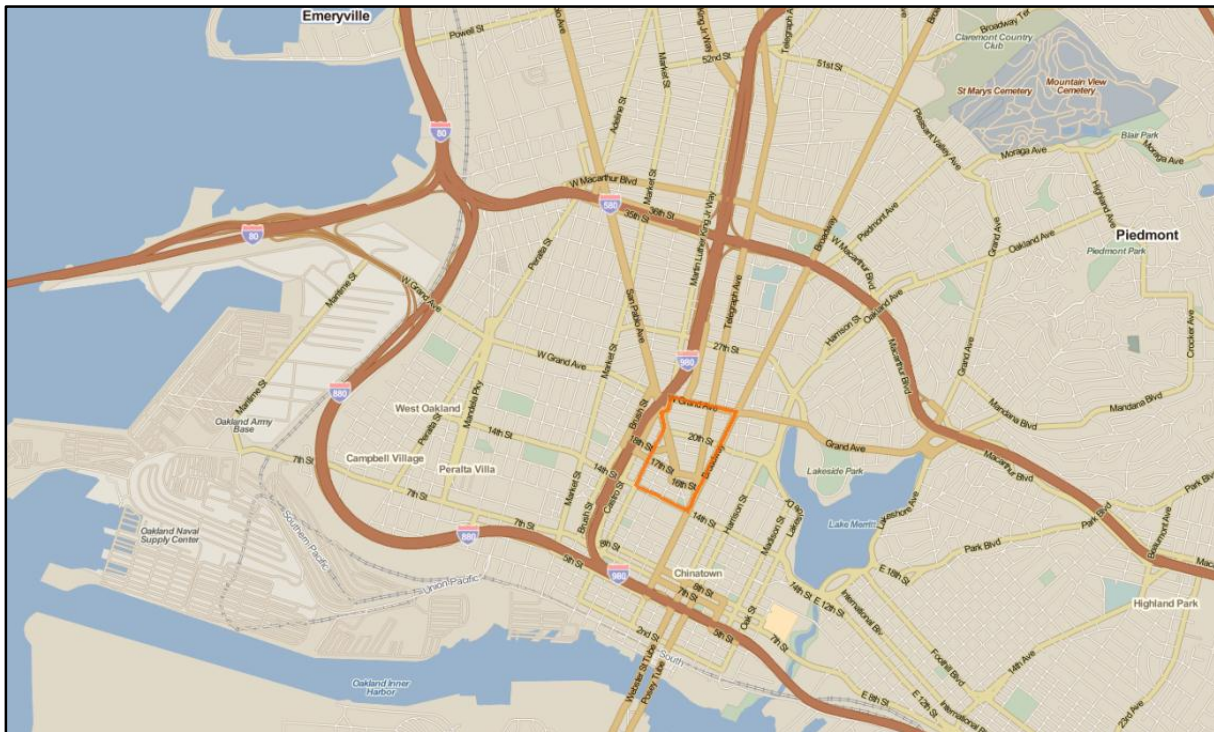


Figure 2: Location of The Savoy's census tract in Oakland

Source: Policymap.com, census tract 06001402800, 2010 boundaries

The Savoy is located at 1424 Jefferson Street in downtown Oakland. It is one block from Oakland's City Hall and two blocks from the 12th Street Oakland City Center BART station. Two blocks to the south is [Oakland City Center](#), a new business and retail space. Other landmarks include the African American



Museum and Library at 659 14th Street, an Oakland Fire Department Station at 1605 Martin Luther King Jr. Way, and Frank H. Ogawa Plaza at 14th Street and Broadway Avenue.

Housing, Demographic and Economic Data

For the census tract in which The Savoy is located, 44% of people and 49% of families lived in poverty in 2012. 70% of the population is non-white. The median household income for the area is \$19,866 but this figure belies pronounced race-based inequalities: the median income for whites in 2012 was \$53,611, while the median for blacks was \$14,203. Median rent rose from \$286 in 2000 to \$538 by 2012.¹⁸ In 2012, 95% of households rented their homes and 19% of people in the census tract were unemployed. The area is ranked by the [Federal Health Resources and Services Administration](#) (HRSA) as a medically-underserved area.

