

Housing Trust Silicon Valley

Q2 2015

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

Affordable housing challenges, solutions are topics of annual Investor Briefing

More than 450 community leaders and elected officials attended the 2015 Investor Briefing to celebrate Housing Trust Silicon Valley's 15th anniversary and support the organization's efforts to expand affordable housing in the region.

The event generated nearly \$250,000 for Housing Trust programs from sponsorships (led by Platinum Sponsors **Google, Housing**

Authority of Santa Clara County and Silicon Valley Bank), ticket sales and a matching grant from Synopsys of up to \$10,000 for pledges made during the luncheon.

Keynote speaker **State Treasurer John Chiang** reviewed California's rapid economic recovery since the Great Recession and its status as the world's 7th largest economy.

But despite its economic progress – which is far outpacing other states – California still has complex challenges to overcome to reach the next level, according to Chiang.

“The lack of access to affordable housing is the number one impediment to new economic growth,” he said, adding

that the state needs a more comprehensive approach to addressing affordable housing issues.

Chiang also praised Housing Trust Silicon Valley as “a viable, energetic and first rate model” of an organization making a difference in the community.

Housing Trust CEO **Kevin Zwick** reminded the audience that Silicon Valley needs to produce 16,000 affordable rental homes over the next eight years to serve the housing needs of seniors and low income families making under \$50,000 a year – and that this need comes with a \$267 million price tag.

He praised the cities of San Jose, Mountain View and Sunnyvale for their recent actions to add or increase a residential impact fee and Mountain View and Sunnyvale for



State Treasurer John Chiang gave the keynote address



San Jose Mayor Sam Liccardo presented a Commendation to Housing Trust Silicon Valley CEO Kevin Zwick and Board President John Barton, along with City Councilmember Ash Kalra.

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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, assist first-time homebuyers, prevent homelessness and stabilize neighborhoods.

Spirit and energy of Investor Briefing reflect community's passion for affordable housing

By Kevin Zwick, CEO

I look forward to our Investor Briefing every year. It's a great opportunity to see, at one time and in one place, many of the community leaders and elected officials who are so important to our work. I enjoy updating them on recent achievements and thanking them for investing in our mission.

Beyond my expectations

This year's Investor Briefing, however, went way beyond my usual expectation for experiencing pride and gratitude. It was our largest

versial statement that if anything should be referred to as "subsidized" housing in the U.S., it should be home ownership. As long as homeowners (like myself) are able to take a mortgage interest deduction and other tax write-offs – which in 2015 will total about \$100 billion – it is not fair or accurate to only think of HUD rental programs or tax credit programs for affordable housing construction as examples of subsidized housing. Those who are helped by those programs receive

purchasing homes and vacation houses.

A day of celebration

The 2015 Investor Briefing was a day of celebration and inspiration that did not happen by chance. I want to give special thanks to our staff and Board for their extraordinary work in organizing and hosting this memorable event and to our sponsors and partners for supporting it. It is just another indication that together we can do great things.



The Housing Trust Silicon Valley team responsible for the Investor Briefing and our success in fulfilling our mission.

event in 15 years, with more than 450 in attendance and nearly \$250,000 generated for our programs. But beyond the numbers, it was the spirit and energy in the room that I will remember for a long time to come. There is no doubt that this community is passionate about finding affordable housing solutions.

From conversations that day and since, it is clear that our network already understands that affordable housing is not "charity," but an investment in the infrastructure of our region that is necessary for a strong, sustainable economy. That was one of the points I emphasized in my remarks that seems to have resonated the most.

I have also received a lot of comment about my more contro-

less than one-third of what we spend nationally on homeownership subsidies.

It just seems fundamentally wrong to me that anyone who wants and can qualify for a homeownership subsidy gets to have one, but if you are a working family, or senior on Social Security or a person with special needs or disabilities who needs a stable place to rent that your only option is to get on a waiting list with thousands of others for a Section 8 voucher, or enter a lottery with thousands of others for a spot in an affordable housing development.

I only wish we subsidized affordable rental homes at anywhere near the same levels that we do for

Investor Briefing

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their expansion of non-residential impact fees. He challenged other cities and towns in Santa Clara County to be part of a regional solution by enacting similar policies.

"All cities have to do is adopt the same fees their neighbors have done, and make a stable set of rules for developers countywide, and we can solve our affordable housing financing problem," he said.

