

SCALING FOR IMPACT

Housing Trust Silicon Valley - Fiscal Year 2016 Annual Report



PIVOT POINT FOR HOUSING TRUST SILICON VALLEY

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.

Dear Community,

It is with great pride that we present the Housing Trust Silicon Valley Annual Report for fiscal year 2015-16. This summary of our recent achievements illustrates the powerful effectiveness of pooling the experience and resources of a talented staff, visionary Board of Directors, committed funders and extraordinary partners. Together we have worked hard to achieve our mission and have solid results of our success.

2016 is a pivot point for the Housing Trust – the final year of our current strategic plan in which we moved the organization from start-up mode to a fully formed Community Development Financial Institution (CDFI) with an outstanding Standard & Poor’s investment grade credit rating. We also realized this year that our scope is broader than the geographical boundaries of Santa Clara County. To have significant impact, we need to think of Silicon Valley not as a group of cities but as a source of financial strength and innovation that could be tapped to solve regional housing issues.

These transitions were the foundation of our new strategic plan for 2016-2019. We titled it “*Housing Trust 3.0 – Scaling for Impact*” because it emphasizes the very real potential we have for developing big solutions to the complex housing crisis we face. The challenge is huge, but so are the opportunities. Awareness of the magnitude of the problem and the demand for solutions have taken on an exciting momentum, evidenced by the ballot measures in three counties in November that could generate \$2 billion in taxpayer investment in affordable housing in our region.

Housing Trust Silicon Valley is an active participant in sweeping initiatives like these but we never lose sight of our primary goal -- to make a difference in the lives of people who are able to access affordable housing because of our programs. Thank you for all that you do to support us in this work.



Kevin Zwick, CEO



Candice Gonzalez, Board Chair

Board of Directors

Candice Gonzalez, Chair, *Palo Alto Housing* • George Brown, First Vice Chair, *Gibson, Dunn & Crutcher, LLP* • Mary Chandler, Second Vice Chair, *Bank of America* • Art Fatum, Treasurer, *MidPen Housing* • Kathleen King, Secretary, *Healthier Kids Foundation* • Shiloh Ballard, *Silicon Valley Bicycle Coalition* • John Barton, *Stanford University* • John Paul Bruno, *Yahoo!* • Rachel Colton, *Google* • Hon. Ash Kalra, *City of San José, Councilmember* • Lorena Mendez-Quezada, *Wells Fargo* • Amanda Montez, *Silicon Valley Leadership Group* • Hilda Ramirez, *Santa Clara County Association of REALTORS* • Craig Robinson, *Silicon Valley Bank* • Hon. Steve Tate, *City of Morgan Hill, Mayor*

SCALING FOR IMPACT

1998 - 2008 version 1.0

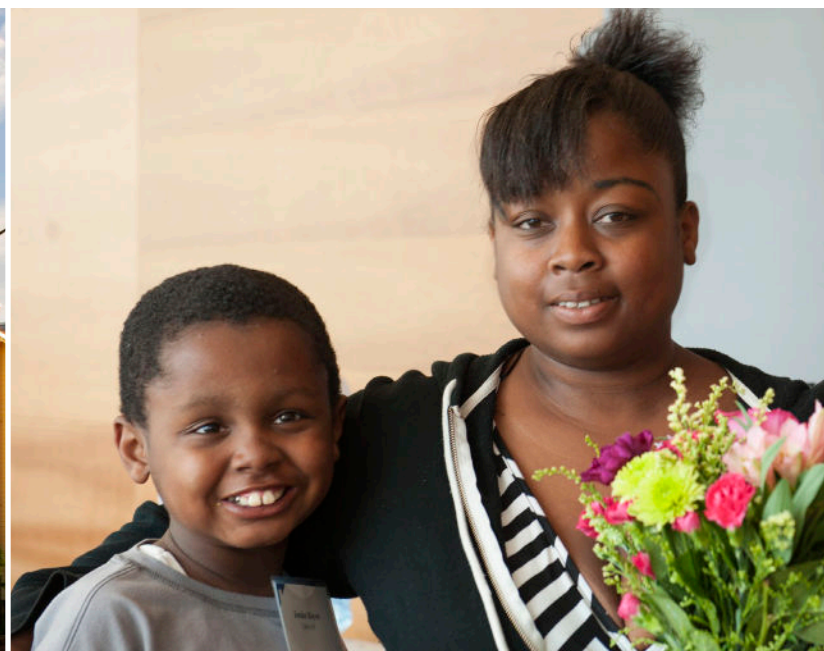
It started with a bold idea typical of entrepreneurial Silicon Valley – ask local governments and corporations to donate money to a new private nonprofit venture devoted to expanding affordable housing. Audacious? Yes. But in two years, \$20 million was raised from every jurisdiction in Santa Clara County and tech corporations such as Adobe, Applied Materials, Cisco, Hewlett Packard and Intel, and the Housing Trust launched in 2000. Within a year the Housing Trust moved from initial capitalization to proven concept.

