



MEETING DATE: 4/18/2005  
ITEM NO. 13

## COUNCIL AGENDA REPORT

DATE: April 12, 2005

TO: CHAIR AND MEMBERS OF THE REDEVELOPMENT AGENCY

FROM: DEBRA J. FIGONE, TOWN MANAGER/EXECUTIVE DIRECTOR

SUBJECT: HOUSING TRUST OF SANTA CLARA COUNTY

- A. Consider contribution to Phase III Housing Trust Funding and Operations Strategy
- B. Consider Extension to Existing Agreement between Housing Trust and Town of Los Gatos

### RECOMMENDATION:

1. Consider Housing Trust request for contribution of \$100,000 for three years (\$300,000 total contribution) for *Phase III Housing Trust Funding and Operations Strategy*.
2. Direct staff to place *Extension to the Existing Agreement Between the Housing Trust and Town of Los Gatos* and *Phase III Housing Trust Funding and Operations Strategy Contribution Agreement* on a future Town Council agenda for consideration.

### BACKGROUND:

The Housing Trust of Santa Clara County is a public/private partnership dedicated to building and sustaining a revolving loan fund and grant making program that will complement and leverage other housing resources throughout Silicon Valley. Major community, business and government leaders have joined together to address the gap between rapid new job creation and affordable, available housing within Santa Clara County. The consortium of sponsors includes Silicon Valley Leadership Group, Community Foundation Silicon Valley, American Electronics Association, Santa Clara County Board of Supervisors and the Santa Clara Collaborative on Housing and Homelessness.

In 2001, the Redevelopment Agency Board authorized execution of an agreement in which the Redevelopment Agency contributed \$250,000 of affordable housing funds to the Housing Trust of Santa Clara County's (HTSCC) Endowment Fund. The agreement between the Agency and HTSCC required that the contribution be expended by April 2003. In 2003, the Agency Board extended the deadline for expenditure of the funds to April 2005.

PREPARED BY: BUD N. LORTZ,   
DIRECTOR OF COMMUNITY DEVELOPMENT

Reviewed by: PSD Assistant Town Manager OK Town Attorney      Clerk Administrator  
SC Finance ✓ Community Development Revised: 4/14/05 3:02 pm

PAGE 2  
MAYOR AND TOWN COUNCIL  
SUBJECT: HOUSING TRUST PRESENTATION  
*April 14, 2005*

DISCUSSION:

The HTSCC has launched its Phase III funding campaign (Attachment 1). HTSCC's goal is to raise over \$9 million over the next three years to invest in the creation of affordable housing, special-needs housing, and assistance to first-time homebuyers. The HTSCC believes this campaign will allow them to provide assistance to more than 1,000 families per year for the next three years.

HTSCC will make a presentation to describe the Phase III campaign and will request that the Town pledge \$100,000 per year for the next three years. In addition, the Housing Trust will request the Town agree to a second extension to the deadline for expenditure of the original \$250,000 contribution (Attachment 4). Sixty thousand (\$60,000) was expended for a home on Blossom Hill Road that provides housing for five seniors and \$47,500 was spent on the first-time buyer program. There is \$142,500 of unexpended funds remaining for use by the Housing Trust.

CONCLUSION:

Council should indicate its interest in participating in the Phase III campaign and in extending the deadline for the original contribution. Staff will place these items on a future Council agenda to allow time for staff to evaluate the issues and identify funding sources.

ENVIRONMENTAL ASSESSMENT:

Is not a project defined under CEQA, and no further action is required.

FISCAL IMPACT:

The Redevelopment Agency has an estimated fund balance of \$4,200,000 in the Affordable Housing Fund as of June 30, 2005. An annual contribution of \$100,000 over the next three years (\$300,000 total contribution) will not impact the Redevelopment Agency's ability to undertake other affordable housing projects that have been discussed by the Agency Board.

