

County of Santa Clara

Office of Affordable Housing

1735 North First Street, Suite 265
San Jose, CA 95112
(408) 441-0261

COUNTY OF SANTA CLARA OFFICE OF AFFORDABLE HOUSING

<http://oah.sccgov.org>

- Established by the Board of Supervisors in 2003
- To provide Countywide leadership on issue of housing affordability
- Placed in the County Executive's Office
- Board set aside a projected \$18 million to assist with new housing units
- Consolidated housing and homelessness programs into one visible office

HOUSING PROGRAMS

AFFORDABLE HOUSING FUND

Since September 2003, the Affordable Housing fund has awarded \$10.6 million to 14 new affordable housing projects which will result in nearly a 1,000 new housing units or shelter beds in the County. Total investments in these projects totaled about \$225 million. County funding for three of the projects specifically leveraged more than \$16 million in State housing funds. In June 2005, another \$4 million was made available encouraging "housing first" projects.

HOUSING AND COMMUNITY DEVELOPMENT

This Program administers federal community Development Block Grants (CDBG), HOME, and Americana Dream Down Payment (ADDI) assistance for the unincorporated area and seven of the 15 municipalities in the County. In FY05-06, \$3.6 million will be distributed to housing related non-profits, builders of affordable housing, and first time homebuyers.

HOUSING REHABILITATION

The Housing Rehab Program lends money from a revolving loan account to low income homeowners for home improvements. Loans are low interest with payments deferred until the sale of the house. Older houses are modernized, brought up to code, repaired for termite or water damage, and remodeled for safety or accessibility. About 12 houses in the County's unincorporated area and participating cities are rehabilitated each year.

FIRST TIME HOMEBUYER PROGRAM

The County is helping families stay in the Valley and thereby helping to keep the work force local by offering Mortgage Credit Certificates and down payment assistance through its First Time Homebuyer Program. In addition to contributing \$500,000 to the Housing Trust for this purpose, the County's Office of Affordable Housing has a homebuyer program using federal HOME and ADDI funds.

HOMELESS PROGRAMS

The County has a Homeless Concerns Program that works with the service provider community to coordinate and advocate for solutions to homelessness countywide.

Homeless Count

The County completed a Homeless Census and Survey in December that identified 7,646 homeless people on the streets, in the creek beds or in emergency shelters, hospitals, and jails. The survey indicated that 20,338 were homeless in the County during the year 2004. 58% of the people responding to the survey said that they received no government assistance. 1,051 were under the age of 18.

Plan to End Homelessness

On May 3, the Board of Supervisors accepted a report from a Task Force on Homelessness entitled: "Keys to Housing: A 10-Year Plan to End Homelessness." The report was developed in response to a nationwide movement to end homelessness. Participants in the census and 10-Year Plan included representatives of all of the 15 cities, including elected officials, community members, service providers, and the homeless themselves.

"Keys to Housing" calls for a shift from emergency shelters to a "housing first" strategy. Studies have shown that only when people have permanent housing, can they begin to address other issues in their lives, for example, mental and physical health, education, employment, and personal relationships. The cost of caring for a homeless person has been estimated to be \$61,000 a year, including emergency room care and incarceration. On the other hand, it is estimated to cost only \$16,000 a year to provide that person housing and supportive services. (San Francisco 10-year Plan, 2004). The first step in making the plan successful is to raise awareness in every sector of the community about the extent and cost of homelessness in terms of money, and more important, in terms of human suffering.

HOUSING TRUST OF SANTA CLARA COUNTY (CALIFORNIA)

SITUATION:

The 1990's found Santa Clara County facing a housing crisis in which only 16% of area residents could afford to buy a home, housing costs were continuing to rise, and the number of new housing units being built did not meet demand. There are 20,000 episodes of homelessness in the County annually. With few viable housing options available for workers in Santa Clara County, the possibility of business relocation and economic instability existed. With these concerns in mind, Santa Clara County sought to serve the area's homeless people and provide more affordable housing to the community as a whole through better coordination and communication among the government, local businesses, and non-profit organizations. The resulting Housing Trust program serves as a catalyst to develop sorely needed housing through the financial support of both corporate and community investors.

SOLUTION:

The Santa Clara Collaborative on Housing and Homeless Issues met and studied the affordable housing issue for months, and obtained approval from the County Board of Supervisors in February 1997 to seek potential funding for a county-wide housing trust fund. A feasibility study was commissioned and prepared, and it presented several alternative funding options for the fund – the most likely seemed to be a general obligation bond issue for housing. A public opinion survey also was conducted to provide further input. That study showed that people believed there was a need for more housing affordable to those of the lowest incomes, but apparently there was little support for increasing taxes.

A Trust Steering Committee consisting of business people, public officials, and community leaders was established to help create the Housing Trust, including to determine funding sources, and has since assumed the program's oversight duties. A Loan Fund Administrator reviews applications and makes recommendations to the Housing Trust Committee with regards to first-time homebuyer loans, affordable housing project loans and aid to homeless people.

