

Housing Trust Silicon Valley

Q1 2016

Making Silicon Valley a **more affordable** place to live

Willow Housing opens to veterans

The 60-unit Willow Housing development in Menlo Park is now completed and ready to provide a home to veterans who earn 30-40% of the area's median income. It is located on the southern edge of the Veterans Administration campus in Menlo Park.

Housing Trust Silicon Valley is proud that its \$700,000 loan made in October of 2013 helped this project become a reality, providing initial,



pre-development funding. The project was built by The Core Companies and is managed by EAH Housing. HomeFirst Services is providing on site services in cooperation with the Veterans Administration.

The U.S. Department of Veterans Affairs estimates about 1.4 million veterans nationwide are at risk of homelessness due to poverty, lack of support networks and the lingering effects of post-traumatic stress disorder.

General Plan update is opportunity to take bold steps to expand affordable housing

By Kevin Zwick, CEO

The complexity of the decisions that the City of San José faces as it plans for the next 25 years have become quickly evident to those of us serving on the General Plan Update Task Force. Building a sustainable economy, protecting the environment, addressing the growing divide between the haves and have nots – these are big issues that need our best thinking and most creative ideas.

But from my perspective all of these pivot around a single point. Our future depends on housing, housing, housing.

Without housing, job growth will be stalled because companies will not be able to expand and recruit the best and brightest. Longer commutes from less expensive areas miles away means more traffic, air pollution and urban sprawl. The workforce that we rely upon to function as a community – the necessary jobs that will never pay big bucks – cannot afford to live here unless skyrocketing rents and home prices come back to reality.

In a recent op/ed in the *Mercury News* I outlined four specific ways that the 2040 General Plan could significantly encourage affordable housing opportunities in San Jose. None of them require City funding.

1) Put deed-restricted affordable housing projects located in the City's urban villages on a fast track, by right review process.

It is increasingly difficult for affordable housing developers to find land and capital. If the stars align and all the elements are in place for a viable project, the City should give it top priority, just as it does with commercial developments that fall within the guidelines, and allow it to move forward, regardless of what planning horizon the urban village is in.

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OUR MISSION
Our mission is to make Silicon Valley a more affordable place to live. The Housing Trust makes loans and grants to increase the supply of affordable housing, to assist first-time homebuyers, to prevent homelessness and to stabilize neighborhoods.

Farewell to early Board members



Five early members of the Housing Trust Board of Directors have retired from the Board as part of the organization's strategic succession plan. Each of these outstanding individuals has contributed significantly to the growth and effectiveness of the Housing Trust over the past 16 years.

A huge and sincere THANK YOU to **Sparky Harlan** of Bill Wilson Center, **Hon. John McLemore**, former Santa Clara Councilmember, **Linda Mandolini** of Eden Housing, **Hon. Dan Furtado**, former Campbell Councilmember and Mayor, and **Robert Sherrard** of Tech CU.

Affordable Housing Week is on its way

Santa Clara County's 2016 Affordable Housing Week is May 13-20 and will include a variety of events to highlight the efforts to improve affordable housing opportunities in the region.

The week is organized by SV@Home which will kick it off with a policy breakfast on regional approaches to the affordable housing crisis, including a release of its Policy Roadmap that lays out the steps needed to address the County's housing needs.

Other activities being planned by SV@Home and its partners include a film premiere, tours, workshops, the Happy Housers Happy Hour, an event highlighting the response to homelessness of veterans and a Brown Bag on Using Land Differently on March 17, 12 noon-2 p.m. at the SPUR office.

A full schedule of events will be posted at svathome.org. For information on hosting an event, sponsoring or volunteering, contact Pilar Lorenzana-Campo at pilar@siliconvalleyathome.org.

A look back at the Turkey Trot

More than 26,000 people participated in the 2015 Applied Materials Silicon Valley Turkey Trot to help raise money for local charities, including Housing Trust Silicon Valley.

In 2015, the Turkey Trot raised more than \$930,000 that will be split among five local charities. Over the past 11 years, Housing Trust Silicon Valley has been the fortunate recipient of more than \$1.6 million from this event.



Registration is already open for the 2016 run/walk in downtown San Jose scheduled for Thanksgiving Day, Nov. 24. For information, go to svturkeytrot.com.

General Plan update

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2) Make affordable housing an acceptable use for any parcel of land that is less than two acres, even if it is not currently zoned for housing. This would be similar to the discretionary alternate use zoning policy that San Jose had in place many years ago and would help affordable housing developers compete with commercial developers in purchasing property that has a lower price tag than other parcels set aside for housing. The City should also take proactive action to allow the development of affordable housing on other public agency owned land, even if it is not currently zoned for housing.