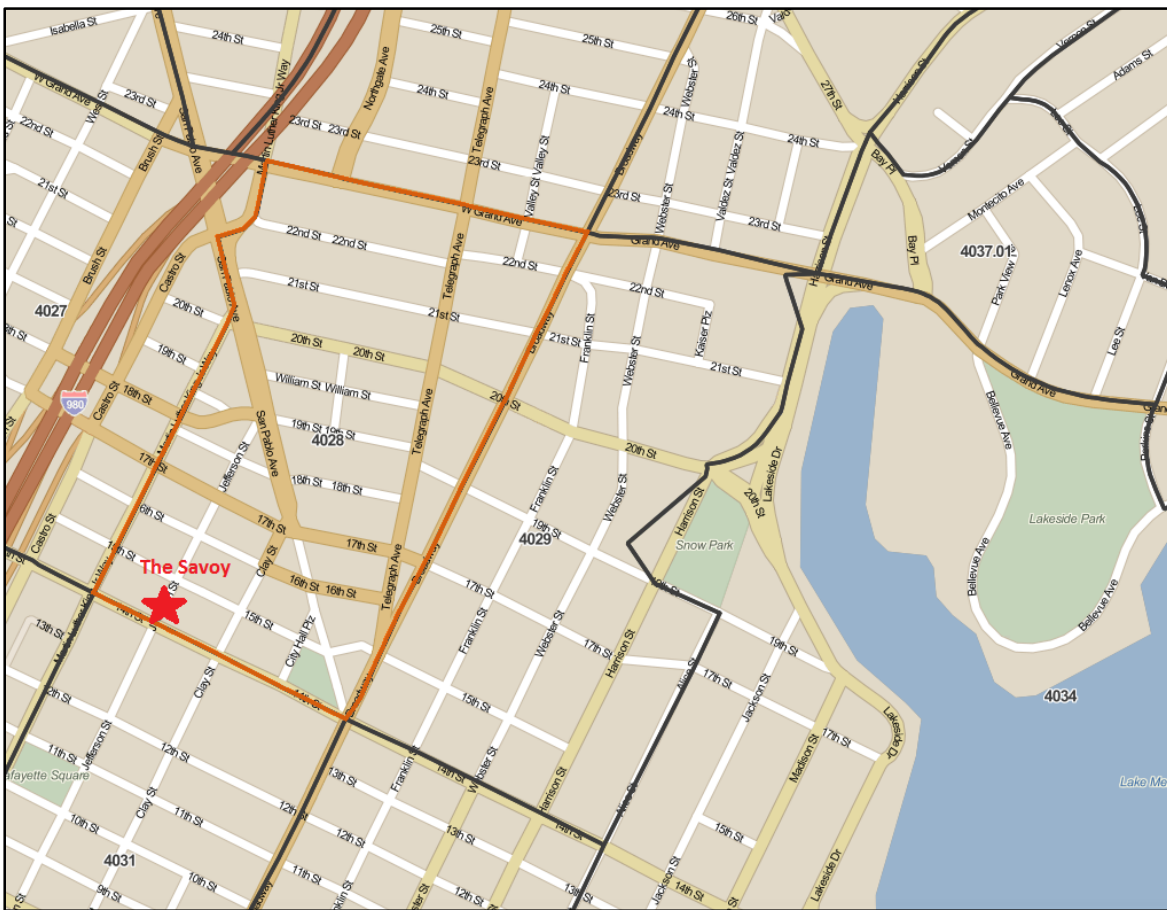


Figure 3: The Savoy's location

Source: Policymap.com, census tract 06001402800, 2010 boundaries

¹⁸ It should be noted that the majority of the stock in this census tract is efficiency or one-bedroom, which skews these numbers low.



Neighborhood Economic Divisions and Gentrification

As downtown Oakland and the surrounding area have experienced rapid changes in the past several decades, neighborhood boundaries are also in flux. Neighborhood and census tract boundaries rarely map neatly on to one another, and this area is no exception. The Savoy is located in a census tract with the following borders: Broadway Avenue to the east, West Grand Avenue to the north, Martin Luther King Jr. Way to the west, and 14th street to the south.

San Pablo Avenue bisects the tract from north to south. The area to the east of San Pablo Avenue is gentrifying and is known as part of the Uptown neighborhood, which has recently become a popular shopping, entertainment, and arts district. The area to the west of San Pablo Avenue (where The Savoy is located) is referred to by developers as the ‘San Pablo Gateway,’ but this title is not used by residents of the neighborhood, who instead refer to the area as being ‘downtown.’ For clarity, the name ‘San Pablo Gateway’ is used here, with the acknowledgement that the term was created by the real estate industry and is not how the area’s residents identify their neighborhood.

The two block groups that make up the census tract in which The Savoy is located are conveniently divided by San Pablo Avenue, in this case mapping neatly onto the boundary between the ‘San Pablo Gateway’ and the portion of the census tract that belongs to Uptown. The ‘San Pablo Gateway’ covers the triangular area between San Pablo Avenue, Martin Luther King Jr. Way to the west (or Castro Street in some designations), and 14th street to the south.

Comparing data on each block group illustrates how the east side of San Pablo Avenue is transitioning economically more swiftly than the area to the west.

	Block Group 060014028001 (west)	Block Group 060014028001 (east)
2000 median gross rent	\$414 or less	\$414 or less
2012 median gross rent	\$607 or less	\$756-\$925
2000 median household income	\$20,000 or less	\$20,000 or less
2012 median gross income	\$20,000 or less	\$30,000-\$40,000

Source: 2000 and 2010 US census data, retrieved from policymap.com

The neighborhood is exhibiting early signs of gentrification, including the presence of new cafes, market-rate apartments, and architectural and design offices. The neighborhood also contains SROs, other low-income housing, abandoned buildings, and some open space. Developers often buy



abandoned buildings and open spaces cheaply in neighborhoods such as this, which are in the early stages of gentrification and adjacent to the process in its more advanced forms.¹⁹

The divergence in median rents and median incomes between the ‘San Pablo Gateway’ and adjacent census tracts are even more pronounced. The 2012 median income in the neighborhood to the south of The Savoy is \$40,000-\$77,000, up from less than \$20,000 in 2000. The neighborhood to the west of The Savoy has been more affluent throughout the 2000s and rents and incomes have remained well above those in Uptown and the ‘San Pablo Gateway.’ In all of these neighborhoods, the poverty rate has remained relatively unchanged since 2000 – it hovers around 25% of the population.²⁰

These data indicate gentrification pressures on all sides of the ‘San Pablo Gateway’ which have the potential to increase rents further, displace low- and moderate-income people from their homes, and reduce available plots of land and buildings to be used or preserved as affordable housing. Broader trends in Oakland and Bay Area rents and homeless population, identified above, also suggest that the area around downtown Oakland will continue to be a difficult place for low- and moderate-income people to stay put. This is reflected in high demand for units in buildings like The Savoy, which received over 800 applications for the 46 units left to fill after current residents had decided whether to stay after the rehab.²¹ Susan Friedland, executive director of SAHA, described the situation aptly by stating that “We’re happy to create a pocket of affordability in a neighborhood that will soon be unaffordable. Oakland is about to get back into the swing of residential development.”²²

Homelessness

While statistics on homelessness are not available at the neighborhood or census tract level, homelessness has been established as a persistent problem in Oakland based on yearly homeless counts

¹⁹ Causa Justa: Just Cause and Alameda County Public Health Department (2014). Development without displacement: resisting gentrification in the Bay Area. Oakland, CA. Retrieved from: <http://cjjc.org/images/development-without-displacement.pdf>

