



THE HOUSING TRUST OF
SANTA CLARA COUNTY

 **2011**
Report to the Community



The Housing Trust: Focused on Affordable Housing



Most people, when asked, would say that Silicon Valley has all the features necessary for a world-class community – top schools and universities, innovative companies, good parks and amenities. For too many people, however, there is not enough affordable housing to live here.

The effects of foreclosures are straining an already tight rental market, leading to even more unaffordable rents for service industry employees, seniors on fixed incomes and families who have lost their homes. Young professionals and working families hoping to buy a home are denied loans because of tight lending standards and large down payment requirements. And for Santa Clara County's more than 7,000 homeless, there is an extreme lack of safe and permanent housing.

Without more affordable housing, Silicon Valley risks losing its competitive advantage.

The Housing Trust of Santa Clara County was formed in 2000 to make Silicon Valley a more affordable place to live. In partnership with local business leaders, the Santa Clara County Board of Supervisors, and affordable housing advocates, the Housing Trust has raised over \$45 million and leveraged \$1.88 billion in resources to help over 9,200 people make Santa Clara County their home.

In the following pages, we highlight some of the people, programs, and partnerships that make the Housing Trust an important resource for our community. We are especially thankful to Bank of America, Wells Fargo, and Xilinx for their sponsorship of our Investor Briefing this year which helped underwrite this report. We also want you to join us in supporting more affordable housing in Santa Clara County. Participation is simple. Attend a workshop or city council meeting on affordable housing in your community, contribute to one of our fundraising events, or run in the Turkey Trot on Thanksgiving Day. Making Silicon Valley a more affordable place to live takes all of us working together.

KEVIN ZWICK, Executive Director
Housing Trust of Santa Clara County



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What affordable housing means to Santa Clara County

“Providing safe, decent and affordable housing is key to maintaining Silicon Valley’s quality of life and economic prosperity. Business and civic leaders widely agree that in order to sustain its growth, the Valley needs a full range of housing options from affordable rental apartments for service workers to new homes for first time homebuyers.”

— Housing Silicon Valley,
2007 LISC Bay Area study

Affordable housing is essential to the success of a sustainable community.

When people cannot afford to buy or rent a home in their community, the consequences can be detrimental to all of us. Young professionals are forced to relocate, taking with them intellectual talent that drives economic development. Families move in with friends or relatives, creating crowded and unstable living conditions. Seniors and individuals on fixed incomes cannot get the services they need, and those with nowhere to turn become homeless.

The U.S. Department of Housing and Urban Development (HUD) reports that an estimated 12 million U.S. households are severely rent-burdened, meaning they spend over half of their paycheck on housing. In Santa Clara County, where the market rent is \$1,700 for a two-bedroom apartment, over 40,000 households pay more than 50% of their income on rent, creating instability and insecurity for too many families.

The Housing Trust of Santa Clara County is working to make Silicon Valley a more affordable place to live today. With the support of major partners, the Housing Trust is increasing access to affordable housing for low- to moderate-income earners through innovative loans and grants.

“The Housing Trust addresses the full range of housing needs in Santa Clara County, from homeownership and homelessness to the creation of new affordable housing and the stabilization of neighborhoods,” said Ken Yeager, member, Santa Clara County Board of Supervisors and Board Chair of the Housing Trust of Santa Clara County.

To address the need for affordable rental housing, the Housing Trust leverages partnerships with nonprofit organizations and developers and provides critical financing to construct or rehabilitate housing developments for seniors, working families, the homeless, and people with special needs.

Helping families achieve sustainable homeownership is a key goal for the Housing Trust. Not only is homeownership historically a means of wealth creation for low- and moderate-income families, it is also a key contributor to creating safe and stable neighborhoods. But as the recent economic recession has shown, homeownership has to be achieved safely and affordably, and not reliant on risky lending practices and out-of-control speculation.