3) Encourage development of high density, market rate housing. This provides a double benefit – it generates housing impact fees that can be used to build affordable housing and it is a positive contributor to the City's General Fund.

4) Require that any time low income housing is displaced, such as in the closure of mobile home parks, that there must be a one-to-one replacement plus an additional 25% of new affordable housing in the new development.

These are not revolutionary ideas, but they are effective tools that could make a significant difference in reducing the affordable housing crisis if adopted by San Jose and all of the cities in our region.



The City of Santa Clara recently gave the go-ahead to The Core Companies to create a unique sustainable community on six acres of City-owned land on Winchester Boulevard near Stevens Creek Boulevard. The project will include market-rate rental units and for-sale townhomes, affordable homes for seniors, and a 1.5 acre urban farm in the middle of the property where residents can grow their own fruits, vegetables, herbs and flowers.

First-time Homebuyer Workshops

Classes for first-time homebuyers will be held this spring at various locations in Santa Clara County. For information, visit HousingTrustSV.org for dates, time and location addresses.

Wells Fargo grants fund home repairs

The final home repair projects paid for by a \$100,000 grant from the Wells Fargo Housing Foundation's Priority Markets program are being completed this spring by low and moderate income homeowners who purchased their homes with the help of Housing Trust Silicon Valley.

Over the past year, 22 homeowners throughout Santa Clara County have been able to replace old flooring, fix roofs, improve plumbing and take care of other home maintenance problems with grants of up to \$5,000 each. Housing Trust staff guided the homeowners on identifying needed repairs, selecting contractors and ensuring quality results.

Thank you, Wells Fargo, for helping maintain the quality of the region's current housing stock.

Housing Trust supports efforts to end homelessness

Housing Trust Silicon Valley was recently selected by Santa Clara County to administer \$750,000 in safety net capital improvement grants to community and faith based organizations for the repair or expansion of spaces for drop-in services or beds for the homeless.

This new program reflects the Housing Trust's commitment to addressing homelessness on a regional scale along with our local partners who lead these efforts, including Destination:Home, the City of San Jose, and the County of Santa Clara.

The new Safety Net Capital Improvement grants adds to the homelessness assistance programs currently administered by the Housing Trust in the form of our Finally Home grant program, and our Permanent Supportive Housing program.

What's trending?

#affordablehousingnews

NATIONAL

Affordable broadband access for public housing



U.S. Department of Housing and Urban Development (HUD) Secretary **Julián Castro** visited Google headquarters in January for a “fireside chat” with Google

Chairman Eric Schmidt about the ConnectHome initiative that would provide affordable broadband access to individuals and families living in HUD-assisted housing. Currently, more than half do not have Internet access.

Castro said his goal was to have a commitment for every single household in public housing to be connected by the time the Obama administration leaves office on Jan. 20, 2017.

“I believe that brain power is the new currency of success,” he said. “For America to be as competitive as possible, we need to make sure everyone has 21st century tools to compete in the job market.”

NATIONAL

Housing for homeless a budget priority

President Obama’s FY17 budget priorities presented to Congress in February include a significant investment to end homelessness for all families in America by 2020. This includes \$88 million for 10,000 new housing choice vouchers for homeless families with children, funding for 25,000 new permanent supportive housing units and funds to provide 8,000 families with rapid rehousing assistance.

Concurrently, the U.S. Department of Housing and Urban Development (HUD) announced a legislative proposal for the Homeless Assistance for Families program that would provide \$11 billion in mandatory spending over the next 10 years to help an additional 550,000 families.

NATIONAL

Housing funds protected in appropriations bill

The FY16 omnibus appropriations bill passed by Congress and signed by President Obama on Dec. 18 preserved resources of the National Housing Trust Fund (NHTF) and increased funding for the HOME Investment Partnership Program from \$900 million to \$950 million. An earlier version of the bill would have diverted resources from NHTF into the HOME Program.

There is an estimated shortfall of 7.1 million affordable rental units for extremely low income households in U.S.

HUD is expected to begin allocation of the first NHTF funds in 2016 to states to help pay for the production, preservation and operation of affordable rental housing for extremely low income residents. The monies are generated from a modest assessment on the annual volume of business of Fannie Mae and Freddie Mac.

NATIONAL

Minimum tax credit rate extended

A tax extenders bill signed into law in December of 2015 by President Obama permanently extends the minimum rate for Low Income Housing Tax Credits (LIHTC) at a fixed 9% for new construction and substantial rehabilitations projects and made it retroactive to Jan. 1, 2015. Without the new law, LIHTC projects would have continued to receive a floating tax credit rate based on the federal cost of borrowing that has been at historically low levels.

