

# Housing Trust Silicon Valley

Q3 2015

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

## Affordable housing in Silicon Valley scores some big wins this summer

### Community cannot afford to slow down on efforts

By Kevin Zwick, CEO

Summer is often thought of as a slow season, but that's not been the case this year when it comes to achieving some big wins for affordable housing in Silicon Valley. There have been encouraging actions that give hope we are making serious headway in expanding affordable housing opportunities – but the community cannot afford to slow down on any of the efforts to tackle the most serious issue in our region.

### Inclusionary housing court ruling

The most significant milestone was the June decision by the California Supreme Court to uphold the City of San Jose's inclusionary housing ordinance. The law was passed in 2010 and requires developers building projects larger than 20 homes to set aside 15% of them as affordable.

The ordinance has been at the center of legal wrangling for

the past five years and the suit brought by the California Building Industry Association prevented the ordinance from going into effect. With this decision, hundreds of new affordable homes could be added to the marketplace in the coming years.

### Higher housing mitigation fees in Cupertino

In July, higher housing mitigation fees went into effect in the City of Cupertino in order to increase and preserve affordable housing in that fast-growing community. Fees will be paid by both residential and commercial developers, ranging from \$15 to \$25 per square foot of new construction, and the fees will be adjusted annually based on the Consumer Price Index.

Given the amount of development interest in Cupertino (the General Plan vision for the Vallco Shopping Center site alone includes 2 million square feet of office space, 600,000 square feet of retail and up to 800 residential units), the potential



Kevin Zwick and Hong Anh Ngo of the Housing Trust discussed affordable housing programs with NBC Bay Area newscaster Robert Handa this summer. [View the interview on HousingTrustSV.org.](http://View%20the%20interview%20on%20HousingTrustSV.org)

for generating millions of dollars in funds for affordable housing projects is tremendous.

### Changing the conversation

The launch of SV@Home in June (see story on pages 4-5) and an unprecedented invitation to **San José Mayor Sam Liccardo** in July to describe to a worldwide audience at the Vatican how affordable housing is a solution to closing the gap between rich and poor, are changing the way people think and talk

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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.

# Affordable housing

continued from page 1

about affordable housing in Silicon Valley. Affordable housing is no longer at the end of a laundry list of regional problems – it’s become the top issue that warrants all-hands-on-deck attention.

## Threat to mobile homes continues

Unfortunately, all is not entirely rosy news. **Santa Clara County Supervisor Joe Simitian** continues to lead efforts in Palo Alto to save the Buena Vista Mobile Home Park and preserve affordable housing for 400 residents. At the end of July, it was announced that the closure process is starting for Winchester Ranch Mobile Home Park in San Jose. A 22-space RV park, licensed as a mobile home park, was closed in Mountain View but officials are reassuring that this action does not threaten the six traditional mobile home parks in the city that are protected by zoning, the General Plan and a mobile home park conversion ordinance.

All three are examples of why it is so important that jurisdictions get into place, if they have not done so already, policies that will preserve this very important source of affordable



San José Mayor Sam Liccardo stood out in the crowd of mayors from around the world attending the Pontifical Academy of Sciences at the Vatican in July because of his speech on “Social Inclusion: Affordable Housing as a Linchpin to Merge Silicon Valley’s Two Worlds.” He described rapid rehousing of the most vulnerable homeless, micro-housing, inclusionary housing and impact fees, and affordability by sustainable designs as strategies San Jose is employing to meet the affordable housing crisis in this region.

housing and will allow closure only if the new development contains at least the same number of affordable homes being lost and provides meaningful relocation benefits that will allow residents to stay in this area for an extended period of time.

All in all, though, this summer has been a time to cheer and to feel encouraged. There is not enough housing under construction, and home prices and rents continue to rise, but there is no denying that civic and corporate leaders recognize the need for affordable housing solutions if we are to remain a sustainable community. And with their combined brain power and resources, the future is looking bright.

## Introducing two new Housing Trust Board members

Two women very familiar with the housing needs of Silicon Valley have joined the Board of Directors of Housing Trust Silicon Valley.



**Hilda Ramirez** is Director of Public Relations, Communication and Education at Santa Clara County Association of REALTORS®. She is the founding vice president of the National Hispanic Organization of Real Estate Associates, an advocacy group for sustainable housing, and

is an Advisory Board Member for California Hispanic Professional Association. In 2008 she was honored by the Mexican American Community Services Agency (MACSA) as one of the 50 most influential Latinos in Silicon Valley.



