

Community Development File



LINDEN TERRACE...

Creating Homeownership Opportunities in Oakland....

by Jess Maxcy and Billie Tribbett

Developer

Oakland Community Housing, Inc.
Dwight Dickerson, Exec. Director
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Manufacturer

Marlette Homes
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Construction Manager

Urban Insight Group, Inc.
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www.urbaninsightgroup.com

LINDEN TERRACE Oakland, California

At a Glance

Type...Single-family attached
Model...Marlette 2709 – Floor plan A
1,280 Sq.Ft. – (2 units)
Bedrooms...3
Baths...1.5
Two-story - over garage w/bonus room
Model...Marlette 2709 – Floor plan B
1,440 Sq.Ft. – (6 units)
Bedrooms...3
Baths...3
Two-story - over garage w/bonus room
Construction Cost... \$78.31 per Sq. Ft. *
*Home Only
F.O.B. Factory @ Manufacturer's
suggested retail price Fall 2004

September 2006



Linden Terrace...Ready for Homeownership...

THE CHALLENGE

The City of Oakland and the East Bay have a serious housing shortage and are faced with seeking ways to encourage affordable housing and renovate blighted areas in their city center. In addition, they are concerned with maximizing density as they redevelop.

There are literally thousands of lots zoned for residential usage that are either vacant or currently occupied by substandard dwellings in California. These lots can be zoned for single-family detached housing or for multi-resident occupancy.

Oakland Community Housing, Inc.(OCHI), a nonprofit developer, is working within the East Bay communities with a pioneering approach to infill development. "We are constantly

looking at innovative ways to allow more people to remain here, in their own community, near family and friends, and to actually buy a home if at all possible. We think we have come up with a combination of ideas that will have a very successful outcome," said Dwight Dickerson, OCHI's Executive Director.

OCHI purchases small, vacant lots that have been left dormant and constructs affordable housing units with a combination of onsite building and manufactured housing. The result is housing that takes full advantage of higher density urban lots and the cost saving benefits of manufactured housing. Many lots would be cost prohibitive to improve with site-built construction.



Vacant Lot on Linden Street



Ready for Demolition and Construction

THE OPPORTUNITY

In 2003, OCHI and the North Oakland Missionary Baptist Church built an affordable senior housing project, Sylvester Rutledge Manor, on a large church-owned parcel near downtown Oakland. A section of the property was not used for the senior housing complex. To fill in the still-vacant section, the partnership went on to build Linden Terrace, a family ownership opportunity.

OCHI adopted their “Infill Homeownership Initiative” (IHI) as a creative new effort to develop vacant lots utilizing manufactured housing in their construction process.

THE PROJECT

Amanda Kobler, OCHI Project Manager, worked with Lionel Clark, Marlette Homes; structural engineers, Mercury Engineering; civil engineers, Ackland International; and Construction Manager, Yusufu Bomani who utilized architects to create plans that would suit the site, as well as, the neighborhood. The three-story cottage design suited the older downtown architecture seamlessly.

An initial construction loan was provided by Silicon Valley Bank (SVB) which allowed OCHI to pay the required 50% down payment to begin building the homes. SVB mitigated its risk by requiring phased delivery and construction of the homes. Subsequent construction monies were provided by Northern California Community Loan Funds.

The Linden Terrace project consists of eight townhomes in four buildings. Each of the four buildings are craned together and attached to a site-built bottom story which serves as the lower entrance to the home, as well as, a single car garage. On the ground floor, each unit has a small bonus room and the larger unit has an additional site-built bathroom.

The final square footage of the two smaller homes is 1,515. They have 3 bedrooms and 1.5 bathrooms. The six larger homes have 1,727 S.F., 3 bedrooms and 3 bathrooms. All homes are fully landscaped and have back porches and a fenced backyard.

All eight homes are targeted to first-time, low or moderate income homebuyers. The selling price, \$456,000 for the two 1,515 S.F

homes, is available to only first-time homebuyers. In addition, the buyer must qualify for the Homebuyer Assistance Package provided by deferred loans from the California Housing Finance Agency and City of Oakland Mortgage Assistance Program.

