



MUTUAL HOUSING CALIFORNIA
25th Anniversary Report

25



Mutual Housing at 25

This year at Mutual Housing, we're celebrating — celebrating our mission, celebrating our residents, and celebrating our accomplishments of the past 25 years. Yes, we are proud of our achievements, but above all we are uplifted by the many examples of the success of the Mutual Housing model.

Since 1988, we have invested over \$100 million building or renovating homes that currently house 3,000 people. We keep the rent low so those who can't afford market-rate rent can know the safety and stability of a strong roof over their heads and a supportive community. We now own and operate more than 1,000 apartments in 18 different communities in Sacramento and Yolo counties.

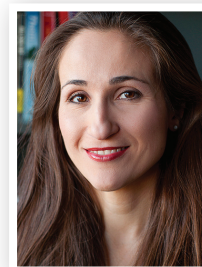
Beyond the bricks and mortar of our communities, what makes us special is our commitment to strengthening neighborhoods and growing our residents' unique skills through a comprehensive community organizing and leadership development program. We create housing, and then we set about the work of helping people build richer lives with home as their foundation.

In 25 years, we've watched our residents do some amazing things — advocate and win a citywide ordinance to ensure quality rental housing; plant and harvest their own fresh produce through community gardens; realize the dream of financial independence by saving for education, career goals and home ownership. In this report, you will hear their triumphs through the stories of a single mother who grew to lead our Board of Directors, a young boy who appreciates a quiet space for his homework, and an immigrant who changed not only her own life through Mutual Housing, but the lives of scores of other residents.

Of course, we are also proud to share the story of our evolution and the invaluable impact affordable homes can have on an entire community — as with the tens of millions of dollars of reinvestment and hundreds of jobs that our housing has generated and saved over the past two and a half decades.

Finally, we offer this report as a celebration of community. Without a generous community of supporters and partners, volunteers and leaders, we would not be able to achieve all that we have as Mutual Housing.

Thank you.



Mindy Romero
Chair, Board of Directors



Rachel Iskow
CEO



Dedication: This report is dedicated to NeighborWorks® America, which created the model for mutual housing and its resident-led philosophy. The talented NeighborWorks® America staff and board not only facilitated the founding of Mutual Housing California but have helped us thrive for the past 25 years.

Creating Healthier Neighborhoods

NEIGHBORHOOD RENEWAL

In 1989, Mutual Housing acquired its first distressed multifamily community – Glen Ellen Estates in South Sacramento. We renovated and rehabilitated the dilapidated buildings into healthy, welcoming homes for 36 families. And we haven't stopped since. Renovation — or rehab — has been a cornerstone of our strategy to increase the number of affordable homes for low-wage workers. From this physical renewal springs community renewal, encompassing entire neighborhoods and touching the lives not just of our residents, but of local homeowners, small businesses, and public and private service providers.

Mutual Housing communities that we have acquired, improved, and made affordable for residents in low-income areas over the last 25 years now house nearly 1,200 people at six of our Sacramento communities. In their neighborhoods, Mutual Housing's renovations have helped bring:

- Millions of dollars in public funding for parks, environmentally sustainable improvements, youth intervention programs, and safety initiatives
- Organized outreach efforts by service organizations
- Community watch groups and other coalitions of concerned neighbors
- Increased property values and sales at local businesses

Striving to protect renters

A turning point in our renewal efforts came in 2008, when we extended our commitment to healthy neighborhoods beyond the borders of our own communities. Having identified a dangerous lack of health and safety standards in Sacramento's rental housing, we became a leader in the local effort to establish a citywide rental housing inspection ordinance. We organized our residents, training them to engage their civic leaders on the crucial issue of ensuring quality housing for all renters. In an inspiring example of citizen advocacy, Mutual Housing residents led the way in the passage of Sacramento's first-ever requirement for regular inspections of all rental housing.

NEW CONSTRUCTION STRATEGIES

Not just any vacant parcel will do when it comes to creating new Mutual Housing communities. For the convenience of future residents, we build at sites that are close to health care facilities, schools, grocery stores and public transit.

We identify potential vacant sites through our relationships with local governments, brokers and neighborhood groups, and then evaluate those locations based on proximity to neighborhood amenities. When a parcel makes the cut, we talk to local leaders about what type and design of housing they would like to see in their neighborhood.