Attachments:

1. Letter from Cheryl Serna dated April 1, 2005
2. Housing Trust of Santa Clara County *Progress*, April 1, 2005 Edition
3. Housing Trust of Santa Clara County Investor Summary Sheet
4. Letter from Cheryl Serna dated April 11, 2005

Distribution:

Carl Guardino, Silicon Valley Leadership Group, 224 Airport Parkway, #620, San Jose, CA 95110  
Cheryl Serna, Housing Trust of Santa Clara County, 1786 Technology Drive, San Jose, CA 95110

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investing in our community with vision, compassion and innovation

RECEIVED

APR 01 2005

TOWN MANAGER

April 1, 2005

Debra Figone  
Town Manager  
Town of Los Gatos  
110 E. Main St. PO Box 949  
Los Gatos, CA 95031

Dear Ms. Figone,

Enclosed please find letters to Los Gatos' Mayor and Council in preparation for the presentation on the Housing Trust of Santa Clara County's "Phase III" campaign at your April 18, 2005 city council meeting.

Please feel free to contact me at 408/436-3450 x 1# or by email at [cheryl@housingtrustscc.org](mailto:cheryl@housingtrustscc.org) if you have any questions or if you need any additional materials from us.

Sincerely,

A handwritten signature in black ink, appearing to read "Cheryl Serna". The signature is fluid and cursive, with a long horizontal stroke at the end.

Cheryl Serna  
Development Manager,  
Housing Trust of Santa Clara County



investing in our community with vision, compassion and innovation

April 1, 2005

The Honorable Mike Wasserman  
Town of Los Gatos  
110 E. Main Street  
Los Gatos, CA 95030

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APR 01 2005

MAYOR & TOWN COUNCIL

Dear Mayor Wasserman,

Thank you for partnering with us to create more affordable homes for Silicon Valley families! To continue this important work, we propose another opportunity to partner in the creation of affordable homes in all of our communities: the Housing Trust of Santa Clara County asks you to support our "Phase III" funding and operations strategy.


Phase III seeks to raise \$5 million in voluntary contributions from employers, foundations and individuals for each of the next three years, matched by public sector agencies (cities, towns and the County of Santa Clara). This support would allow us to invest funds into the creation of affordable rental homes, homeless and special-needs housing, and support for first-time homebuyers designed to help a minimum of 1,000 families per year for the next three years. To help us meet these worthy goals, we are respectfully requesting a pledge of \$100,000 each year for the next three years from the Town of Los Gatos at your council meeting scheduled on April 18, 2005.


We are pleased to note that several private sector employers have already stepped forward with pledge offers, contingent on public-sector support. Adobe Systems, Agilent Technologies, Cisco Systems and Synopsys Corp. have all pledged \$150,000, and are joined by Knight-Ridder Corp. and Solecron Corporation with pledges of \$100,000, and by Citibank with a pledge of \$75,000.

We are extremely proud of our record of success. With your help, in just the past three years we have helped nearly 4,500 families secure homes in this high-cost valley. This includes 630 units of special needs housing and housing for the homeless, 1,184 affordable multi-family rental apartments, and 1,260 families buying their first home in Santa Clara County. With your renewed support, we look forward to continuing and expanding this record of achievement in 2005 and beyond.

We are enclosing some information regarding your city's investments in the Housing Trust and affordable housing in Santa Clara County. We hope you will join us in creating more affordable housing in Santa Clara County.

Respectfully,

  
Don Gage  
Chair of the Board,  
Housing Trust of Santa Clara County  
Supervisor, District 1  
County of Santa Clara

  
Carl Guardino  
Fundraising Committee Chair,  
Housing Trust of Santa Clara County  
President & CEO,  
Silicon Valley Leadership Group

Mike -  
Thank you for  
your leadership!  
- Carl



EDITION OF APRIL 1, 2005

# Progress

MONTHLY FACT SHEET

## HOUSING TRUST, COMMUNITY STEPPING UP FOR FAMILIES

Affordable housing could become a reality for more than 1,000 families each year under a new funding and operational strategy recently announced by the Housing Trust of Santa Clara County.