²⁰ United States Census Bureau. (2012). Summary file. American Community Survey 2007-2012 Estimates. Washington, DC: American Community Survey

²¹ Proctor, R. (2014). Affordable residential/outside San Francisco (winner): The Savoy. San Francisco Business Times, March

²² Quoted in Torres, B. (2013). Developer turns two rundown Oakland hotels into new housing. San Francisco Business Times, October 22. Retrieved from: <http://www.bizjournals.com/sanfrancisco/blog/real-estate/2013/10/satellite-affordable-housing-oakland.html?page=all>



and as reported by area service providers.^{23,24} Statistics on homelessness in Alameda County are used here as they are the best available. Everyone Home's²⁵ annual homeless count distinguishes between sheltered and unsheltered homeless people. Unsheltered homeless people disproportionately identify as African American and American Indian/Alaskan compared to the population of Alameda County. Most unsheltered people are single and do not have minor children, making it difficult for them to access social services that are often geared toward families. In 2013, men made up 84% of the unsheltered homeless population. Since 2011 there has been a 35% increase in the number of homeless people with severe mental illness, pointing to an urgent need for housing coupled with healthcare services.

Partners

A number of Enterprise partners contributed to the financing and renovation of The Savoy. These organizations are profiled below.

Satellite Affordable Housing Associates

[Satellite Affordable Housing Associates](#) (SAHA) is a non-profit developer of affordable housing. SAHA is the product of a 2012 merger between Satellite Housing and Affordable Housing Associates (AHA), which have a combined 60+ years of experience in providing affordable, high-quality, service-enriched housing in the San Francisco Bay Area. SAHA (and AHA before SAHA) has a strong track record in affordable housing development and rehabilitation projects, many of which have used LIHTC-based funding. The Savoy was developed by Affordable Housing Associates before the merger, and the property is now overseen by SAHA. SAHA was named one of the top 50 affordable housing developers for 2013 by Affordable Housing Finance Magazine. SAHA provides affordable housing and services to more than 3,000 people in seven northern California counties. With innovative, well-designed housing and services, SAHA's mission is to "empower our residents to build better lives and create healthier, safer communities."²⁶ This mission is carried out through a long-term

²³ EveryOne Home and Aspire Consulting LLC (2013). Key findings and policy implications from the 2013 Alameda Countywide Homeless Count and Survey Report. Retrieved from:

http://www.everyonehome.org/media/resources_homeless-count13.pdf

²⁴ Lifelong Medical Care (2014). Supportive housing program. Retrieved from:

<http://www.lifelongmedical.org/Services/supportive-housing-program.html>

²⁵ [EveryOne Home](#) is the coordinator of Alameda County's plan to end homelessness. It is a community-based organization that is funded and guided by county agencies. The organizational mission is to provide a system of care that ensures that all extremely low-income people in the county have permanent, supportive housing by 2020.

²⁶ Satellite Affordable Housing Associates (2014). Mission. Retrieved from: <http://www.sahahomes.org/mission>



commitment to residents and communities, use of green building practices, provisions of high-quality services, and close oversight to ensure that SAHA properties are financially sustainable.

Most of SAHA's staff and leadership transitioned to the organization from AHA and Satellite Housing. The executive director, Susan Friedland, became executive director of AHA in 2006. Eve Stewart, the Director of Housing Development, has been with the organization for 11 years and has overseen the development of more than 450 housing units. Chris Hess, the director of resident services, has many years of experience overseeing supportive housing services for formerly homeless people and people with mental health challenges. SAHA includes around 100 other staff members working in property management and maintenance, resident services, human resources, finance, housing development, and executive positions. The organization is working to expand its portfolio of supportive properties like The Savoy, and is also transitioning into a property management role for many of its own properties.²⁷

Oakland Housing Authority and Housing & Community Development Agency

The [Oakland Housing Authority and Housing & Community Development Agency](#) were instrumental in helping SAHA to secure the Oaks Hotel and Jefferson Inn and now to operate The Savoy. The Oakland Housing Authority (OHA) provides subsidized housing to over 15,000 families and is responsible for reviewing tenant applications for residence in The Savoy. The Oakland Housing & Community Development Agency helps to fund the development of affordable housing by working closely with Oakland's nonprofit developers. The agency helped SAHA to purchase the Oaks when the building's former owner reneged on its responsibilities for financing and maintaining the building. The agency is working to increase conversions of subsidized Oakland SROs into efficiency units like The Savoy.²⁸

The John Stewart Company Diversified Housing Services

[The John Stewart Company](#) is the property manager for The Savoy, and is the largest private manager of supportive housing in California. The company has expertise in multi-unit real estate management, with a portfolio of over 350 properties and 20,000 units. Through its management services, the company fosters a supportive community and ensures financial health and accountability for property owners and sponsors. Providing specialized supportive services to formerly homeless people is a key strength of the company, and it works to hire specialized staff to provide both onsite services and referrals to outside programs. John Stewart is also experienced in working within the requirements of federal and state housing program and occupancy guidelines when conducting tenant screening and

²⁷ Chris Hess and Zachary Lopez, SAHA. Personal interviews. June 4, 2014, Berkeley, CA.

²⁸ Christia Mulvey, City of Oakland Housing and Community Development Agency. Personal interview. June 17, 2014, Oakland, CA.



compliance with housing assistance programs.²⁹ John Stewart provided property management for The Savoy before it was renovated, and thus has a continuous relationship with the property and many long-standing tenants.

Lifelong Medical Care

[Lifelong Medical Care's](#) mission is to provide social services and health care to underserved people. The organization was founded in Berkeley, California in 1976 in order to address unmet health needs for senior citizens. Over the past 35 years, this mission has grown to include service to low-income people, people with disabilities, and high-risk pregnant women. Lifelong now has nine locations throughout Alameda County, providing medical, dental, and social services to over 22,000 underserved people. Lifelong is also a public policy advocate for equal access to quality care, the expansion of home and community based care, and the reduction of health disparities.³⁰ A full-service Lifelong clinic is located a few blocks from The Savoy.