The Housing Trust program has three main focus areas:

1. loans for first time homebuyers;
2. gap financing for affordable rental housing projects; and
3. assistance to homeless in attaining housing.

The Housing Trust is different from other funding programs in several respects. First, the program works directly with developers on all types of housing whereas most comparable programs focus attention on only one type of housing, such as first-time buyer assistance. Second, the entire community, including businesses, non-profits, and the government, has been actively involved in the Housing Trust since the start. Third, unlike the burdensome requirements of many housing/loan programs, the Housing Trust will lend to most projects that are reasonable, creative, and fill a community need.

FUNDING:

The initial \$20 million dollar financing of the Housing Trust was raised without imposing new taxes or fees. The revenue was generated from many sources, including foundations, Silicon Valley corporations, Santa Clara County, and the cities of San Jose, Santa Clara, and Milpitas, as follows:

- 13% from the County
- 22% from Cities
- 12% from private foundations and individuals
- 53% from private corporations.

Loan repayments and supplemental grant-making from foundations, corporations, and public sector funders will also serve as major funding sources in the early stages of the program. Ultimately, the Housing Trust may advocate a half-cent sales tax increase or a fee on developers to create a permanent source of funding for affordable housing.

This initial \$20 million provides:

- first time home buyer assistance to 800 families;
- affordable rental housing to 3000 families;
- incentive grants/loans for building transitional & permanent housing.

KEY PLAYERS:

The founding organizations of the Housing Trust were the Silicon Valley Manufacturing Group (SVMG), the Community Foundation Silicon Valley (CFSV), and the Santa Clara County Collaborative on Housing and Homelessness (the community's Continuum of Care). Subsequent support has come from a broad range of public, private, and government agencies throughout Santa Clara County.

OUTCOME:

See the attached July 1, 2005, Progress Report.

Progress

This month, we thought we'd introduce ourselves! The professional staff of the Housing Trust of Santa Clara County pictured below raise funds, grant loans, and provide administrative, financial and marketing support for the organization. These dedicated men and women make sure that the strategies and programs created by our volunteer Board of Directors are carried out with integrity and thorough professionalism.

The Housing Trust of Santa Clara County, an affordable housing investment trust, offers loans and grants to create affordable housing opportunities. To date, the Housing Trust of Santa Clara County has leveraged every dollar we've invested at a rate of 1:40+, creating affordable housing worth more than \$756 million.



At your service! Housing Trust of Santa Clara County staff shown (top row, left to right): Ofelia Chavez, Taylor Dial, Jon Smith, Maury Kendall; (bottom row, left to right) Mai Cat, Shelley Shaw, Susan Raffo, Cheryl Serna.

OUR PROGRESS TO DATE

The Housing Trust of Santa Clara County began distributing funds in 2001. Here's our progress to date, by program/investment area:

HOMELESS & SPECIAL NEEDS HOUSING

As of July 1, 2005 the Housing Trust of Santa Clara County has invested \$3.9 million (as 14 loans to 11 developments) in the creation of shelters and housing programs for people who are homeless and for special-needs housing. These developments contain 630 units of shelter and housing, and are valued at more than \$97.5 million. In addition, the Trust has invested \$276,738 in two emergency homeless prevention grants, assisting 1,361 individuals.

INVESTMENT
(in millions)

\$3.9

LEVERAGE
(in millions)

\$97.5

**LOANS/
GRANTS**

16

**PEOPLE
HELPED**

1991

FIRST-TIME HOMEBUYER ASSISTANCE

As of July 1, 2005 the Housing Trust has helped 1,260 families buy their first home in Santa Clara County through our closing cost loans, Homeownership Venture Fund program, HomeStart program and SuperFlex loans. The average income of our loan recipients is \$70,348; average household size is 2 people. The average home purchased with a Housing Trust loan sold for \$344,489, with total valuation of more than \$404 million.

INVESTMENT
(in millions)

\$8.7

LEVERAGE
(in millions)

\$404

**FAMILIES
HELPED**

1260

MULTIFAMILY RENTAL HOUSING

As of July 1, 2005 the Housing Trust has invested over \$5.64 million (16 loans) in affordable multifamily rental developments, creating 1,249 units of new rental housing in 15 developments located throughout Santa Clara County. The total value of these developments is more than \$255 million.

INVESTMENT
(in millions)

\$5.64

LEVERAGE
(in millions)

\$255

LOANS

16

**HOUSING
UNITS**

1249

**TOTAL HTSCC
INVESTMENT**
(in millions)

\$18.1

**TOTAL
LEVERAGE**
(in millions)

\$756

**TOTAL HOUSING
OPPORTUNITIES
CREATED**

4,500

AFFORDABLE HOUSING DEVELOPMENT INVESTMENTS

The Housing Trust has committed more than \$9 million in funding to these multifamily affordable rental and homeless/special needs developments in Santa Clara County:

■ CAMPBELL

2011 Pollard Road: 5 units
 LOAN AMOUNT: \$50,000
 LEVERAGE: \$734,357

■ CUPERTINO

Vista Village: 24 units
 LOAN AMOUNT: \$341,000
 LEVERAGE: \$7.2 million

■ GILROY

Monticelli Apartments: 52 units
 LOAN AMOUNT: \$178,274
 LEVERAGE: \$10.2 million

Sobrato Transitional Apartments: 60 units
 LOAN AMOUNT: \$745,000 (2 loans)
 LEVERAGE: \$15.2 million

Sobrato Family Transitional Center: 140 beds
 LOAN AMOUNT: \$500,000 (2 loans)
 LEVERAGE: \$4.9 million

■ LOS GATOS

Los Gatos Senior Group Residence: 5 units
 LOAN AMOUNT: \$60,000
 LEVERAGE: \$727,200

■ MORGAN HILL

Murphy Ranch: 62 units
 LOAN AMOUNT: \$500,000
 LEVERAGE: \$18.3 million

Murphy Ranch II: 38 units

LOAN AMOUNT: \$92,500
 LEVERAGE: \$11.7 million

■ MOUNTAIN VIEW

San Antonio Place: 120 units
 LOAN AMOUNT: \$625,000 (2 loans)
 LEVERAGE: \$19.1 million

■ PALO ALTO

Oak Court Apartments: 53 units
 LOAN AMOUNT: \$400,000
 LEVERAGE: \$20.1 million

Opportunity Center: 89 units
 LOAN AMOUNT: \$650,000 (2 loans)
 LEVERAGE: \$20.7 million

■ SAN JOSE

San Jose Art Ark: 146 units
 LOAN AMOUNT: \$500,000
 LEVERAGE: \$6.58 million

239 Burning Tree Drive: 5 units
 LOAN AMOUNT: \$100,000
 LEVERAGE: \$484,000

Betty Ann Gardens: 76 units
 LOAN AMOUNT: \$150,000
 LEVERAGE: \$18.2 million

Curtner Gardens: 180 units
 LOAN AMOUNT: \$1 million (2 loans)
 LEVERAGE: \$11.1 million

Eden Palms: 15 units
 LOAN AMOUNT: \$105,000
 LEVERAGE: \$4.4 million

Evans Lane Family Apts.: 240 units
 LOAN AMOUNT: \$100,000
 LEVERAGE: \$56.8 million

Hester Apartments: 18 units
 LOAN AMOUNT: \$130,000
 LEVERAGE: \$1,420,000

1059 Roewill Drive: 6 units
 LOAN AMOUNT: \$60,000
 LEVERAGE: \$650,000

■ SAN JOSE

Senter Road: 117 units
 LOAN AMOUNT: \$500,000
 LEVERAGE: \$37 million

Sunset Square Apts.: 96 units
 LOAN AMOUNT: \$500,000
 LEVERAGE: \$15.4 million

Willows Apts.: 47 units
 LOAN AMOUNT: \$427,000
 LEVERAGE: \$5.3 million

■ SANTA CLARA

RiverTown Apartments: 100 units
 LOAN AMOUNT: \$447,309
 LEVERAGE: \$29.6 million

Sobrato Family Living Center II:
 18 units
 LOAN AMOUNT: \$450,000
 LEVERAGE: \$4.5 million

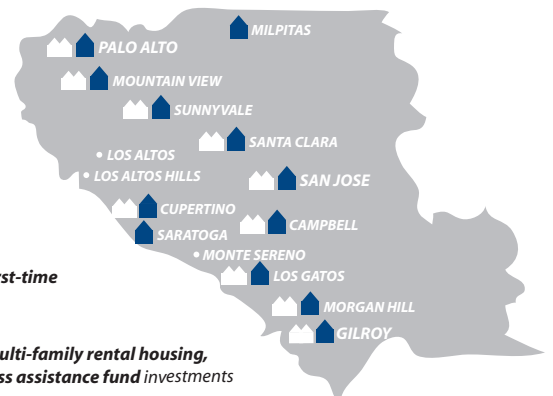
■ SUNNYVALE

Moulton Plaza: 66 units
 LOAN AMOUNT: \$500,000
 LEVERAGE: \$16 million

Plaza de las Flores: 101 units
 LOAN AMOUNT: \$500,000
 LEVERAGE: \$16.7 million

MAKING HOUSING MORE AFFORDABLE, COUNTY-WIDE

The Housing Trust provides development financing for affordable housing throughout Santa Clara County through our first-time homebuyer program and through loans to developers of affordable housing.



Cities and towns with HTSCC **first-time homeowner fund** investments



Cities and towns with HTSCC **multi-family rental housing, special needs and/or homeless assistance fund** investments

The Housing Trust of Santa Clara County's Founder Communities

County of Santa Clara
 City of Campbell
 City of Cupertino

City of Gilroy
 City of Los Altos
 City of Milpitas

City of Monte Sereno
 City of Morgan Hill
 City of Mountain View
 City of Palo Alto

City of San Jose
 City of Santa Clara
 City of Saratoga

City of Sunnyvale
 Town of Los Altos Hills
 Town of Los Gatos