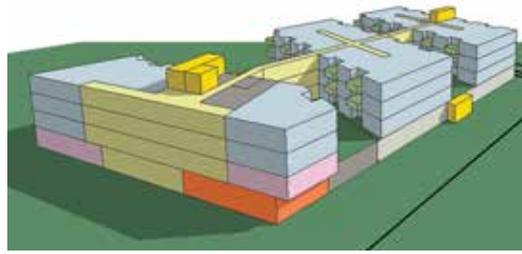
**Amanda Montez** is Senior Director, Housing and Community Development for the Silicon Valley Leadership Group. Previous experience includes communication and outreach positions with Destination: Home and the Midpeninsula Regional Open Space District and legislative

analyst posts for the San Jose City Council and the National Council of La Raza in Washington D.C. She holds a B.A. in Political Communications and M.A. in Political Management from George Washington University.

Workshops for first time homebuyers will be held this fall. For dates, times, locations and to register, visit [HousingTrustSV.org](http://HousingTrustSV.org).

# MidPen loan is largest in Housing Trust's history

A \$7.8 million loan to **MidPen Housing Corporation** to help build 60 units of affordable housing for low income families has been made by Housing Trust Silicon Valley and **Technology Credit Union**. Housing Trust was the lead lender, making the largest loan origination in the Housing Trust's 15-year history.



The MidPen project in Sunnyvale will provide 60 homes for low income families.

The MidPen project will be built at 460 Persian Dr. in Sunnyvale, a transit-oriented location. Three of the new affordable homes will be reserved for households transitioning out of homelessness.

“Tech CU is working with several community partners throughout the Bay Area to try and find solutions to the rising cost of housing,” said **Tech CU Chief Banking Officer Joe Anzalone**. “This includes serving as a commercial lender and business partner to developers who are working on affordable housing projects, such as MidPen and the Housing Trust, both of whom have a track record of success with affordable housing projects like this. Tech CU is honored to support these two fine organizations as they bring this project to the market and help alleviate the Bay Area’s significant affordable housing challenge.”

## New department will help jurisdictions manage affordable housing

Housing Trust Silicon Valley has established a new **Asset Management and Contract Services Department** that will help local jurisdictions manage their affordable housing programs, including their below market home loan portfolios.

“These new partnerships take advantage of our experience and expertise and saves the jurisdictions resources that can be used elsewhere,” said Sandra Murillo of the Housing Trust. “We deal with loan portfolios every day so it makes sense to outsource this work to our qualified, reliable organization.”



Housing Trust will help jurisdictions find applicants for below market homes in new developments.

### County contracts are first new clients

The first new assignments for the department are two multi-year contracts with Santa Clara County. One contract places the day-to-day management of the County’s Affordable Housing Loan Portfolio into the hands of the Housing Trust for the next five years. The portfolio includes loans that the County has made to more than 350 homeowners and multifamily and shelter developments.

The second contract puts the Housing Trust in charge of a new \$10 million Supportive Housing Fund that combines \$5 million of County funds with a matching amount of lending capital from the Housing Trust. The fund will be used to make predevelopment loans to housing developments that create or preserve homes with supportive services for extremely low income individuals and families and those with special needs.

### Cities also looking to Housing Trust

New opportunities are coming to the Housing Trust from individual cities that need help with their below market programs. Housing Trust is in discussion with Gilroy, Santa Clara, Los Gatos and San Jose about services that could be provided including “health” assessments of their below market loan portfolios, screening of qualified affordable housing applicants, loan compliance, underwriting and coordinating the sales and resale of affordable housing units.

### Staffing with expertise

**Sandra Murillo** has been promoted to Chief Operations Officer for the Housing Trust and will oversee the new department. **Rosa Ly** joined the Housing Trust in August as its new Asset Manager after working in asset management for nine years at the City of San Jose. Other expertise for the new department comes from existing Housing Trust staff members including Compliance Manager Mariana Gonzalez.

# New affordable housing adv



Steering Committee members Kevin Zwick, Kathy Thibodeaux, Shiloh Ballard, Leslye Corsiglia

## SV@Home will concentrate on strategic public policies

A new nonprofit organization was launched in June to advocate for policies, programs, land use decisions and funding that will increase affordable housing opportunities in Silicon Valley.

SV@Home will also provide educational opportunities and research materials that demonstrate the link between housing and other quality of life outcomes of concern in the region, including education, health, transportation and the environment.