To address this, the Housing Trust’s Homebuyer Program provides loans to first-time homebuyers to assist with a down payment or closing costs. With stimulus funds from the federal Neighborhood Stabilization Program, the Housing Trust, serving as lead entity in the San Jose Consortium, is protecting San Jose neighborhoods from the negative impacts of foreclosure by helping low- to moderate-income earners purchase a home affected by foreclosure.

The Housing Trust has raised over \$45 million and leveraged more than \$1.5 billion since 2000 to help create 9,200 housing opportunities in Santa Clara County. ■



“Organizations like the Housing Trust of Santa Clara County are essential to California because of their successful track record leveraging and managing private and public funding to provide affordable housing, promoting and supporting responsible homeownership, and stabilizing communities that have suffered from foreclosures and abandonment.”

— Senator Barbara Boxer

**Learn more about
affordable housing issues
in Santa Clara County:**

www.housingtrustscc.org
408-436-3450

Sustainable Homeownership: The Affordability Factor

Housing by the numbers:

\$138.8K Annual income needed to purchase median value home in San Jose.*

\$62.4K Annual income of elementary teacher in San Jose.*



Since 2001, the Housing Trust has helped over 2,100 Santa Clara County residents, including teachers, engineers, healthcare providers and other first-time homebuyers purchase a home.

"With the assistance of the Housing Trust, we were able to get out of an apartment and into a condo, which was a big improvement for our family," said homebuyer Michael Payne-Alex, a teacher at Santa Teresa High School in San Jose.

While the benefits of homeownership are well documented, buying a home in Santa Clara County remains out of reach for many residents. Recent market data indicate that the median price of a single-family home in Santa Clara County is \$565,000, making this region among the least affordable places in the nation to purchase a home. An already unaffordable housing market coupled with falling incomes and stricter underwriting requirements disproportionately burdens low- and moderate-income families wishing to become homeowners.

The Housing Trust's Homebuyer Program is helping to alleviate some of the barriers to homeownership by offering three unique loan products that serve the county's growing population of prospective homebuyers in low- to moderate-income brackets. The Closing Cost Assistance Program (CCAP) is a deferred loan of up to \$15,000 that can be used for a down payment and/or closing

costs. The Mortgage Assistance Program (MAP) is an amortizing second loan of up to \$85,000 that provides a practical and cheaper alternative to FHA-insured loans. The Purchase Assistance Loan (PAL) program is a deferred second loan of up to \$50,000 specifically for the purchase of a home in a designated census tract of San Jose that was hardest hit by the foreclosure crisis.

Whereby many affordable housing assistance programs are designed to subsidize specific locations or geographic areas, Housing Trust's CCAP and MAP loans allow first-time homebuyers to purchase a home in the community of their choice in Santa Clara County.

"Once we heard about the different programs out there for first-time buyers, we were happy and amazed by what was being offered," said MAP loan recipient Rebecca Ho. "We went to the Housing Trust's information meeting where they helped us look at each program and choose the one that made sense for us."

The Hos purchased a condo in a complex that is close to work and, according to Rebecca, family-friendly, which complements the couple's plans for their future. ■



Jason Otwell, PAL Loan recipient.



San Jose high school teacher Michael Payne-Alex and family

For more information about Homebuyer Programs:

Contact Dan Lachman
408-436-3450 x231

*Bay Area Snapshot 2010: Affordable Housing Facts & Figures, NPH

Stabilizing Neighborhoods: Mitigating the Foreclosure Crisis in San Jose



Right: Ed Moncrief, NHSSV; Jacky Morales-Ferrand, City of San Jose; Rebecca Blanco, HUD; Hon. Zoe Lofgren; Kevin Zwick, Housing Trust.



The foreclosure crisis is not just a tragedy for the families who have lost their homes, but also for the surrounding neighborhoods which are subject to blight, deterioration, and decreased property values.