Other speakers at the Investor Briefing included: **Carl Guardino**, President and CEO of the Silicon Valley Leadership Group and a founder of the Housing Trust; Santa Clara Mayor **Jamie Matthews**; **John Barton**, Director of Architectural Design at Stanford University and Chair of the Housing Trust Board of Directors; Assemblyman **Rich Gordon**; **Linda Mandolini**, President of Eden Housing and a member of the Housing Trust Board of Directors; **Greg Becker**, President and CEO of Silicon Valley Bank; San Jose Mayor **Sam Liccardo**; **Kathy Espinoza-Howard**, Board Commissioner of the Housing Authority of Santa Clara County; and **Lynn Lovely**, a Housing Trust Silicon Valley first-time homebuyer.

20,000th person helped by Housing Trust is inspiring story of hard work and hope

The 20,000th person to be helped by a Housing Trust Silicon Valley program is **Lynn Lovely**, who recently bought her first home with assistance from the First-time Homebuyer Program. Her introduction at the Investor Briefing put a face on Housing Trust's impact on people's lives and her remarks, which received a standing ovation, were an inspiring story of how affordable housing assistance can keep families together.

Lynn moved to San Jose in 1988 as a single mom with four boys ages nine, four, three and two. She worked two jobs for 18 years in order to make ends meet



Lynn Lovely and two of her sons, Gary and Glenn.

“Even when times were toughest, I tried to save with the hope of one day buying a house”

while living in Section 8 rental housing with the assistance of the Housing Authority of Santa Clara County.

“I sometimes felt like my boys had all the odds stacked against them,” she

said. “But I was willing to do whatever it took for them to thrive and to graduate from college. I am so proud that all four have done that.”

“Even when times were toughest, I tried to save with the hope of one day buying a house,” said Lynn. “Now that my sons are married and

starting families of their own, I only need a small home that will be cozy and safe, with room for my grandchildren to visit. It seemed like it might finally be the right time to buy a home.”

She found the Housing Trust Silicon Valley website and realized she might be a good candidate to receive a loan through the First-time Homebuyers program. She attended a Housing Trust homebuyer workshop and moved in with her son's family for a year so that she could save even more for the down payment. Earlier this year she moved into her first owned home.

“After being a renter for over 25 years, I am now, for the first-time in my life, a homeowner. I want to thank the Housing Trust and the Silicon Valley community for helping me accomplish my lifelong dream – a home of my own.”

Community leaders join Board of Directors

Three Silicon Valley community leaders with extensive experience in the financial and housing industries have joined the Board of Directors of Housing Trust Silicon Valley.



Mary Chandler

Mary Chandler is Senior Vice President, Home Retention & Loss Mitigation Strategy at Bank of America. Her 20+ year career in the financial services industry has focused on regulatory compliance and risk mitigation. She previously worked with First Franklin-Merrill Lynch, Silicon Valley Bank and Cupertino National Bank.



Art Fatum

Art Fatum, Chief Financial Officer, MidPen Housing Corporation, has more than 30 years of finance and operations experience in public, private and nonprofit companies. Prior to joining MidPen in 2013, he was the CFO and Executive Vice President of Capital Markets for the Low Income Investment Fund, one of the nation's premier community development finance institutions.



Lorena Mendez-Quezada

Lorena Mendez-Quezada is an Investment Manager in Wells Fargo's Community Lending Investment Group where she manages the bank's equity equivalent investment and CDFI portfolios in California. She also serves on the Land Use and Housing Committee of the Silicon Valley Leadership Group. Prior to joining Wells Fargo she held posts at Deloitte & Touche and The CIT Group.

CHC Housing Hall of Fame Award

Housing Trust Silicon Valley's CEO **Kevin Zwick** and long-time Board member **Shiloh Ballard** will receive the Dianne Spaulding Local Leadership Award at the California Housing Consortium 2015 Policy Forum & Housing Hall of Fame ceremony in May.

Congratulations on this well-deserved honor!