Our development process is also defined in large part by the needs of those who have the most difficulties with housing access due to high rents, size of living spaces and physical challenges. Priorities of the local, state and federal funding sources that finance the construction also guide our planning.

In the design phase, top considerations include:

- Community sustainability and use of green materials
- Creation of healthy and safe living environments
- Inclusion of on-site amenities, including large indoor and outdoor gathering spaces, for use by residents of all ages and abilities

New construction gives us maximum potential to make our building design reflect the community building element of our mission. We strive to include features that encourage relationship building, such as:

- BBQs
- Porches and buildings that face each other
- Tot lots
- Learning classrooms and computer labs

Dinael Bedolla,
age 11, River Garden
Estates Mutual Housing



My life has changed a lot since we came to live here. I have more room to play, more room to sleep, and more room to place more Christmas presents!

At school I have made a lot of new friends. At the park I spend a lot of time playing. I concentrate on my homework. At my old school I couldn't concentrate that much. In my old apartment I didn't have enough room for any of my things.

I'm a lot happier here. I feel like it's my dream house. I always wanted to have a house with stairs. I even have a lizard here.

I love this house.



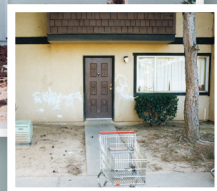
Glen Ellen



Norwood



Evergreen



before

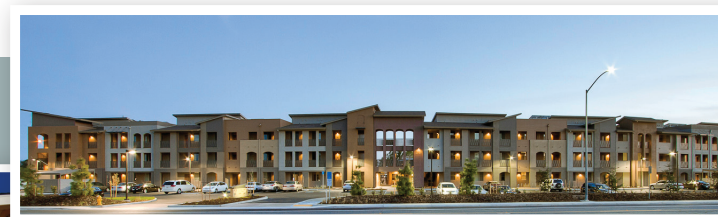


before



before

New Harmony



Highlands



Moore Village

Lemon Hill



Timeline | Housing Development

Sacramento Mutual Housing Association founded as NeighborWorks® network's first Mutual Housing association in the western U.S.



Preserve federally subsidized apartments by acquiring Foothill Plaza community in Foothill Farms



Los Robles MH, 2nd new construction on vacant infill, in south Sacramento adjacent to retail center

Buy distressed River Garden Estates for \$1 from federal government. Organize neighborhood and residents to create newly renovated and safe community in South Natomas

Over 1,000 people housed in MH communities



1988

1989

1990

1991

1992

1993

1994

1995

1996

1997

1998

1999

2000

2001



Acquisition of first property for rehab: Glen Ellen MH in Executive Airport neighborhood

Acquisition of Evergreen MH for rehab in North Sacramento

Norwood MH: 1st new construction on vacant infill site in Del Paso



Greenway Village in Lemon Hill, an acquisition and renovation of a boarded property, becomes our 5th community

First MH community constructed in Davis: Twin Pines Community

Norwood MH phase II, built after a demolition of unsafe apartments, creates new homes adjacent to existing Norwood MH in Del Paso

Enriching Lives with Possibility

NURTURING VIBRANT COMMUNITIES

Mutual Housing has always been committed to building and growing a full-fledged community organizing and leadership development program. We hired our first full-time organizer in 1994 and now employ a group of full-time organizers who collectively speak multiple languages and help transform our residents into leaders. We also integrate AmeriCorps*VISTAs and college interns in social work, nursing and other disciplines into our community-building team.

Using a strengths-based approach, we train scores of new residents and volunteers each year in community-building techniques. Mutual Housing's distinctive organizing program in the last 25 years has combined resident-led efforts to include:

- Establishing adult and youth resident councils that create unique goals for their own communities
- Improving safety through neighborhood watch groups and safety fairs
- Celebrating cultural diversity and inclusion
- Advocating for public policy changes
- Increasing access to nutritious foods through community gardens and urban farm stands
- Focusing on the arts, including cultural education and story-telling projects
- Emphasizing youth well-being with after-school and summer activities

Embracing our neighbors

To focus on neighborhood revitalization is to understand the people beyond the boundaries of our own properties. Since our first renovation in 1989, we have remained committed to collaborating with neighbors, even receiving major grant funding to:

- Organize within immigrant and refugee communities
- Address neighborhood-specific health needs, such as increasing access to health information and nutritious foods
- Lead youth coalitions
- Revitalize neighborhoods
- Build family and community assets