To mitigate the negative effects of the foreclosure crisis in 35 of the City of San Jose's hardest hit neighborhoods, the U.S. Department of Housing and Urban Development awarded the San Jose Consortium a \$25-million Neighborhood Stabilization Program (NSP2) grant funded from the American Recovery and Reinvestment Act of 2009. The Housing Trust of Santa Clara County, serving as Lead Agency, formed the San Jose Consortium with the City of San Jose and Neighborhood Housing Services Silicon Valley to manage these new programs.

With NSP2 funds, the Consortium is helping local families buy homes in neighborhoods that have been affected most by foreclosures, thus preventing at-risk homes from languishing as REOs or having them purchased by out-of-area investors. Administered by the Housing Trust, the Purchase Assistance Loan (PAL) helps low- and moderate-income earners purchase a foreclosed or vacant home for use as a primary residence. The PAL program provides buyers with a 30-year, no-interest second loan of up to \$50,000. Through the Dream Home program, the Consortium is acquiring and rehabilitating bank-owned homes for resale to low- and moderate-income homebuyers.

As the Consortium works to stabilize neighborhoods through affordable homeownership programs, NSP2 funds have allowed the group to also create opportunities for community involvement. In April, the Housing Trust partnered with Wells Fargo and Rebuilding Together Silicon Valley to repair and rehabilitate 10 homes in San Jose's Mayfair neighborhood. ■

"Wells Fargo is proud to have provided \$100,000 to the Housing Trust of Santa Clara County to help revitalize neighborhoods. It is important for Wells Fargo to help increase the quality of life of people and support the long-term economic development of the communities in which we live and do business."

**WELLS
FARGO**

— Bob Ceglie, Wells Fargo,
Regional President for Santa Clara Valley



Above and Below Left: Housing Trust staff and volunteers pitch in on "Day of Service in San Jose." Right: Artist's rendering of Taylor Oaks Apartments after renovations with NSP2 funding.



For more information about the NSP2 Program:

Contact Tara Hood
408-436-3450 x228



THE HOUSING TRUST OF SANTA CLARA COUNTY INVESTING IN AFFORDABLE HOUSING THROUGHOUT SILICON VALLEY



In 2004, we invested \$500K in Opportunity Center, Palo Alto Opportunity Ctr. Assoc. LLP, developer



In 2007, we invested \$500K in San Antonio Place, Mountain View Charities Housing, developer



In 2002, we invested \$341K in Vista Village, Cupertino Cupertino Comm. Services, developer



In 2008, we invested \$455K in Anne Way, Los Gatos, Senior Housing Solutions, developer



In 2004 we invested \$450K in Sobrato Living Ctr. II, Santa Clara Emergency Housing Cnstr., developer



First-time Homebuyer Closing Cost loan, H

Since our inception, the Housing Trust has helped create over 9000 affordable housing opportunities throughout Silicon Valley

The Housing Trust has helped create affordable housing for engineers, first-time homebuyers, and the housing ladder in

THROUGHOUT SILICON VALLEY

assisted over 2100 teachers,
-responders and other
ayers get on the property
n Silicon Valley.

San Jose



ers in San Jose
ousing Trust

**For more details about all
of our programs visit:
www.housingtrustscc.org**



In 2009, we invested \$500K in
DeVries Place, Milpitas
Mid Peninsula Housing, developer



In 2010, we invested \$136K in
HomeSafe Santa Clara
Charities Housing, property mgmt.



In 2006 we invested \$500K in
Moulton Plaza, Sunnyvale
Mid Peninsula Housing, developer.



In 2008 & 2009, we invested \$1M in
Paseo Senter, San Jose
Charities Housing, developer



In 2003, we invested a total of \$593K
in two Murphy Ranch projects in
Morgan Hill, Murphy Ranch II LLP,
developer

Morgan Hill

Gilroy

Creating Home: Investing in Affordable Rental Housing



Above: Senior Housing at Alta Torre, Palo Alto
Top Right: Family Housing at San Antonio Place, Mt. View



"Supporting the efforts of the Housing Trust of Santa Clara County to create affordable housing makes good economic sense. We provide homes for those who need them most, and boost the local economy by creating quality construction jobs in the process."