Ron Gonzales, Walter Armer, Chris Neale, Jacky Morales Ferrand



Close to 200 community leaders attended the launch of SV@Home at the end of June



Zoe Mullendore, Davis White, Shiloh Ballard, Mike Kasperzak

The organization was created by a group of community and business leaders to expand on the advocacy work already being done by nonprofits, government agencies and corporations. Founding members include Google, LinkedIn, the Silicon Valley Community Foundation, the Knight Foundation, Housing Trust Silicon Valley, U.S. Bank, Silicon Valley Bank, LifeSTEPS, BRIDGE Housing, Charities Housing, The CORE Companies, EAH Housing, Eden Housing, Enterprise Community Partners, First Community Housing, Habitat for Humanity East Bay Silicon Valley, and MidPen Housing.

**Leslye Corsiglia**, who recently retired as Director of Housing for the City of San Jose, will serve as Executive Director of SV@Home and former San Jose Mayor **Ron Gonzales**, now President and CEO of the Hispanic Foundation Silicon Valley, is Chair of the Leadership Board. For more information including the names of all Leadership Board members, visit [SiliconValleyAtHome.org](http://SiliconValleyAtHome.org).

# ocacy organization launched



Nevada Merriman, Paul Ring

SV@Home Leadership Board Chair Ron Gonzales welcomed guests at the launch of the new organization

*“The housing crisis is negatively impacting the future health and vitality of our region. Together, we must champion efforts to increase the availability of housing so working families who call Silicon Valley home have access to affordable homes with a shorter commute to and from work.”*

– Ron Gonzales, SV@Home Board Chair



Janice Jensen, Brenna Bolger, Daniel Garza



Morgan Hill Mayor Steve Tate, Kelly Snider, John McLemore, Daniel Furtado



Carolyn Hooper, Keri Lung



The first official meeting of the Leadership Board of SV@Home

*“At Google we know that increasing the housing supply in Silicon Valley is a goal that can best be met by a team effort. We’re looking forward to working with a broad coalition of companies and organizations on this priority, as we believe the long-term success of the region depends upon it.”*

– Davis White, Public Policy and Government Relations Manager, Google

# \$1 million in grants awarded to local youth shelters

Grants totaling \$1 million have been awarded to two nonprofit organizations in Santa Clara County that provide services to homeless and runaway youth under the age of 18. The grant application and award process is managed by Housing Trust Silicon Valley.

The **Bill Wilson Center** in Santa Clara received \$595,000 for renovations to the Bill Wilson House youth shelter and **Rebekah Children's Services** received \$385,000 for the rehab and renovation of cottages on its Gilroy campus. Both also received a \$10,000 furniture and fixture grant for such things as replacing worn beds and adding storage space.

Funding for the grants came from the County of Santa Clara as repayment of \$1 million it originally received from Proposition 86 state funds when the County operated a children's shelter. The County now uses a different way than a shelter to house abused and neglected children. Instead of having to repay the State, legislation championed



Celebrating the successful grant program for local youth shelters at a recent Santa Clara County Board of Supervisors meeting were: Supervisor Ken Yeager; Bruce Knopf, Director of Asset and Economic Development for Santa Clara County; Supervisor Joe Simitian; Supervisor Cindy Chavez; Morgan Hill Mayor Steve Tate; Gina Gonzalez, NHORA; Nathan Ho, Eden Housing; Maureen Shilling, Housing Trust Silicon Valley; Sparky Harlan, Bill Wilson Center; Christophe Rebboah, Rebekah Children's Services; Supervisor Dave Cortese; Frances Herbert, Office of State Senator Jim Beall; Elizabeth Williams, Rebekah Children's Services; Gerardo Vazquez, NHORA; Sandra Murillo, Housing Trust Silicon Valley; Amanda Montez, Silicon Valley Leadership Group; Beverly Jackson, Rebuilding Together Silicon Valley; Supervisor Mike Wasserman.

by **State Senator Jim Beall** allowed the County to invest the \$1 million in youth shelters operated by other agencies.

"How a society treats its children – whether they are rich or poor, orphaned or neglected – is a hallmark of its values. Santa Clara

County's re-purposing of this \$1 million is a testament to our community's keen understanding that its legacy is its children," said Senator Jim Beall, D-San Jose. "I am very glad to have played a part in this worthwhile cause by securing the grant through SB 347."

## Two good news announcements

Housing Trust Silicon Valley has successfully secured a \$5 million line of credit from **Union Bank** which will provide more flexibility in making loans to first time homebuyers and gap financing to developers building affordable housing in the region. The Housing Trust has had a depository relationship with Union Bank since 2013 with operating and money market accounts.