The larger homes are selling for \$494,000 and are available for purchase by any buyer. However, they are eligible for buyers who qualify for the Homebuyer Assistance Program. All buyers are required to contribute at least 3% cash down payment in addition to any assistance money.

RECOGNITION

At the 2006 Manufactured Housing National Congress in Las Vegas, Nevada, Linden Terrace was awarded the “Best Manufactured Home Subdivision.”

THE PROCESS

Construction of manufactured housing on infill lots is basically a two-part, off-site and on-site, process.

Off-site, the home is constructed in a factory to construction

standards established by the U.S. Department of Housing and Urban Development for manufactured housing. Once completed at the factory, the home is transported to the site for installation.

On-site work consists of grading and excavation, foundation and flat work, home installation, construction of the garage and landscaping. The Linden Terrace project required a “crane day,” a term lovingly coined by Kobler. “It’s a day to celebrate!”

This multi-faceted process allows simultaneous construction of the home and foundation, which leads to quicker project completion, thereby reducing carrying costs for the developer. Additionally, because homes are routinely installed and secured in one day, opportunities for vandalism and theft are reduced. Each step in the process is focused on speed to project completion, thereby reducing neighborhood disruption and improving affordability for the homebuyer.

WHY MANUFACTURED HOUSING?

Increased reliance on factory production has resulted in major

changes in the efficiency of housing construction. Builders today routinely use prefabricated wall panels, trusses, cabinets, etc. Advantages of factory construction include: better control of building and financing costs, more efficient control of inventory, and the ability to better



Crane Day!

control the quality and performance of products. These advantages increase value for homebuyers and make affordability more than just a dream! Almost all California homes today include some factory-produced components.

REGULATORY APPROVALS

All manufactured homes in the United States are built to the National Manufactured Home Construction and Safety Standards (the HUD Code). Adoption of the Code, which under federal law satisfies all local building codes, has validated these high quality single-family dwellings. The HUD label certifies that the home has been factory constructed, tested and



Grand Opening - January 2006

inspected to comply with stringent, uniform federal standards.

The HUD Code, administered by the Department of Housing and Urban Development, is the counterpart to national model codes for site-built housing. These model codes include the Uniform Building Code of the International Conference of Building Officials, upon which California local governments base their building codes. To ensure quality, design and construction are monitored by both HUD and the National Conference of States on Building Codes and Standards.



CMHI is a nonprofit trade association representing companies that build, sell and finance factory constructed homes and manage factory constructed home communities; and supply goods and services to the industry.

The Institute was founded to advance the availability and ownership of quality, high-value homes, marketed by licensed retailers, by promoting the purchase of factory constructed homes and the development of desirable sites and communities in California. The Institute's public, government and consumer relations programs are directed toward these goals.

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Many manufactured homes are indistinguishable from their site-built counterparts in construction and appearance. In California, approximately 70% of new manufactured homes sold are sited on lots in urban, suburban or rural neighborhoods. Facilitating this opportunity are state laws (Government Code Sections 65852.3 and 65852.4) which allow manufactured homes to be sited on any residential lot, providing the home meets specified local development standards.

Also, covenants, conditions and restrictions adopted on or after January 1, 1988, cannot forbid the siting of a manufactured home on a residential lot, if the home can meet the same architectural standards as site-built homes in the

neighborhood. (California Civil Code Section 714.5)

FUTURE ENDEAVORS

OCHI is currently in construction on a similar project a few blocks away. "Linden Street B" consists of eight three story townhomes. Four projects are in the design stage throughout East and West Oakland. Linden Terrace demonstrates the flexibility of manufactured housing when used for infill projects. In particular, the project maximized density, yet provided attractive, high value housing in Oakland.

Linden Terrace represents an approach for communities and redevelopment agencies throughout California to consider as they develop plans to revitalize older neighborhoods and embrace the

goal of providing affordable housing close to work and services for their citizens.