CULTIVATING LEADERS AND GROWTH

Providing ways for our residents to develop their leadership skills creates more opportunity for them, their families, and the residents who share their communities. Today, our residents continue the Mutual Housing legacy of stepping forward to lead their communities in a variety of ways, including:

- Joining resident council or planning committees
- Serving on the organization's Board of Directors
- Participating in civic engagement initiatives
- Attending trainings with their peers from other cities around the country at NeighborWorks® America-sponsored gatherings
- Leading community watch programs

Financial capability programs for youth and adults

A decade into our growth, Mutual Housing added a new dimension to our mission of helping residents improve their lives: financial capability programs that illuminate pathways to financial stability and security. In 1998 we joined the emerging Individual Development Account (IDA) field by starting our first financial education and matched savings program to help residents achieve their goals and dreams. We have since expanded to partner with other private and public organizations to create financial learning and action opportunities for hundreds of people — not just our residents — in multiple languages. This has included outreach to immigrant communities to ensure that they get free tax return preparation and receive the Earned Income Tax Credit. This is money that these families can both save to improve their financial health and also spend at neighborhood businesses to stimulate the local economy.

Computer learning centers

Our community spaces have always offered training and educational programs. Over the last 15 years, we have intentionally increased the number of computer labs, which now offer technology at eight of our communities. At those learning centers and in our community rooms, residents regularly benefit from:

- Free Internet access
- Job-related and technology training
- Literacy and language workshops
- Youth homework and tutoring sessions
- Access to health and nutrition information



Loretta Dillon, former resident and first resident Chair of Mutual Housing's Board of Directors



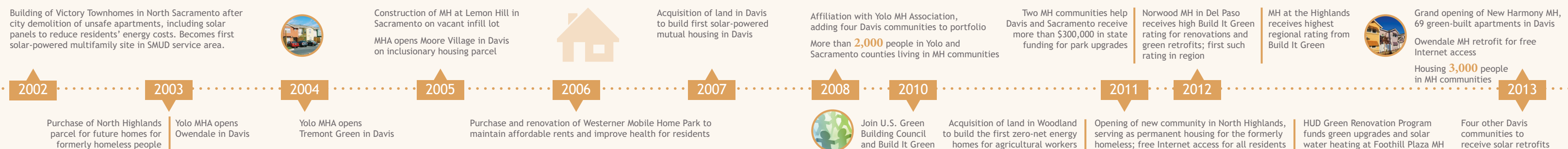
Mutual Housing had a profound effect on my life both personally and professionally. Back in the early '90s, I was a single parent living in a small one-bedroom apartment with my son, working for minimum wage and on public assistance. The rent was going up, and the area was turning bad rapidly, but the expense of alternative safe housing kept me in an unsafe environment.

I was fortunate to be one of the original residents of Evergreen Estates Mutual Housing in 1993 after it was renovated. The community participation encouraged there helped develop my abilities to solve problems and make a difference in people's lives, and eventually I joined the Board of Directors and started college.

I was elected as the first resident Board Chair in Mutual Housing's history. From that experience, I learned to trust myself and my judgment. My confidence improved all aspects of my personal life. In 1998, I graduated college and I have now worked for the state for 13 years. I left Mutual Housing in 1996 when I bought my own house. This year, my son and his wife are buying their first house right around the corner from me.

Mutual Housing gave me a safe, affordable place to raise my son, freedom to pursue important personal goals, and the community support that allowed my son and me to succeed.

Timeline | Housing Development, cont.



Infusing Innovation

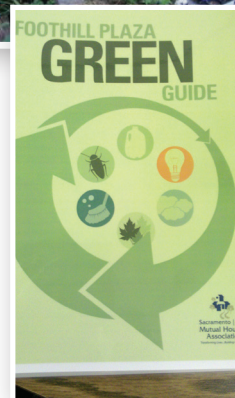
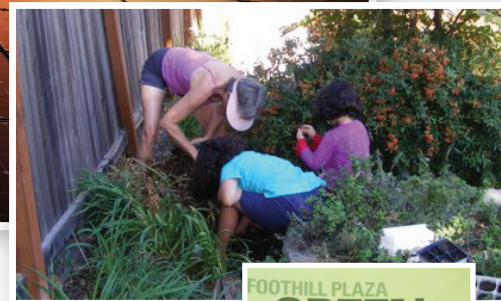
Green building and design