Project Description and Design

As described above, The Savoy was created from a rehab of two existing older buildings, the Oaks Apartments and the Jefferson Hotel. The Oaks Apartments was a single-room occupancy (SRO) hotel for many years and was owned by a Bay Area nonprofit housing organization called [Community Housing Development Corporation](#) (CHDC). CHDC began to have financial trouble in 2007 and could no longer pay for the upkeep on its 14 Oakland properties and vacant lots. The City of Oakland attempted to intervene and offer assistance, but by 2008 CHDC had just down all of its operations, leaving the properties in limbo.

The John Stewart Company was providing property management for several of the properties, including The Savoy, but could not continue without property insurance on the buildings. The City of Oakland obtained property insurance so John Stewart could stay at The Savoy, but without maintenance the building deteriorated quickly. Tenants filed lawsuits related to deferred maintenance and bedbugs. In 2008 the city council gave Oakland's Housing and Community Development Agency the authority to assign the loans on CHDC's properties to other local nonprofits. SAHA expressed

²⁹ The John Stewart Company (2014). Special Needs Housing. Retrieved from: <http://jsco.net/management/special-needs-housing/>

³⁰ Lifelong Medical Care (2013). History. Retrieved from: <http://www.lifelongmedical.org/history.html>



interest in the Oaks Hotel, and once the loan had been reassigned, the city foreclosed on the junior loan on the property to allow SAHA to bid on it at auction.³¹



Figure 4: The Savoy's new lobby

Image credit: Amy Sullivan

SAHA began to gather the financing to renovate the Oaks in 2009. When the adjacent Jefferson Hotel came up for sale, SAHA saw an opportunity to double the number of units, making the project financially sustainable. The two properties were joined with a single entrance and lobby. The renovation of the Jefferson occurred first, and the 24 residents who had been living there for an extended period time received a Section 8 voucher to move into another Bay Area apartment. John Stewart was involved in making sure these residents found a new place to live. Once the Jefferson renovation was complete, the residents of the Oaks moved over so that renovations on their building could be completed. No one from the Oaks SRO was displaced by construction.

Both buildings were gutted to create larger efficiency units with private bathrooms and kitchenettes. With the rehabilitation, most units doubled in size. There are now seven units for

people with physical disabilities, a computer lab, several common areas, a common eating area, 16 washer/dryers, and free internet.³² The living spaces are bright and modern.

In keeping with the Oaks' former demographics, The Savoy is targeted at people making 25-50% AMI and who were formerly homeless or at risk of homelessness. Rent is 30% of each resident's income, or

³¹ Christia Mulvey, City of Oakland Housing and Community Development Agency. Personal interview, June 17, 2014, Oakland, CA.

³² Quiana Hawkins, The John Stewart Company. Personal interview. May 27, 2014, Oakland, CA.



a minimum of \$50 per month. Up to two people can occupy each unit, but the majority of residents live alone. There are only a few children living in the property at any given time, and most of the former Oaks residents are senior citizens. Guests are allowed to stay for up to two weeks, and many residents allow friends to stay in their apartments for short periods of time. All guests sign in at the front desk when entering the building. As noted above, Lifelong Medical Care provides bus tickets, onsite case management, health referrals, and programs for the residents.

The neighborhood is extremely accessible to public transit and is in walking distance of two BART stations and numerous bus stops. A Lifelong Medical Care clinic is located a few blocks from The Savoy. Residents can walk to a farmer's market on Thursdays, several small local parks and the historic African American Museum and Library. There are several corner stores nearby. However, residents report that many of the amenities nearby, such as grocery stores and cultural activities, are not affordable to people in their income bracket. Residents must travel further for cheap groceries or obtain food from food banks or fast food restaurants. At the present time, there are few affordable, healthy food options in this neighborhood.

Project Financing and Income Projections

To renovate the Jefferson Inn and Oaks Hotel, SAHA requested a \$4,000,000 construction loan from Enterprise Community Loan Fund (ECLF) through the State Farm Neighborhood Partners Fund. The loan was planned to revolve during the construction period, with the balance declining with monthly pay-ins from the LIHTC equity awarded to SAHA. Following the construction period, the remaining balance would be paid through a final, \$4 million LIHTC equity pay-in. The term of the loan, beginning in April, 2011, was 48 months. The interest rate was 6.5%.

The loan was deemed to be a good fit with ECLF's priorities in the Northern California market. Enterprise had made two past loans to SAHA/AHA, both of which were repaid satisfactorily. Enterprise had also done eight prior tax credit deals with SAHA/AHA. Enterprise had a strong relationship with the SAHA development team and a guarantee of repayment from the LIHTC equity installment. An audit revealed that SAHA's income source diversification had increased 13% since 2007, and that the organization saw a positive change in net assets nearly every year.

While SAHA is a nonprofit entity, it operates as a business with a 15-year pro forma assuming yearly increases in income and expenses.³³ SAHA works diligently to prevent vacancies to maintain its financial stability. The scale of The Savoy is such that short-term nonpayment by a few residents does

³³ Chris Hess and Zachary Lopez, SAHA. Personal interviews. June 4, 2014, Berkeley, CA.



not adversely affect the property’s financial sustainability.³⁴ However, SAHA and John Stewart are attentive to the social effects of allowing residents to fall behind on their rent – both entities follow a strategy of keeping residents accountable for their rent and expecting prompt payment.

The total residential development cost for The Savoy was \$26,327,996, with commercial development costs of \$175,000 for three restaurants that occupied the first floor of the former Jefferson Hotel. The cost per residential unit averaged to \$258,951.