2009 - 2015 version 2.0

With a track record of results as a successful private-public local partnership, the Housing Trust took on a bigger challenge – becoming a Community Development Financial Institution (CDFI). With this designation, the Housing Trust could borrow capital for its lending programs, expanding its ability to have a significant impact in the region. In 2010, the Housing Trust was awarded a \$25 million federal grant to help San José residents avoid foreclosure and keep neighborhoods intact. Earning an AA- investment grade credit rating from Standard & Poor's validated that the Housing Trust had matured into a solid, established organization worthy of investor confidence.

2016 and beyond version 3.0

Housing Trust Silicon Valley 3.0 is the third phase of the organization's evolutionary growth. The 2016-2019 strategic plan takes a broader view of the Housing Trust's potential to improve affordable housing in the region. Our lending programs and capitalization strategies leverage the Housing Trust's financial strength, experience and flexibility for maximum impact throughout the Bay Area. We are creating innovative funding models such as investment vehicles for corporate and foundation investors, bonds and affiliated funds. All of these new efforts will bring the Housing Trust even closer to full self-sufficiency while also generating thousands of affordable housing opportunities.





IMPACTS FOR FISCAL YEAR 2016

The ambitious mission of Housing Trust Silicon Valley is not a goal that can be accomplished in one year, but our achievements this year significantly moved the dial forward in helping the region with its affordable housing crisis. The multifamily loan program worked with several developers to provide financing for the construction of more affordable rental housing. Our programs for individuals helped first-time buyers achieve home ownership, avoid or leave homelessness with stable housing, and make needed home repairs they could otherwise not afford. We gave grants to renovate shelters for homeless and runaway youth, and launched an Asset Management and Contract Services Department to help local jurisdictions manage their below market home loan portfolios. These parallel efforts will continue in 2017 as the Housing Trust stays true to its focus – making Silicon Valley a more affordable place to live.

EXPANDING AFFORDABLE RENTAL HOUSING INVENTORY

\$14.2

million in loans committed

482

homes financed
(95 for the homeless)

"It can take years for a developer to put together funding for an affordable housing project and sellers are not willing to wait. The Housing Trust stepped up to insure we could secure land for what will be great, affordable homes in years to come."

Dan Sawislak, Resources for Community Development

REDUCING HOMELESSNESS

\$314,000

Finally Home grants

455

people avoid or move out of homelessness

"When my monthly income dropped to \$866 after a permanent disability, I felt like a bomb had dropped on me. The world would be such a better place if there were more understanding of the problems some have. I am beyond grateful for the help I received from the Housing Trust."

Joann, who avoided homelessness thanks to a Finally Home security deposit grant from the Housing Trust

HELPING NEW AND EXISTING HOMEOWNERS

\$1.2

million in down payment assistance loans

20

 loans to first-time homebuyers

1,612

attendees at homebuyer workshops

"As a single parent, I never dreamed of the security, comfort and pride of owning my own home in the current market."

Charlotte Andreen, who purchased a below market home in Campbell with Housing Trust's down payment assistance MAP loan



COMMUNITY ENGAGEMENT



Investor Briefing

Our Investor Briefing has become a significant annual event in Silicon Valley attended by hundreds of elected officials, business and community leaders and affordable housing investors and champions. In 2016 the program included remarks from California State President pro Tempore Kevin de León and the announcement of a \$500,000 grant from Bank of America to support the work of the Housing Trust. It also featured the real-life story of a mother and young son who narrowly avoided homelessness and foster care separation thanks to a grant from the Housing Trust.



Applied Materials Silicon Valley Turkey Trot

For the 26,000+ people who crowd downtown San José early morning on Thanksgiving each year, the Applied Materials Silicon Valley Turkey Trot is a fun and healthy way to start the holiday. For the Housing Trust, it is one of our largest sources of donated funding. We thank Housing Trust founding board members Carl and Leslee Guardino for their vision in creating this event and the Silicon Valley Leadership Group Foundation for its commitment. Over the race's 11-year history, the Housing Trust has received more than \$1.6 million from this event.



Good Eats & Treats

At the annual Good Eats & Treats fall event, 200 guests enjoyed networking and casual conversations about affordable housing challenges in an upbeat social setting.

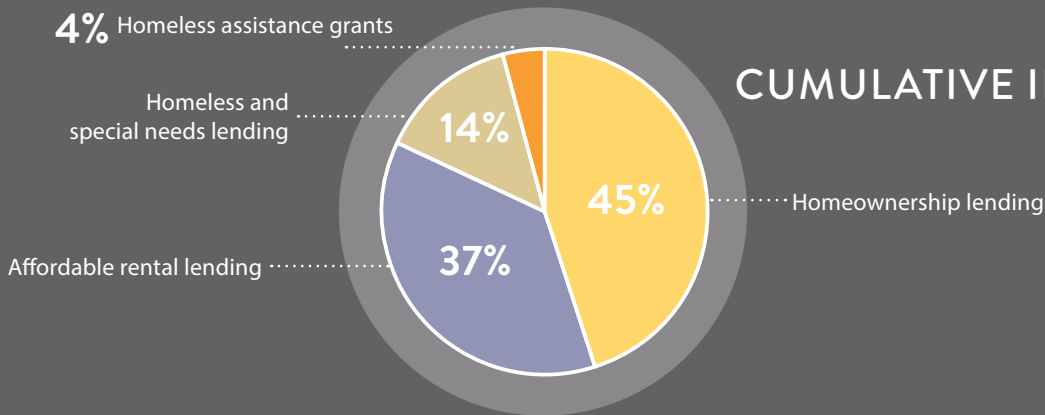
Thank you to our many sponsors, including 2016 Investor Briefing title sponsor Silicon Valley Bank.