STATE

Funding available for in-fill development

Proposals are now being accepted for funding from the Department of Housing and Community Development Affordable Housing and Sustainable Communities Program. The program has approximately \$320 million available to invest in projects that support in-fill developments that encourage transit use.

STATE

\$2 billion initiative for homeless solutions

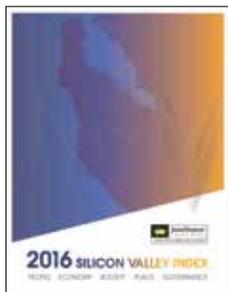
California state senators, led by **State President pro Tempore Kevin de León** introduced the “No Place Like Home” initiative in January that would provide more than \$2 billion in funding to help local communities prevent and address homelessness.

The proposal re-purposes bond money from Prop 63 (Mental Health Services Act) to construct permanent supportive housing for chronically homeless persons with mental illness. It also includes funds for supportive housing in shorter-term rent subsidies while permanent housing is constructed or rehabilitated.

REGION

Joint Venture report includes housing

It was a bad news/good news report on affordable housing, one of several issues covered in the 2016 Silicon Valley Index released by Joint Venture Silicon Valley in February.



The report stated that Silicon Valley failed to meet its Regional Housing Need Allocation (RHNA) goals for 2007-2014 for very low, low and moderate income housing, reaching only about one quarter of the target for each category.

On the positive side, Silicon Valley cities approved more affordable housing in the 2014-15 fiscal year (1,758) than any other year since FY 2001-02.

LOCAL

City actions impact affordable housing

The **City of Campbell** voted unanimously in January to support the Santa Clara County Housing Task Force’s recommendation that all jurisdictions in the county work together to find housing solutions for homeless families and individuals. It was the first city in the county to take this action.

The **San José City Council** will soon vote on a new policy of how to deal with surplus land (and whether the first priority should be for it to go to affordable housing development) as well as an updated ordinance on mobile home park closures.

Staff Spotlight: Rosa Ly

Rosa Ly’s passion for working with numbers started in a high school geometry class. She enjoyed the challenge of writing proofs for difficult problems. Getting results by analyzing numbers is what she still does today as an Asset Manager for Housing Trust Silicon Valley.



Rosa majored in Business Administration with an emphasis in Management Information Systems at San Jose State University. She worked in customer service support systems for AT&T and then took a position with the City of San José in loan compliance and asset management because she wanted a job that “was more technical” and would allow her to create her own computer applications to do her work.

After nine years of providing asset management and financial analysis for the City’s \$600 million real estate portfolio, she joined the Housing Trust in August of 2015 as a key member of its new Asset Management and Contract Services Department.

When not at work, Rosa prefers to be outdoors rather than indoors and enjoys all types of activities including swimming, running, snowboarding, hiking and camping.

Introducing new CFO



Please welcome **Julie Mahowald**, the new Chief Financial Officer at Housing Trust Silicon Valley!

Julie has 30 years of corporate finance, account and treasury management experience at positions with Oracle, IMS and various start-ups. She has a bachelor’s degree in economics from Tulane University and master’s degrees in international studies and finance from the Wharton School of the University of Pennsylvania.

“I’m delighted to join the high performing team at Housing Trust Silicon Valley,” Julie said. “I look forward to contributing to the Housing Trust’s efforts to make housing more affordable in the Bay Area.”



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HousingTrustSV.org

Scholarships now available

College-bound high school seniors who reside in an affordable housing development in Santa Clara County are invited to apply for a Guardino Affordable Housing Scholarship. Applications and instructions can be found on the Housing Trust website housingtrustsv.org. Scholarships will be awarded later this year so they can be used for the first year of college in the fall.

Annual Investor Briefing set for April 1



The Housing Trust is happy to announce that **State Senate President pro Tempore Kevin de León** will be the keynote speaker at the 2016 Investor Briefing on Friday, April 1. This is our annual luncheon for business and community leaders that showcases the work of Housing Trust Silicon Valley and honors local champions of affordable housing.

The event will be held at the Santa Clara Convention Center. Coffee reception and networking begins at 10:30 a.m. and the luncheon program concludes by 1 p.m. Tickets are \$125 per person (\$45 for nonprofit and government agency employees) and can be purchased at 2016investorbriefing.eventbrite.com.

Senator De León was elected to the State Assembly in 2006 and to the State Senate in 2010 where he represents Senate District 24 in Los Angeles. He was the first Latino elected President pro Tempore of the California State Senate in more than 130 years. He is part of a bipartisan group of elected leaders that is proposing a \$2 billion investment in building or rehabilitating permanent housing for mentally ill people living in the streets of California.