The 101 Savoy apartments were planned to include a mix of Annual Median Income (AMI) targets to target a variety of income levels. This included 15 units at 25% AMI, 11 units at 30% AMI, 15 units at 35% AMI, 20 units at 40% AMI, and 30 units at 50% AMI. The size of the property increases the management’s ability to work with residents who fall behind on rent.³⁵ Evictions are considered a last-resort option.

The City of Oakland was instrumental in facilitating SAHA’s purchase of the Jefferson Inn and Oaks Hotel. After foreclosing on CHDC’s loan to allow SAHA to buy the Oaks, the City continued its support of The Savoy project through a \$5,203,370 loan to SAHA for construction and operating costs. SAHA also obtained loans from the Oakland Housing Authority (\$3,015,000) and the State of California (\$1,945,657).

Source of Funds	Amount
Oakland Housing Authority	\$3,015,000
City of Oakland	\$5,203,370
State of California	\$1,945,657
Enterprise Community Green Initiative Grant	\$45,000
Deferred Dev. Fee	\$600,000
Accrued interest (non-ECLF)	\$137,939
LIHTC Equity provided by Enterprise	\$11,466,000 ³⁶
ECLF Bridge Loan	\$4,000,000
Total	\$26,412,966

[Planned] Uses of Funds	Amount
Acquisition	\$5,087,091
Rehabilitation	\$13,322,268
Soft Costs	\$8,003,607
Total	\$26,412,966

³⁴ Ibid.

³⁵ Chris Hess and Zachary Lopez, SAHA. Personal interviews. June 4, 2014, Berkeley, CA.

³⁶ Later increased to \$15,745,000.



Two part-time Lifelong employees provide onsite social services and case management for The Savoy. Lifelong receives \$70,000 per year from the property's operating budget to provide these services, which include counseling referrals, health and wellness programs, social support activities, and building relationships with residents to help them resolve personal and financial issues. Building the cost of supportive services into the property's operating budget is crucial to maintain these services, as Lifelong is often funded by short-term government and foundation dollars.³⁷

Impact Assessment

OHA and the City of Oakland work in coordination with a regional goal of providing a system of care that provides permanent, supportive housing for all extremely low-income people in Alameda County by 2020. Properties like The Savoy contribute to this mission. The number one outcome sought by the City, SAHA, John Stewart, and Lifelong Medical is that all residents of The Savoy maintain their housing. Secondary outcomes sought include connecting residents with healthcare (including mental healthcare) and other social services that will allow them to become more independent. The neighborhood has a legacy of homelessness and the supportive services incorporated into the property are aimed at reducing the individual and neighborhood impacts of homelessness.³⁸ Lifelong Medical's goal is to have a continuous presence in supportive housing properties, working closely with residents to systematically address their individual issues.

Enterprise's mission for supportive housing is similar, with the theory of change being that permanent, affordable housing allows low-income people to create a stable foundation to build healthy, productive lives and to connect with opportunity.^{39,40} Permanent supportive housing has also been found to be a cost-saving option for cities. Providing permanent housing and social services for formerly-homeless people, or those at risk of homelessness, has been found to be much more cost-effective than housing

³⁷ Brenda Goldstein, Lifelong Medical Care. Personal interview. June 27, 2014, Berkeley, CA.

³⁸ Ibid.

³⁹ Enterprise Community Partners (2014). Impact of affordable housing on families and communities: a review of the evidence base. Retrieved from: https://s3.amazonaws.com/KSPProd/ERC_Upload/0093581.pdf

⁴⁰ Branca, N., Greenspan, S., Jacquet, E., Louard-Michel, D., Ramirez, B., Shire, V., & Stuart, C. (2012). Building futures: creating more family supportive housing in New York City. Enterprise Community Partners, The Supportive Housing Network of New York, and Corporation for Supportive Housing. Retrieved from: https://s3.amazonaws.com/KSPProd/ERC_Upload/0083578.pdf



people in shelters.⁴¹ These cost savings account for reductions in criminal justice, healthcare, and social services expenditures.

Finally, SAHA, Lifelong Medical, and the City seek to create and preserve affordable housing near transit in downtown Oakland. This is a time-sensitive mission. As noted above, gentrification and property value increases in the surrounding areas mean that vacant and older properties in the vicinity are becoming more expensive and harder for nonprofit developers to purchase.

Measurement

As The Savoy has only been open for one year, longitudinal data analysis is not possible. Instead, this analysis relies upon the observations of property management and supportive services staff and reports from the residents themselves.

Individual Impact: Residents' Lives and Health

I. Observations from Management and Service Providers

Quiana Hawkins – property manager (John Stewart)

Quiana is employed by the John Stewart Company and has worked at the property for seven years, including several years before the Oaks Hotel was rehabbed. She knows most of the residents well and they keep her updated on their day-to-day lives. Quiana describes herself as deeply committed to housing and “getting people to where they need to be” – helping them understand the “do’s and don’ts” of living healthy lives in their residential community.

Quiana describes the condition of The Savoy as drastically improved since the rehab. Before, the units were, in her words, “just rooms,” with no kitchenettes or private bathrooms. There were 3-4 bathrooms and 1-2 showers per floor, with one kitchen for every two floors. Quiana reports that there had been no upkeep done on the building for years, not even basic cleaning. Quiana describes an environment infested with bed bugs and other pests. The owner of the property, a nonprofit housing provider, had walked away from this and several other Oakland properties, leaving John Stewart to attempt to run the property with no funds or oversight.

Quiana reports that the new common areas are inviting and have reduced the number of people hanging around outside the building.

When SAHA, Enterprise, and other partners put together the deal to rehab the Oaks and combine it with the Jefferson, Quiana was involved in helping residents relocate and making sure that no one was involuntarily displaced from their units. Once the Jefferson rehab was complete, most long-term Oaks

⁴¹ Enterprise Community Partners and Corporation for Supportive Housing (2011). Permanent supportive housing: an operating cost analysis. Retrieved from: <https://s3.amazonaws.com/KSPProd/cache/documents/675/67590.pdf>



residents left their units and moved to the Jefferson. People who had been staying in the Jefferson were given housing vouchers and moved into new places throughout the Bay Area. Current residents of The Savoy are a mix of new and long-standing residents. Building “A” – the old Jefferson – houses mostly long-standing residents of the former Oaks, who tend to be seniors. Building “B” – the old Oaks – houses all new residents who were formerly homeless.