— Chris Neale, Vice President,
The Core Companies

The rental housing market in Santa Clara County is in a vicious cycle.

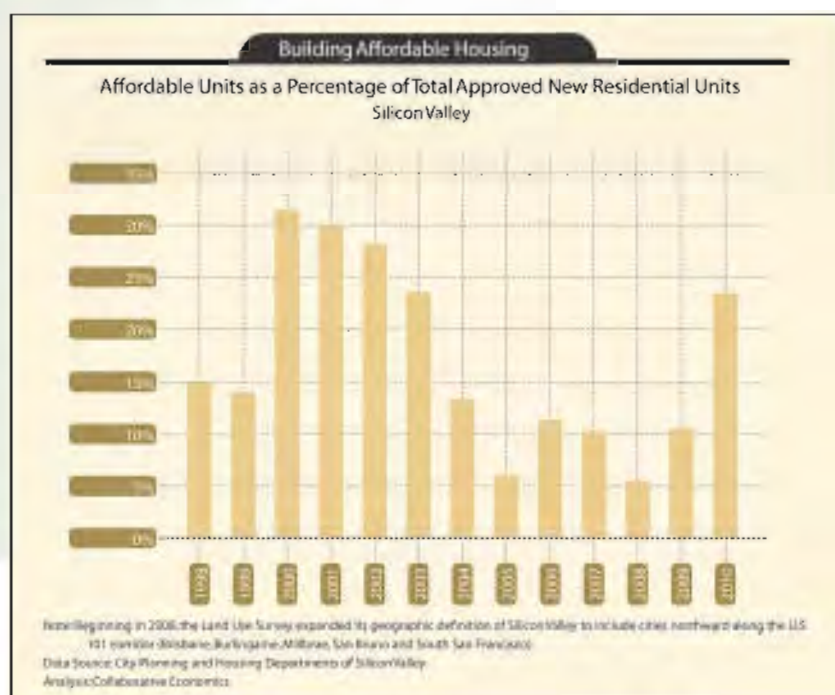
Average rents are climbing, the renter population is growing, and the inventory of available units does not meet demand. The shortage of affordable rental housing is directly impacting the area's most vulnerable residents: seniors on fixed incomes, people with special needs, and minimum wage earners.

The Housing Trust's Multifamily Developer Loan Program is addressing the ongoing need for affordable rental housing by providing low-interest financing up to \$500,000 to build or rehabilitate affordable housing developments for seniors, working families, people with special needs, and the homeless. The Housing Trust to date has invested over \$18 million directly and leveraged over \$789 million in developer loan financing to create over 3,100 units of affordable rental housing in Santa Clara County. Leading Silicon Valley employers such as Applied Materials, Symantec, BD Biosciences, and HP, have also invested in affordable rental housing through the

Housing Trust to insure the vitality and diversity of our community.

With support from the Housing Trust and community partners, more than 50 new affordable rental housing developments have opened throughout the county in recent years. Among them, the Alta Torre and Oak Court Apartments complexes in Palo Alto and Horizons at Morgan Hill in Morgan Hill. Alta Torre and Horizons at Morgan Hill are wholly dedicated to meeting the need for more affordable senior housing in Santa Clara County. The 53-unit Oak Court Apartments development provides affordable and stable housing for working families and individuals.

Not only does affordable housing benefit the tenant, the development of affordable housing strengthens the local economy. A typical 100-unit affordable housing construction project creates more than 120 jobs, and generates an estimated \$441,000 in annually recurring taxes and other revenues for local governments. ■



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Family Housing at Paseo Senter, San Jose

**For more information on
Developer Loans:**
Contact Kevin Zwick
408-436-3450 x225

Preventing Homelessness: Improving the Safety Net



An estimated 7,000 people are homeless in Santa Clara County on any given night, with the fastest growing segment of the homeless population aged 18–24 who are transitioning out of foster care. The Housing Trust is working to reduce these numbers through its Homelessness Prevention Program which includes Emergency Homelessness Prevention grants (EHPG), Safety Net Capital Improvement grants (SNCI), and loans to affordable housing developers creating permanent supportive housing for the homeless.