Building with an eye toward the environment began with our first solar roof project at Victory Townhomes in 2002, and we have steadily grown our capacity to develop green communities. Now, with an emphasis on green renovations and energy efficiency, we are shrinking our carbon footprint, crafting healthier and more sustainable living spaces, and improving our own long-term financial viability as we lead the region in green affordable housing work. Some green accomplishments at our communities:

- Foothill Plaza in Sacramento — awarded green rehab funds from HUD; extensive green retrofits in 2011, including solar-thermal panels
- Mutual Housing at the Highlands — in 2012 received the highest rating in the region for any residential community from Build It Green
- Norwood Mutual Housing in Sacramento — received highly-scored Build It Green certification after major renovations in 2012
- New Harmony in Davis — built to high green design standards, with nearly 80 percent of electrical needs provided by solar power; Build It Green certification expected in 2013
- Four communities in Davis converting to solar power in 2013
- Designing a future community to operate at zero-net energy in Woodland



New Harmony solar panels
Photo: Sun Light & Power



What do we mean by green?

Working hard to build our knowledge of green building principles in an era of burgeoning technology, Mutual Housing has become an innovator of sustainable design in rehab and new construction. These are some of the design elements that benefit our residents, our environment, and our bottom line:

- Solar electricity and hot water
- Improved insulation
- High-performance windows
- Reduced air infiltration
- Water conserving landscape plans
- Integrated pest management techniques
- Efficient heating and cooling systems
- Energy Star appliances and light fixtures
- High indoor air quality, thanks to the use of low-VOC and low-formaldehyde paint, adhesives, counter-tops and cabinets

Building green leaders

Our Green Leaders Program bridges the two vital parts of our mission – housing development and leadership – by educating residents about the full range of green elements included in our construction that benefit their communities. The program also recruits and trains groups of youth and adult leaders at our communities to plan and execute various types of green education projects of their choosing. The program also offers opportunities for residents to participate as employees in the regional green economy.



CASE STUDY — SEEDING A NEIGHBORHOOD FOR GROWTH

Our coalition-building and collaboration have earned Mutual Housing a strong reputation for its deep community relationships. Sometimes, we are asked to build communities without ever swinging a hammer.

In 2004 Mutual Housing was tapped by current California Insurance Commissioner and then City Councilmember Dave Jones (pictured above in white t-shirt) to lead an effort in the Avondale/Glen Elder neighborhood of South Sacramento to implement a federal grant from the U.S. Department of Justice – to weed out the negative influences and seed in the positive. “Weed and Seed,” as it has come to be known, was one of the most collaborative revitalizations in the city’s recent history.

We called on our organizers, our partners, our relationships and our reputation to help neighbors and concerned residents take back their neighborhood. We were honored to lead a broad and robust coalition of:

- Law enforcement
- Neighborhood associations
- Public schools
- Service providers
- Faith-based organizations
- Resident leaders

Working together, the Weed and Seed coalition addressed property neglect, crime, and alienation issues. They fostered stronger relationships between resident leaders, city officials, and law enforcement, resulting in better code enforcement, neighborhood clean-ups, and community-building programs and events. Residents who grew their skills in Weed and Seed later led a successful movement to oppose gas storage underneath their homes, and were recognized for their leadership and organizing abilities.

From the initial Weed and Seed grant followed another large multi-year grant from a private foundation to further build on the neighbors’ efforts, and from those came yet another federal grant to address substance abuse among area youth. Proud of our proven ability as a solid steward of public funds, Mutual Housing continues to lead innovative neighborhood improvement projects in the area, such as the South Sacramento Coalition for Future Leaders.

Pa Phang,
Mutual Housing
community organizer
and former resident of
Greenway Village Mutual
Housing



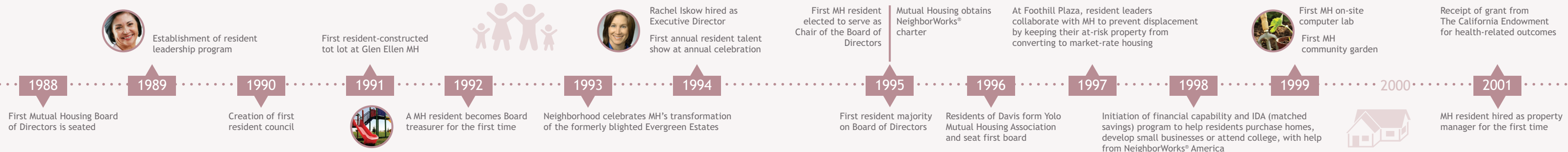
I am Pa Phang, a member of the Mutual Housing community organizing staff and a former resident of Greenway Mutual Housing in South Sacramento. Mutual Housing is like my family - much more than just my employer or former landlord.