At The Savoy, Quiana handles the logistics of resident placement. All placement decisions are made by the Oakland Housing Authority. Residents pay 30% of their income in rent, with the minimum rent being \$50 a month, and Quiana handles rent payments. She reports that most residents pay their rent on time and she has processed only a few evictions since the rehab.

Apart from non-payment, the most common violations she handles are smoking and guests that stay longer than the city-mandated 14-day limit.

Kelly Wanzo – Lifelong Medical Services Provider

Kelly works for Lifelong Medical Services and worked at the Oaks for several years before the rehab. During the rehab, she helped secure Section 8 vouchers for people leaving the Jefferson, and she now provides services to the entire population of The Savoy. Lifelong provides case management to make sure the residents of The Savoy maintain their housing. This involves helping residents stay in compliance with building rules and providing referrals for psycho-social care and medical services at Lifelong’s nearby clinic (located at 16th and Jefferson, two blocks from The Savoy). Kelly checks in with all residents at least twice per month and visits many elderly tenants in their units.

Kelly also coordinates community and health activities for The Savoy’s residents. These include Alcoholics Anonymous (AA) and Narcotics Anonymous (NA) meetings, monthly health-focused lunches with medical providers, and daily coffee hours during which residents are served a light breakfast. Kelly also oversees social activities including a knitting circle, bingo, and movie nights. She estimates that about half of the residents participate in some sort of community or healthy living activity. Kelly also offers resume-building and professional behavior workshops, but reports that few tenants participate in these activities. Lifelong keeps sign-in sheets for all activities and reports this data to SAHA.

Since the rehab, Kelly has seen a marked improvement in the dispositions of the former residents of the Oaks. The old building, she says, had a detrimental psychological impact on the residents – it was gloomy and infested with roaches and bed bugs. Residents internalized, she thinks, the general lack of concern for their well-being. Since the rehab, the residents have a greater sense of pride in their surroundings. Beyond immeasurable individual psycho-social impacts, the building’s impacts on residents have manifested in at least three concrete, communal ways. First, Kelly remarks that there is a greater sense of peace in the building, and that it is much less “chaotic” than before the rehab. Secondly, residents take a great deal of pride in the building. Kelly reports that tenants are much more



likely to report (infrequent) damage and vandalism, and to police other residents' behavior to make sure that common spaces are clean. And third, residents socialize in common areas much more frequently than they did before the rehab. Kelly believes this is crucial for fostering a sense of community within the building and for involving people who never used to leave their rooms.

In sum, Kelly believes that "a building has character and speaks to people." The clean, modern appearance of The Savoy, she says, tells the residents that there is something better on the horizon and that they can have pride in their homes. After the rehab, one resident remarked to her that the building "doesn't look poor." To formerly-homeless people who have faced housing and income challenges throughout their lives, Kelly believes The Savoy has made a huge psycho-social difference.

Kelly reports that, while most people do not take advantage of her resume and professional skills-building workshops, she does see increased interest in skills development and job placement. She reports that some people in the building are looking for employment or already hold jobs, including at Wal-Mart, in industry/manufacturing, and as chefs or truck drivers. In the future, Kelly plans to increase activities for people who she says "want something different and don't know how to get it." This will include an employment board targeted around re-entry jobs for people who may have a history with the criminal justice system.

II. Observations from resident focus groups and interviews

A focus group of 18 residents was conducted on June 19, 2014, with follow-up conversations with select individuals after the group discussion. Two of the respondents were former residents of the Oaks Hotel; the rest moved in during 2013 and had lived in the building for approximately one year. The group included three men and 15 women. Residents were asked questions about their lives before moving to The Savoy, life changes upon moving in, services and amenities accessed, community in the building, and their relationship with the neighborhood. Their responses are summarized here.

Life before The Savoy

Prior to moving into The Savoy, most residents lived in Oakland or San Francisco in shelters, transitional housing, or SROs with shared bathrooms. Others were unsheltered or lived in their cars. The group agreed that they felt very unsafe in their previous living arrangements. Women, in particular, found SROs in the Bay Area to be unsafe. People who had lived in SROs and shelters reported that they lacked privacy and did not have adequate space or security to store their belongings.

The group reported that their largest barrier to finding safe, permanent housing before The Savoy was affordability. Rents kept going up, and many residents were evicted from SROs and shelters because



low-income programs ended or because these facilities were overcrowded. Most people in the group accessed social services before moving into The Savoy.



Figure 5: Some of The Savoy's residents pose for a group shot after lunch

Image credit: Amy Sullivan

Life changes upon moving into The Savoy

Residents emphasized that they feel a large sense of relief at having a permanent, stable place to live. They also emphasized that they feel safe at The Savoy. These two changes have reduced the stress in their lives and have allowed them to focus on making other changes in their lives. As one resident put it, "it's a good feeling to live somewhere permanent." Another resident reported that she has become more responsible for herself as a result of living in The Savoy and having access to the building's supportive services. The privacy afforded by private bathrooms and kitchenettes is valued highly by the group. People also reported that they have joined social programs at the building, including walking, knitting, and stop-smoking groups. Finally, residents report that they can pay for other necessities now that they have access to affordable and stable housing.



Social support and community

Residents reported that there is a sense of family and community in The Savoy. People in the group say they generally have many friends in the building. Residents emphasized that people in the building share extra resources with each other, including clothing, food, and bottles collected for refunds. The group reported a general sense of friendliness in the building. Many residents stated that people in the building are trying to better themselves and not bring the “outside in” – that is, they are seeking to separate themselves from the negative aspects of their lives when homeless.