FINANCIALS



TOTAL ASSETS AND LOANS RECEIVABLE



CUMULATIVE INVESTMENTS

Cumulative investments through 2016

\$108.6 M

13,667

housing opportunities created

<i>\$ millions</i>	2015	2016
FINANCIAL POSITION		
Total assets	\$52.6	\$71.5
Gross loans receivable	\$38.1	\$49.0
Cash & marketable securities	\$13.7	\$22.5
Net Assets		
Unrestricted net assets	\$25.8	\$26.8
Temporarily restricted net assets	\$14.3	\$25.1
Total net assets	\$40.1	\$51.9
ACTIVITIES		
Total grants & contributions	\$ 6.9	\$13.9
Earned investment & program revenue	\$ 1.0	\$ 1.5

Note: 2016 unaudited results

PARTNERS IN IMPACT

THANK YOU FOR YOUR GENEROUS SUPPORT IN FISCAL YEAR 2016

\$1 million and above

County of Santa Clara
State of California - Department
of Housing and Community
Development

\$250,000 to \$999,999

Bank of America
Silicon Valley Leadership Group
Foundation

\$100,000 to \$249,999

City of Mountain View
City of Sunnyvale

\$50,000 to \$99,999

Cisco Systems, Inc.
Citi Foundation

\$25,000 to \$49,999

Applied Materials
Google
Silicon Valley Bank
U.S. Bank
Wells Fargo Foundation

\$10,000 to \$24,999

Schwab Fund for Charitable Giving
Technology Credit Union
Union Bank of California

\$5,000 to \$9,999

Boston Private
George Brown
Comerica Bank
Enterprise Community Partners, Inc.
Heritage Bank of Commerce
HSBC Bank
Symantec
The Core Companies

\$2000 to \$4,999

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Charities Housing Development
Corporation
City of San José - Housing
Department
CTBC
Cupertino Electric, Inc.
Eden Housing, Inc.
First Bank
First Community Housing
First Republic Bank
Grosvenor Americas
Carl & Leslee Guardino

Housing Authority of the County
of Santa Clara
LinkedIn

McPharlin Sprinkles & Thomas LLP
MidPen Housing
Mission City Community Fund
Nexenta
Pacific Gas & Electric
Palo Alto Housing
ROEM Development Corporation
Santa Clara County Association
of REALTORS
Maureen Shilling
Summerhill Homes
The Law Foundation of Silicon Valley

\$1000 to \$1,999

Avalon Bay Communities Inc.
First Commercial Bank
Focus Business Bank
Gordon and Betty Moore
Foundation
Lorena Mendez-Quezada
Craig Robinson
Jack Russi

\$1,000 and under

Margaret Abe-Koga
Mariam Abrahams
Jennifer Abrams
Tamara Alvarado
Joe Anzalone
Carey Atwood
Pastor Paul Baines
John Barton
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Candice Gonzalez
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Anne Hansen
Katherine Harasz
Carl Hekker
Tim Henderson
Deborah Henigson
Ted Holman
Fiona Hsu
Rambod Jacoby
Tricia & Kevin Jiang
John Stewart Company
Joan & Dave Johnsen
Ellen Kamei
Hon. Michael Kasperzak
Kyra Kazantzis
Kathleen King
Jennifer Kirk
Lawrence Kuechler
Hon. Gustav Larsson
Ky Le
Joan Leis
Kate Levin
Grace Li
Andrew & Ruth Lief
Helen Lin & Kevin Zwick
Julie Lovins
Keri Lung
Barbara Lymberis
Manufacturers Bank
Steven Martinez

Karen McCay
Amanda Montez
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Charles Yun
AnnMarie Zimmerman
Janis Zinn
Leslie Zwick

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Foundation • East West Bank • First Bank • Heritage Bank of Commerce • Manufacturers Bank • Mercy Fund • Presidio
Bank • Rabobank • Religious Communities Investment Fund • Silicon Valley Bank • Technology Credit Union • Union Bank
U.S. Bank • Wells Fargo Bank

Front cover: Franklin Street Apartments - ROEM, DeVries Place Senior Apartments - MidPen Housing, Sobrato House - HomeFirst, Treehouse Apartments -
Palo Alto Housing, Alta Torre - Bridge Housing **Page 1:** San Antonio Place - Charities Housing **Page 2:** Willow Housing Veterans Apartments - The Core Companies
Page 3: Ford Road Plaza - Eden Housing, Presidio Santa Clara - The Core Companies



Housing Trust Silicon Valley

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