I immigrated here from Laos when I was nine years old, after my family and I lived in a refugee camp at the end of the Vietnam War. We worked hard to learn English and assimilate. As a young adult, when my husband and I were living in a very dangerous part of the county with our four children – sharing a small house with some of his family – I saw that Mutual Housing was renovating the Greenway Village apartment complex and that there would be five-bedroom apartments available! That’s how I first joined the Mutual Housing family.

At Greenway, many of my Hmong neighbors didn’t speak English, and I began to help our community organizer by translating for them. Soon, I was hired as a community organizer myself, and I have now worked for Mutual Housing for 13 years. My job is to help residents find their talents, help each other, and build their own sense of community. For many years, I have found happiness in building bridges among residents.

Our affordable apartment and my job helped my husband and I save money to buy our own home. Although I later lost my husband tragically, the stability I found with Mutual Housing has allowed me to keep our family home and raise my children into thriving adults. I am grateful to Mutual Housing for so much, but more than anything for giving me security and a chance to grow.

Timeline | Community Organizing

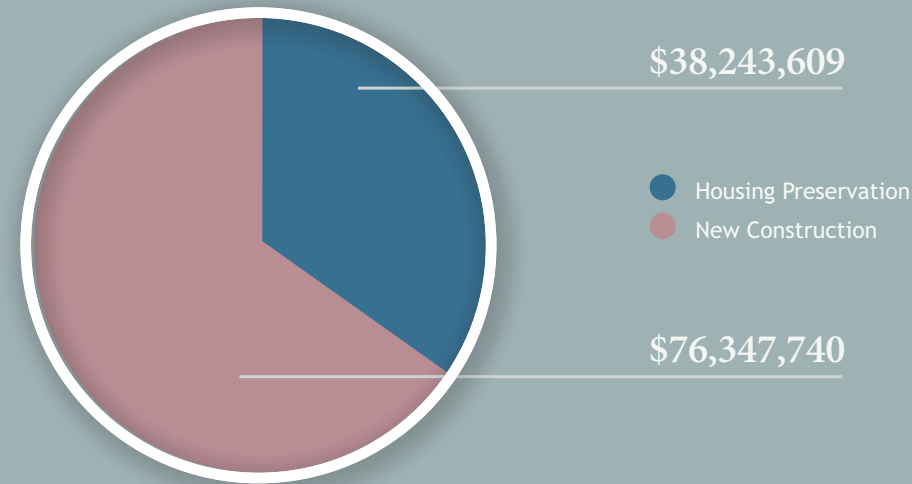


Financial Growth & Impact

As a nonprofit 501(c)3 corporation, Mutual Housing operates at the highest financial standards, employing best practices and GAAP accounting principles. Our financial operations are audited by a Certified Professional Accountant each year. To remain active in the complex business of housing development, our diverse funding sources over the past 25 years have included:

- NeighborWorks® America
- Local, state, and federal grants
- Private foundations
- Corporate funders
- Private investors
- Conventional lenders
- Individual donors
- Development fees

Total Housing Investment 1988-2013



Board of Directors

Chair

Mindy Romero

UC Davis Center for Regional Change*
Tremont Green Mutual Housing

Secretary

Jack Ledyard

Retired
Westerner Mutual Housing

Treasurer

Elizabeth Beigh

F&M Bank*

Greg Chew

Sacramento Area Council
of Governments (SACOG)*

Colin Bailey

Environmental Justice
Coalition for Water*

Audrey Scott-Henley

Legacy Ventures*

Jay Schenirer

Sacramento City Council District 5
Joe Devlin, District 5 Chief of Staff
(proxy)