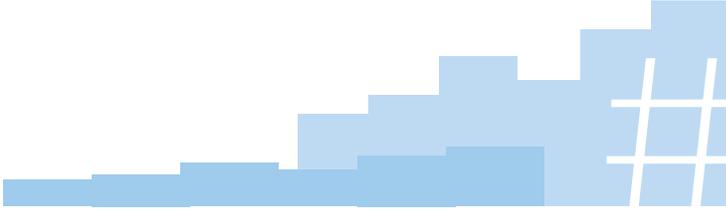
The **Knight Foundation** selected Housing Trust Silicon Valley to be one of 13 agencies in San Jose to receive a grant this summer. The Housing Trust grant of \$75,000 is designated to help establish more affordable and equitable housing policies through the recently-launched SV@Home.

## Sharing information to expand opportunities

The second annual **COIN Investment Summit**, hosted by the **California Department of Insurance** in July, included a discussion of "Insurer Evaluation of COIN Investments" with Housing Trust CEO Kevin Zwick as one of the panelists.

Kevin described how and why Housing Trust Silicon Valley was able to earn its AA- rating from Standard & Poor's and how other nonprofit Community Development Finance Institutions (CDFIs) could leverage an S&P rating to create more affordable housing opportunities.

"Housing Trust Silicon Valley had an extremely strong history of loan performance," said **S&P Senior Director Mikiyon Alexander** in a recent YouTube interview explaining the review process. "Since its inception it has had minimal loss, if any, on a year to year basis. (Housing Trust) has very experienced and prudent management who want to do this work, who love this work and are very wise about the strategy they have taken."



# What's trending?

#affordablehousingnews

## NATIONAL Fewer people own homes in U.S.

Only 63.4% of Americans own their own homes, the lowest homeownership rate in the U.S. since 1967, according to data recently released by the Department of Commerce Census Bureau. It's even lower by region, with the western states having the smallest number of homeowners, 58.5%, in the country.

## SANTA CLARA COUNTY Annual Affordable Housing Week is success



Photo: ROEM

This year's **Affordable Housing Week** in May had a record number of events and participants learning about programs that are helping to expand housing for low income individuals and families in Santa Clara County. Tours, policy discussions and workshops were scheduled throughout the region, including a grand opening

celebration of Eden Housing and ROEM's Studio 819 in Mountain View that makes 51 studio apartments available to extremely low income families.

## STATE State approves \$1 million grant



Housing Trust Silicon Valley received a \$1 million grant from the California Department of Housing & Community Development's Local Housing Trust Fund Program.

**Assembly Member Rich Gordon** authored AB 532, the bill that made

this program possible and noted that Housing Trust has "successfully leveraged tens of millions of private sector dollars to produce thousands of affordable housing units and support working families."

## SANTA CLARA COUNTY Report on fiscal cost of homelessness

A report on the cost of homelessness in Santa Clara County revealed that \$520 million in public funds is spent annually on services to the homeless, including health care, social services and justice system costs. The study was commissioned by the County and Destination: Home and found that more than \$3 billion of County services were used by 104,206 homeless residents between 2007 and 2012.

In June, the County released figures from its January person-by-person count of homeless residents which found a 14% drop since the tally two years ago. However, there still remain 6,556 individuals with no permanent place to call home.

"It's clear that focusing on housing better utilizes taxpayer money and has the potential to transform lives," said **Santa Clara County Supervisor Mike Wasserman**. "It is much more effective and less costly to provide supportive housing to the highest users, which is what I have been advocating."



## SAN JOSE City Council passes moratorium on mobile home closures

At its Aug. 11 meeting, the San José City Council passed a six-month moratorium on the closure of mobile home parks. The moratorium takes effect immediately and freezes the proposed conversion of the Winchester Ranch Mobile Home Community on Winchester Boulevard.

San Jose has 59 mobile home parks – more than any other city in California – with about 35,000 residents, mostly seniors, disabled and low income families.

City officials will use the moratorium period to complete work on updating a 1986 ordinance that details the rules for converting mobile home parks to other uses.



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[HousingTrustSV.org](http://HousingTrustSV.org)

## Register now for Turkey Trot

Register now for the annual  
 Applied Materials Silicon Valley  
 Turkey Trot on Thanksgiving Day,  
 Nov. 26, at [SVTurkeyTrot.com](http://SVTurkeyTrot.com).  
 Housing Trust Silicon Valley is one  
 of the local charities benefitting  
 from the event.

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Tuesday, Oct. 6, 5:30-7:30 p.m.

Café Stritch

374 S. 1st St., San Jose

### The annual fall event supporting Housing Trust Silicon Valley

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