2015 INVESTOR BRIEFING CELE



Morgan Hill Mayor Steve Tate, Gilroy Mayor Don Gage, Housing Trust CEO Kevin Zwick, Santa Clara County Supervisor Joe Simitian and Assemblyman Rich Gordon



Santa Clara Councilmember Pat Kolstad, Santa Clara Vice Mayor Debi Davis and Joe Head of SummerHill Land



Carl Guardino of Silicon Valley Leadership Group, and San Jose Councilmember Johnny Khamis



Greg Kepferle of Catholic Charities and Bill Del Biaggio of Heritage Bank of Commerce



Housing Trust Silicon Valley Board members Art Fatum and John Barton



Campbell Councilmember Liz Gibbons



Rachel Grossman of Google

2015 Investor Briefing Sponsors



BRATES 15 YEARS OF SUCCESS



More than 450 community leaders and elected officials attended the 2015 Investor Briefing



Guests from ROEM Development Corporation, one of the Investor Briefing sponsors



“Silicon Valley Bank will be doubling our investment in the Housing Trust this year.”

Greg Becker, President and CEO, Silicon Valley Bank



Staff from the City of San José Housing Department, one of the long-time partners of Housing Trust Silicon Valley



Kathy Espinoza-Howard of Housing Authority of Santa Clara County



Santa Clara County Affordable Housing Week

Many ways to learn about affordable housing issues and innovative programs in Santa Clara County—attend one, or attend them all! For further information, including registration details and deadlines, visit HousingTrustSV.org.

Down Payment Assistance Workshop

Tuesday, May 12
6-7:30 p.m., Tully Community Branch Library, San Jose
Learn about programs to help you buy a home in Santa Clara County
Hosted by Housing Trust Silicon Valley

Housing and Education Policy Breakfast

Thursday, May 14
9 a.m., Microsoft campus, Sunnyvale
Panel discussion on the correlations between housing and education.
Hosted by Eden Housing and Housing Trust Silicon Valley

Housing Policy and Development Discussion

Thursday, May 14
12:30 p.m., SPUR office, San Jose
Panel discussion on the need for affordable housing in the South Bay.
Hosted by SPUR

In Our Backyard: Why Everyone Should Care About Fair Housing

Friday, May 15
8 a.m. – 4:30 p.m., Computer History Museum, Mountain View
The Fair Housing Symposium includes nine workshops on a variety of topics.
Hosted by Project Sentinel

Hearts and Homes Tour

Friday, May 15
8-9 a.m., San Jose
Tour a home under renovation.
Hosted by Habitat for Humanity, East Bay/Silicon Valley



The Road to Homeownership

Saturday, May 16
10:30 a.m., locations throughout San Jose
This workshop for potential homebuyers includes information on loan programs, improving credit scores, selecting a real estate agent, tax benefits of home ownership, etc.
Hosted by NHORA of Santa Clara County

Homebuyer Opportunities Orientation

Monday, May 18
10:30 a.m., Morgan Hill Community and Cultural Center
An overview of Morgan Hill's Below Market Rate program requirements and application process.
Hosted by Neighborhood Housing Services Silicon Valley



Studio 819 Grand Opening

Tuesday, May 19
12 noon-1:30 p.m., Mountain View
Grand opening celebration of 51 family studios.
Hosted by ROEM and Eden Housing

Escaping the Jungle

Wednesday, May 20
12:30 p.m., SPUR office, San Jose
An update on the Community Plan to End Homelessness.
Hosted by SPUR

Rebuilding Together Event

Wednesday, May 20
2-4 p.m., San Jose
Presentation about safety and accessibility concerns for low income mobile home owners.
Hosted by Rebuilding Together Silicon Valley

“Hotel 22” Documentary

Thursday, May 21
6:30-8:30 p.m., San Jose-Silicon Valley Chamber of Commerce
A showing of the film about homeless in Silicon Valley who ride a public bus all night, followed by a panel discussion including director Elizabeth Lo.
Hosted by City of San José Housing Department



Affordable Housing As A Jewish Value

Friday, May 22
8-9:15 p.m., Congregation Shir Hadash
Open to the public, the weekly Sabbath services will include speakers on this topic.
Hosted by Congregation Shir Hadash

Affordable Housing Coordinators



What's trending?

#affordablehousingnews

STATE

Legislative Analyst report urges more affordable housing

A report on “California’s High Housing Costs: Causes and Consequences” issued in March by the non-partisan Legislative Analyst Office asked state leaders to consider how targeted programs that assist those with limited access to market rate housing could supplement broader changes that would spur more private housing construction.