People also value the respect they feel from the management and Lifelong employees. There is good communication between residents and management, and The Savoy staff members are respectful of residents’ guests. Residents feel like they can talk to the management and Lifelong about their problems.

Building management

Residents say they feel a sense of pride for the building because it is clean and well-managed. People report that they try to set an example for each other and encourage other tenants to keep common areas clean.

Transit and area amenities

Participants in the focus group reported that they primarily use public transit, para-transit (a service for people with physical disabilities), or walking to get around. Lifelong Medical gives each resident four free bus tickets every month. The Savoy is very central for transit, according to the residents. They also report that the area is a nice place to go for walks.

Residents go to the nearby Chinatown farmers market and nearby corner stores for groceries. On Thursdays many people go to a food drive at nearby Lowell Park. However, many neighborhood amenities are not affordable to people living in The Savoy. Focus group members mentioned bookstores, the nearby mall, and cultural events as things they cannot afford.

Health

While most focus group participants accessed social and health services before moving to The Savoy, several people reported that having referrals and points of contact in the building has streamlined their access to care. This is particularly true for people who register with Lifelong Medical (which is not mandatory for building residents). Two women reported that they have had more regular access to counseling since moving into The Savoy. Two residents in the group have also been able to adopt kittens as part of a local mental health program.

Work and volunteering

Some participants in the group reported that they are self-employed. Many others volunteer their time at The Savoy by helping staff set up for activities, making coffee for the morning social hour, and



cooking for social events. Residents who reported volunteering in the building had a sense that their activities help to contribute to the building's community.

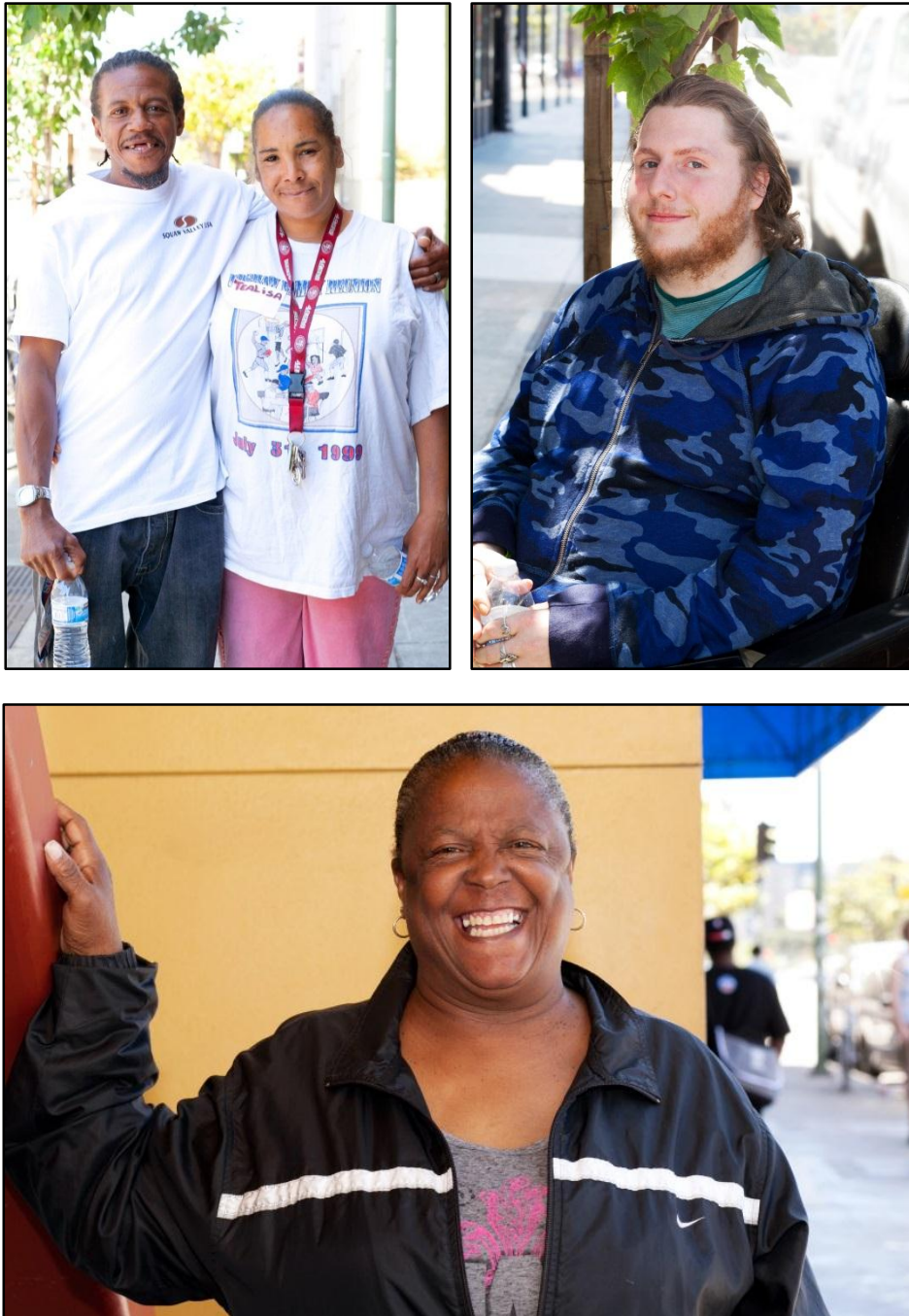


Figure 6: (From top left): Johnny and Tealisa, Jeremiah and Ira, all of whom have lived in The Savoy for approximately one year

Image credit: Amy Sullivan



Neighborhood Impact

As noted above, it is difficult to measure the neighborhood impact of an affordable housing property after just one year of operation. Neighborhood changes over the past 15 years were established above in Section 3.