EHPG grants are awarded to qualifying nonprofits to offer one-time rental assistance or security deposits to help their clients avoid homelessness. An EHPG grant recently awarded to Sunnyvale Community Services helped the organization secure housing for a mother and her child.

"I don't know what we would have done without your help," said the client. "It wasn't easy living in my car with my son, dropping him at school, going to work and trying to find a safe place to park each night. After you paid our deposit, we moved right into the apartment. It's warm and safe, and we don't have to look for public places to wash up."

In 2010, the Housing Trust awarded \$143,500 in EHPG grants to 12 nonprofits that helped provide permanent housing for 447 people.

The economic downturn of the past few years has not only impacted individuals and families; it has also placed a strain on the facilities serving people in housing crisis. In 2010, the Housing Trust responded to this need by creating the SNCI program. Grants of up to \$200,000 were made to nonprofit housing providers for improvements to existing housing facilities. Charities Housing applied Housing Trust SNCI funds to install solar panels at HomeSafe Santa Clara, which provides permanent housing for women and children survivors of domestic violence. Charities Housing will use the savings on utility costs from the new solar energy system to fund more activities and life skills programs for its residents.

SNCI grants are made possible through contributions from private donors and public partners such as Bank of America who contributed \$100,000 to help establish the program.

Since 2001, Housing Trust's Homelessness Prevention Programs have assisted more than 3,500 families and individuals with emergency, transitional or permanent housing needs in Santa Clara County. ■



"Bank of America was pleased to support the Housing Trust's Safety Net Capital Improvement grant program. The program, which granted shelters and transitional housing facilities funds to improve their facilities and provide better quality of life for their residents, was perfectly aligned with our company's own initiative to strengthen the safety net in the communities where we operate."

Bank of America

— Raquel Gonzalez, Bank of America,
Silicon Valley Market President

For more information on our Homelessness Prevention Programs:
Contact Tara Hood
408-436-3450 x228

Enduring Partnerships: Applied Materials Silicon Valley Turkey Trot



From kids to costumes, the annual Turkey Trot has something for everyone while raising funds for three great nonprofits.



Seven years ago, nearly 2,000 people ran the streets of downtown San Jose for food, housing and children's health in the early morning hours of Thanksgiving Day. That number swelled to 14,100 last year. Since its inaugural event in 2005, the annual Applied Materials Silicon Valley Turkey Trot has attracted thousands of participants in a spirited community forum to raise money for three important nonprofit organizations in Silicon Valley: the Housing Trust of Santa Clara County, Second Harvest Food Bank, and Children's Health Initiative Santa Clara County.

Inspired by a similar Thanksgiving Day event in Sacramento, Carl Guardino, president and CEO of Silicon Valley Leadership Group, gave life to the Silicon Valley Turkey Trot with the help of esteemed local partners, including Applied Materials, the event's multi-year Title Sponsor. Silicon Valley Leadership Group produces the event with Guardino serving as race director. In just six years, Silicon Valley Turkey Trot has donated over \$1.5 million to further the missions of the event's three beneficiaries.

In addition to traditional 5k run/walk and 10k run classifications for individual participants, the Turkey Trot features a series of fun categories, including the Fittest Firm Competition, Quickest Cop/Fastest Firefighter, Mayor's Cup Challenge, CEO/Celebrity 5K Challenge, and the US Military and Veterans 5K

Challenge. Race day also features a 10K Wheelchair category and a Kids Fun Run for children ages 2 to 9.

Just as individual participation in the event continues to grow each year, Silicon Valley companies are increasingly joining the effort by encouraging employees and their families to participate. "Many companies use the Trot as a team building experience," explained Mark Walker, Applied Materials' managing Director of Global Community Affairs. "It's not just about the day of the event, but the months leading up to the Trot that build excitement and purpose."