Cartearra Johnson

Student, American River College
Norwood Mutual Housing

JiaLi Wu

Student, Sacramento City College
Mutual Housing at Lemon Hill

Crystal Irwin

Homemaker
Mutual Housing at the Highlands

Rebekah Davis

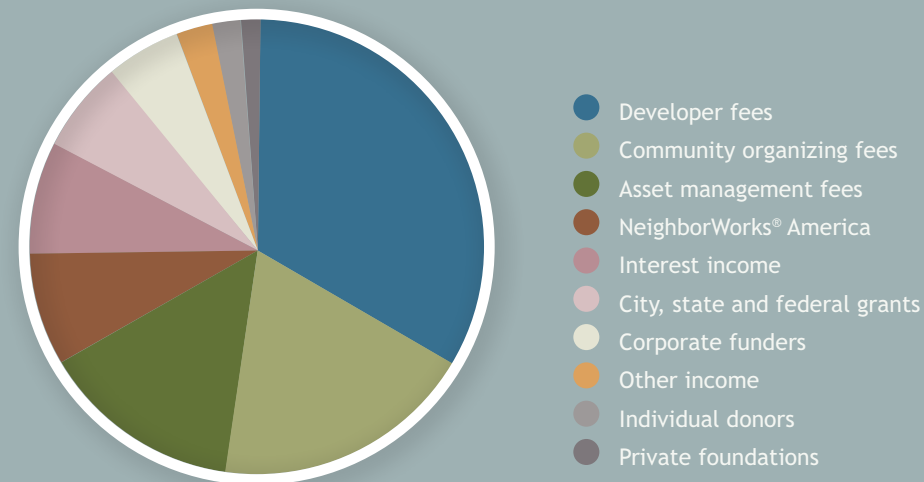
Student, CSU Sacramento
Davis Waldorf School*
Moore Village Mutual Housing

Delcie Ledyard

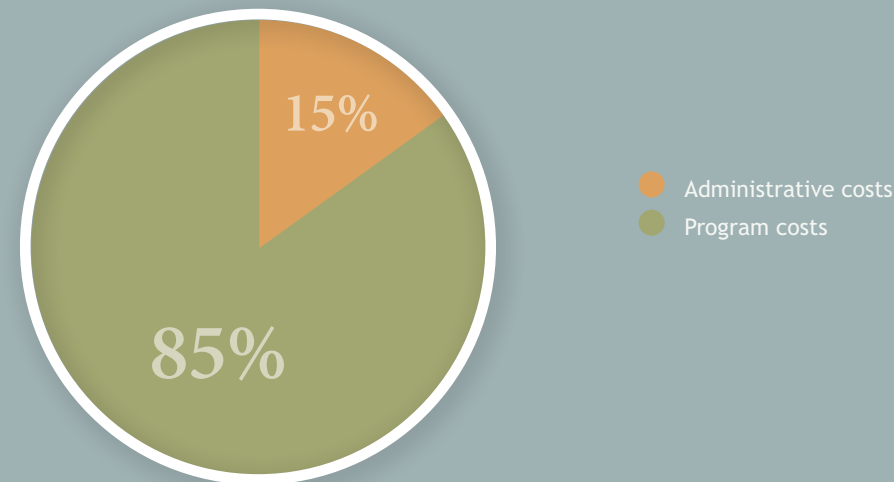
Torus Marketing*
Westerner Mutual Housing

* Employers listed for identification purposes only.

2012 Operating Revenue Sources



Administrative and program costs, historical average



Timeline | Community Organizing, cont.



Where We're Headed ...

Mutual Housing's Strategic Plan guiding goals:

- Consistently add and preserve safe, affordable housing
- Operate all communities at optimal performance
- Residents build strong, safe communities
- Residents effect change in their lives and their communities
- Position infrastructure, staff and board for goal achievement and growth
- Incorporate green principles and practices across all departments

Plans for 2013:

- Conduct green renovations on three communities in South Sacramento
- Install solar photovoltaics in all Davis communities
- Commence construction on Mutual Housing at Spring Lake in Woodland
- Acquire and begin renovation of a community in Stockton, in collaboration with residents
- Co-host national NeighborWorks® Community Leadership Institute in Sacramento
- Obtain national NeighborWorks® green certification

Future goals:

- Provide free Internet access for all residents
- Increase energy efficiency and sustainability of all communities
- Develop culture of college at all communities
- Gain passage of legislation providing a permanent source of funding for affordable housing
- Expand geographic service area
- Create property management line of business



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Mutual Housing California's mission is to develop and operate permanently affordable housing that builds strong and stable communities through resident participation and leadership development.