HTSCC Board of Directors Chair (and Santa Clara County Supervisor) Donald F. Gage and HTSCC Fundraising Chair (and SVLG President and CEO) Carl Guardino have announced the proposal of "Phase III," a public-private compact between interested private-sector investors (employers, foundations and individuals) and public agencies with the goal of assisting a minimum of 1,000 families per year for each of the next three years.

A funding goal of \$1.5 million in voluntary contributions from employers, foundations and individuals for each of the next three years, matched by public sector agencies (cities, towns and the County of Santa Clara), working through their budget process, would allow the Housing Trust to invest funds into the creation of affordable rental housing, homeless and special-needs housing, and support for first-time homebuyers designed to help at least 1,000 families per year.

Private sector employers are already stepping forward with pledge offers, contingent on public-sector support. As of April 1, 2005 Applied Materials has pledged \$200,000; Adobe Systems, Agilent Technologies, Applied Materials, Cisco Systems and Synopsys Corp. have all pledged \$150,000; and Knight-Ridder Corp. and Solectron Corp. – the Housing Trust's first-ever private sector donor in 1999 – have joined with \$100,000 pledges.

"This new effort has the potential of helping thousands more families afford homes in Silicon Valley, and moves us closer to our original goal of establishing a consistent, long-term source of funding for the Trust" said HTSCC Fundraising Chair Carl Guardino, adding: "In true Silicon Valley spirit, in its first years the Trust was run like a start-up; it's time to move into the next phase now."

### HOMELESS & SPECIAL NEEDS HOUSING

As of April 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 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 April 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 April 1, 2005 the Housing Trust has invested over \$5.09 million (14 loans) in affordable multifamily rental developments, creating 1,184 units of new rental housing in 13 developments located throughout Santa Clara County. The total value of these developments is more than \$249 million.

INVESTMENT  
(in millions)

**\$5.09**

LEVERAGE  
(in millions)

**\$249**

LOANS

**14**

HOUSING  
UNITS

**1184**

TOTAL HTSCC  
INVESTMENT  
(in millions)

**\$17.6**

TOTAL  
LEVERAGE  
(in millions)

**\$750**

TOTAL HOUSING  
OPPORTUNITIES  
CREATED

**4,435**

# AFFORDABLE HOUSING DEVELOPMENT INVESTMENTS

The Housing Trust has committed almost \$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

## ■ PALO ALTO

**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

## ■ SAN JOSE

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

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

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

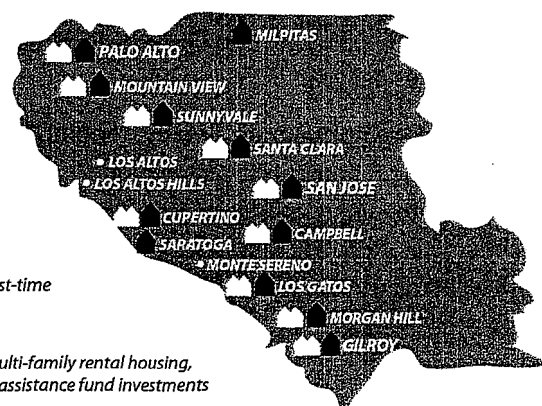
The Housing Trust provides development financing for affordable housing throughout Santa Clara County through our first-time homebuyer program and through loans to developers of affordable housing.



Cities and towns with HTSCC first-time homebuyer 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



## Investor Summary Sheet

### Town of Los Gatos, CA

#### DONATION SUMMARY

Donation Amount: \$250,000 Phase I  
Date of Pledge: April 24, 2001  
Geographical requirement: Use in Los Gatos area  
AMI requirement: Moderate, low, or very low income

#### INVESTMENT SUMMARY

*by Housing Trust program area*

##### *First-time Homebuyer Loans*

Loan totals: 7 loans  
Loaned amount: \$47,500

##### *Homeless and Special-Needs Housing*

Los Gatos Senior Group Residence: 5 units  
Loan amount: \$60,000

**TOTAL INVESTED IN LOS GATOS: \$107,500**