Neighborhood changes reported by the residents of The Savoy include the following:

- Safety problems like drugs and prostitution still exist in the neighborhood, but these problems are not as bad as they used to be.
- There is less violence out in the open now, but violence does still exist in the neighborhood.
- The neighborhood continues to be unaffordable for low-income people and this is getting worse. Only The Savoy housing is affordable.

Neighborhood changes reported by Savoy staff and SAHA include the following:

- There are fewer homeless people and SRO residents congregating outside The Savoy than before the renovation.
- The Savoy's new aesthetic fits in better with its surrounding buildings, including market-rate condos across the street.
- Property values in the neighborhood are rising rapidly and it will soon be more difficult to build or preserve affordable housing in the area. The Savoy is a successful case of preserving affordable housing in this market.
- Other affordable housing properties have been developed or are in process in the vicinity. This includes four other Enterprise-funded properties.
- Publicity surrounding The Savoy has drawn affordable housing developers' attention to the San Pablo Gateway neighborhood and the potential for preserving other affordable buildings before property values increase even more.

Impact of Enterprise's partnership with SAHA

Enterprise's \$4 million loan and \$45,000 Community Green initiative grant to SAHA are part of an enduring partnership between the two organizations. Since Enterprise made this loan in 2011, SAHA has successfully renovated The Savoy and the property has been fully occupied since it opened in 2013. Evictions are minimal, keeping the property in good financial health.



Supportive housing is currently a small percentage of SAHA's portfolio. Based in part on its positive experience with the renovation and operation of The Savoy, however, SAHA is hoping to increase its portfolio of supportive housing in the East Bay. Chris Hess, Director of Resident Services, and Zachary Lopez, Director of Property Management, note that creating more properties of this type will lead SAHA to have a greater impact in the East Bay because of the potential of scaling resources and policy changes.⁴² This will require SAHA to develop additional supportive housing expertise and to continue



Figure 7: The Savoy's entrance

Image credit: Amy Sullivan

to solicit investments and LIHTC equity. Hess and Lopez report that SAHA's enduring partnership with Enterprise has facilitated over a dozen affordable housing and redevelopment projects in the East Bay.

SAHA is currently moving to bring The Savoy's property management in-house in November, 2015.⁴³ John Stewart will aid with this transition. SAHA is rolling out a visual grievance system to streamline residents' interactions with property management. Working with data collected by Lifelong Medical, which reports on resident outcomes through the Alameda County Homeless Management Information System, SAHA is also creating a strategic plan to standardize outcomes for residents of its properties.

Hess and Lopez note that SAHA and other nonprofit developers have a difficult task of competing with market-rate developers in the competitive Bay Area real estate market. Creating projects like The Savoy is not easy and necessitates committed partners like Enterprise. The huge demand for affordable units in the East Bay shows how much more housing is needed. Recognizing that affordable housing is a growth industry,

⁴² Chris Hess and Zachary Lopez, SAHA. Personal interviews. June 4, 2014, Berkeley, CA.

⁴³ Ibid.



and bolstered by funding like that received from Enterprise, SAHA pursues land and property acquisition, construction, redevelopment, and civic engagement in Sacramento to push for policies friendly to affordable housing construction and preservation.

Conclusion

Enterprise's investment in SAHA was instrumental in the construction of The Savoy. The property has had many positive impacts on its residents, most notably in the form of better health outcomes and increased housing and financial stability. The San Pablo Gateway neighborhood now has an additional 101 units of affordable housing that will be preserved as rental prices increase in the area. SAHA is successfully overseeing the property and plans to move property management in-house in the next few years.

As reported by John Stewart, SAHA, Lifelong Medical, and the residents themselves, The Savoy has had a meaningful impact on residents' lives in the year since the building reopened. The largest impacts are housing stability and mental health improvements – these include both access to structured mental health services and the more intangible, but extremely impactful, effects of living in permanent, safe, affordable housing. These include stress reduction, an increased sense of safety, and the ability to focus on activities beyond finding and maintaining permanent housing. The positive mental health impacts of moving from homelessness to permanent, affordable housing are well documented.⁴⁴ These were the primary types of impacts reported by the focus group participants.

SAHA and John Stewart report that more residents are maintaining their housing since the rehab of the Oaks. The onsite presence of Lifelong Medical has helped many residents to ask for case management assistance if they have trouble paying rent. Only a few evictions have occurred since The Savoy opened in 2013.

The Savoy was selected as the San Francisco Business Times' 2014 "[Real Estate Deal of the Year](#)" in the category of affordable residential deals outside San Francisco, and was a 2014 finalist in the *Affordable Housing Finance* Readers' Choice Awards. The deal was unique in that the renovation was completed without displacing any existing residents. Affordable housing conversions of SROs in the Bay Area, while well-intentioned, often result in resident displacement and have thus been the targets of protests and lawsuits. As shown by SAHA's experience with The Savoy, combining an existing SRO with an adjacent building eliminated construction-related displacement and also made the project financially sustainable by increasing the number of units housed in a single property.

⁴⁴ Enterprise Community Partners (2014). Impact of affordable housing on families and communities: a review of the evidence base. Retrieved from: https://s3.amazonaws.com/KSPProd/ERC_Upload/0093581.pdf



Due to several decades of neighborhood decline, exacerbated by the 2007-2009 financial crisis, many properties in The San Pablo Gateway and adjacent neighborhoods fell into disrepair and/or foreclosure. SAHA took advantage of this opportunity to create and preserve affordable housing in the neighborhood. However, as discussed above, market-rate developers are also cashing in on cheap land prices, suggesting that land prices and rents may soon increase. SAHA and Enterprise's work in these areas is crucial to preserving affordable housing before land prices become prohibitive to nonprofit developers. The Savoy is a promising model for affordable, supportive housing that improves residents' lives. This model can be extended to meet the needs of the East Bay's large homeless population. In funding properties like The Savoy, Enterprise continues its work in strengthening communities and creating opportunities for low-income people in the Bay Area.