This year, the folks at Turkey Trot hope to welcome at least 17,500 race participants and 900 volunteers in an effort to raise \$500,000 in the name of health, hope and home. ■

"The Housing Trust is one of the best financial investments I make each year. It's an investment in our community; it's an investment in individuals seeking quality homes for their families; and it's an investment in our local community."

**— Carl Guardino, President & CEO,
Silicon Valley Leadership Group**

"As a long-time supporter of the Housing Trust and the annual Silicon Valley Turkey Trot, Applied Materials values the Trust's critical work on affordable housing issues to maintain Silicon Valley's diverse workforce and quality of life. Housing basic needs such as housing is a key component of Applied's philanthropic strategy to build stronger communities and improve people's lives. We are pleased that the Trust is one of three outstanding beneficiaries of the Turkey Trot."



APPLIED MATERIALS®

**— Mark Walker, Managing Director of Global
Community Affairs, Applied Materials**

**Trot for the cause with friends
and family on November 24.
Register online at
www.svturkeytrot.com.**

Supporting the Mission: 2011 Investor Briefing



Left: Carl Guardino, CEO, Silicon Valley Leadership Group; Kevin Zwick, Exec. Dir., Housing Trust; Senator Darrell Steinberg; Hon. Ken Yeager, Supervisor, County of Santa Clara.

Above: Leslye Corsiglia, City of San Jose, Director of Housing Dept., and Hon. Nancy Pyle.

Below: Capacity crowd listens to presenters at 2011 Investor Briefing for the Housing Trust of Santa Clara County.

The Housing Trust's major event of the year is the Investor Briefing. At the Investor Briefing we inform our supporters about the progress we've made in the past year, plans we have for the future and honor notable local housing champions. Last year's event was held at the Oshman Family JCC in Palo Alto, next door to BRIDGE's affordable senior housing complex Alta Torre, which we toured with our guests prior to the main event.

We were honored by the presence of our keynote speakers Hon. Darrell Steinberg, President pro Tem of the California State Senate, and Hon. Dave Jones, California State Insurance Commissioner. Both men gave indepth information about how the California budget changes and constraints have and would be affecting the affordable housing sector. Palo Alto Mayor Sid Espinosa, and Rebecca Clark, Executive VP of BRIDGE Housing also contributed to the program.

We honored the contributions of Bank of America, the City of Santa Clara and Charities Housing with "Housing Champion" awards. Our 1,000 Homes | 1,000 Families Campaign update was also featured. ■



"The mission of the Housing Trust of Santa Clara County is well matched to Xilinx's mission to improve the quality of life in the communities in which our employees live and work, through partnerships, funding and volunteerism. Over the past decade, Xilinx has supported the organization's efforts to make Silicon Valley a more affordable place to live through our partnership with the Silicon Valley Leadership Group."



— Moshe Gavrielov, President & CEO,
Xilinx, Inc.

Five Ways You Can Help the Housing Trust:



- Run in the Silicon Valley Turkey Trot
- Realtors, join the SCCAOR/Housing Trust Realtor Challenge
- Invite the Housing Trust to present our programs at your company or organization
- Attend the 2012 Investor Briefing
- Donate online! www.housingtrustscc.org



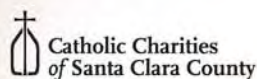
**The mission of the Housing Trust of Santa Clara County
is to make Silicon Valley a more affordable place to live.
We make loans and grants to increase the supply of
affordable housing, assist first-time homebuyers,
prevent homelessness and stabilize neighborhoods.**

For more information: www.housingtrustscc.org or call 408-436-3450



Thank You Sponsors!

The Housing Trust thanks you for supporting our Silicon Valley Good Eats & Treats fundraising event by savoring a memorable night of feast and fun, while helping to further our goal of making Silicon Valley a more affordable place to live.



Chloe Leinwand | Cypress Group | For the Future Housing | Hon. Margaret Abe-Koga
Schoennauer Company | Silicon Valley Business Journal | Symantec | Tech CU