The report described how the construction of new homes is not keeping pace with the state’s growth, especially in desirable regions like Silicon Valley, driving up home prices and rents to record highs. It estimated that California would need to build as many as 200,000 to 240,000 housing units a year – about twice what is expected – to mitigate the problems of housing affordability.

STATE

Assembly Speaker proposes affordable housing laws



Assembly Speaker Toni G. Atkins has proposed a package of new laws designed to increase affordable housing in California. The plan includes a small fee on real estate transaction documents (excluding home sales) that would become a permanent source of funding for affordable housing and increasing the Low Income Housing Tax Credit. Also included in the plan is the need for the Legislature to create a framework for how California will spend any funds received from the National Housing Trust that are expected to flow to states starting in 2016.

STATE

Cap-and-Trade fees fund affordable housing

Some Cap-and-Trade revenues generated by credits purchased by manufacturers as an alternative to staying within greenhouse gas emission caps set by the California Air Resources Board are now being directed to affordable housing programs. The innovative funding

strategy is managed by the California Strategic Growth Council, a state committee.

Earlier this year, the Council adopted guidelines for granting funds to Affordable Housing and Sustainable Communities programs that create and subsidize affordable housing near transit and held workshops throughout the state to familiarize grant applicants with the process.

SAN JOSE

Court ruling pending on inclusionary housing policy

A ruling is expected any day on a legal challenge to the City of San Jose’s inclusionary housing policy that requires developers to include below-market priced units for low income buyers on new projects built in the city.

Cities throughout the state are eager to hear the opinion of the California Supreme Court on the legality of inclusionary housing policies that are in place in more than 170 communities.

San Jose’s law requires that developers of new projects of 20 or more units set aside 15% to offer at below market rates, or pay a fee that would be earmarked for affordable housing programs. The loss of this inclusionary housing law would dramatically decrease the likelihood that anywhere close to the amount of affordable housing needed would be constructed, not just in San Jose but throughout the state.

SANTA CLARA COUNTY

Supervisors honor achievements of Housing Trust

The Board of Supervisors presented a Commendation to representatives of Housing Trust Silicon Valley



in March recognizing the organization’s affordable housing achievements. Participating in the ceremony

were, from left, Dan Furtado, Kevin Zwick, Sparky Harlan, County Supervisor Joe Simitian, Stephanie Lahat and John McLemore.



95 S. Market St., Suite 610
San Jose, CA 95113
408.436.3450
409.436.3454 (fax)
info@HousingTrustSV.org

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HousingTrustSV.org

Workshops for potential, new homeowners

Housing Trust Silicon Valley offers a free 90-minute Homebuyer Down Payment Assistance Workshop for first time homebuyers and a three-hour New Homeowner Mini Boot Camp for new homeowners.

For dates, times, locations and to register for either program, visit HousingTrustSV.org.

Housing Trust first nonprofit CDFI to receive S&P investment grade credit rating

Housing Trust Silicon Valley is the first nonprofit Community Development Financial Institution (CDFI) in the U.S. to earn an investment grade credit rating from Standard & Poor's Rating Services. Its "AA-" rating indicates the organization has a "very strong capacity to meet financial commitments."

"It is an enormous success for Housing Trust Silicon Valley to be the first rated nonprofit CDFI," said Chief Financial Officer Maureen Shilling. "Our investment grade rating opens capital markets previously not available to us. This rating highlights the financial strength of our organization, our industry and its practices. Housing Trust is very proud to be a trailblazer with S&P in this area. We look forward to creating more affordable housing opportunities in Silicon Valley as more organizations are able to invest with us."



New loan pools are investor opportunities

Two of those opportunities are new loan pools announced last week by Housing Trust Silicon Valley – a \$15 million Affordable Growth Fund 2.0 to assist in the construction of more than 1,200 affordable rental homes over the next five years and a \$10 million zero interest loan fund in partnership with the County of Santa Clara to encourage developers to include homeless and supportive housing in their affordable rental projects.

"We congratulate Housing Trust Silicon Valley on this latest accomplishment," said **Greg Becker**, President and CEO of Silicon Valley Bank. "It has done extraordinary work and will now have an even greater impact in helping our region deal with the housing crisis. Silicon Valley Bank will be doubling our investment in Housing Trust Silicon Valley this year, and we hope we are the first of many financial institutions and corporations to do the same."