



# Housing Trust of Santa Clara County

## **LOCAL HOUSING TRUST FUND WORKSHOP**

### **“NON-PROFITS: FOUR DISTINCT MODELS”**



# Housing Trust of Santa Clara County

- 501c3, Nonprofit Organization
- Founded in 1999, first loan in 2001
- Voluntary Contribution Model
- Serving all of Santa Clara County

# History of HTSCC

- Planning began in 1997; Incorporated in 2000
- Public/Private Initiative; 501c3 with BOD
- Original steering committee included:
  - Santa Clara County Board of Supervisors
  - Silicon Valley Manufacturing (Leadership) Group
  - Community Foundation of Silicon Valley
  - County Collaborative on Housing and Homelessness

# Voluntary Contributions

- Initial Goal of \$20,000,000; met in 2003
- Subsequent campaigns in 2003-04 and 2005-08
- Raised over \$38,000,000 to date:
  - \$14,000,000 from local gov't contributions
  - \$2,500,000 from state and federal sources
  - \$22,000,000 from private contributions

# HTSCC Programs

## First Time Homebuyers

- Closing Cost Assistance Loans (\$6500, 0% loan)
- Second mortgages (deferred, non-deferred)
- ESCO (Equity Share Co-investments)

## Affordable Rental Development

- Acquisition, Construction, Permanent loans to Nonprofit Affordable Housing Developers
- Family, workforce, senior, special needs, supportive housing
- Emphasis on permanent, but allow transitional

## Homeless Housing

- Emergency Homeless Prevention Grants
- Grants to preserve safety net and rehab of existing housing

# Households Assisted

- Equal priority to Homeless housing, First-time Homebuyer Assistance, Multifamily Rental

FTHB – 2043 loans made to homebuyers

Multifamily – 2689 new units developed

Homeless Housing – 2664 households assisted

**Total – 7,396 Affordable Housing Opportunities**

# Voluntary vs. Dedicated Revenue Model

- Initially looked at local revenue source, dedicated new fee or tax
- Focus groups and polling results came back negative
- County put up first \$2,000,000 in challenge grants to private sector/SVMG
- After meeting goal, HTSCC set goal of \$20,000,000
- Three capital campaigns later, beginning 4<sup>th</sup>

# Housing Trust of Santa Clara County

501c3, Voluntary Model:

Challenges and Opportunities

# Public Sector Challenges

- “Equity” among cities within county
  - Do you make requests on a case by case basis or establish a formula (per capita) for requests?
- Competition for local funds
  - Making the case to local governments that HT can leverage local dollars by bringing in new money
- Annual Requests versus line-items in budgets
- Repayment of funds back to city or countywide

# Private Sector Challenges

- Industry Champion
  - need a strong local representative body that can bring CEO level involvement to fundraising campaign
  - need to establish Affordable Housing as a top issue for workforce, regional health, and keep it a top issue
- Donor Fatigue
  - Voluntary contributions are hard to maintain over time

# Board of Directors Challenges

- Mix of public/private/nonprofit membership
  - What's the right balance? 50/50 public/private? CDFI status?
- Public Sector turnover
  - Is membership on your board formally tied to their elected office?
- Public Sector conflict-of-interest issues
  - City council members on your board are strongest allies, but will they have to recuse themselves on your votes?

# Opportunities

- Involvement of City officials, Private sector keep issue profile high in community
- Private sector fundraising allows new funds to enter the affordable housing system
- Use of private funds allows HT to be more creative with loan programs