



Monterey Bay Housing Trust FAQ

Why was the Monterey Bay Housing Trust (MBHT) formed and how long has it been in existence?

Since the dissolution of state redevelopment funds, there has been limited funding available for predevelopment loan capital for developing low and moderate income housing. Since June 2016 the MBHT has been fundraising to create a local funding source to catalyze new affordable housing development.

Who is Housing Trust Silicon Valley and why are they involved in our region's housing efforts?

Housing Trust Silicon Valley (HTSV) is a regional non-profit community loan fund based in San Jose that works to improve the quality of life for low-income community members by increasing affordable housing opportunities. Since 2000, the Housing Trust Silicon Valley has invested \$131 million in multifamily lending, home ownership assistance and homelessness reduction programs, creating more than 15,000 affordable housing opportunities. It is the first nonprofit Community Development Financial Institution (CDFI) to receive a Standard & Poor's rating, AA-. Based on their excellent track record and success in Silicon Valley, HTSV was looking to expand its impact into adjacent communities, including the Monterey Bay Region.

What is the relationship between MBEP and Housing Trust Silicon Valley?

The Monterey Bay Housing Trust is a collaborative effort of the Monterey Bay Economic Partnership (MBEP) and Housing Trust Silicon Valley. MBEP is the local contact responsible for securing and deploying local investments and working with developers to submit loan applications that meet MBEP and Housing Trust Silicon Valley criteria. HTSV committed to leverage locally raised funds by a 4:1 ratio and manages all aspects of loan origination, credit decision, and loan servicing processes.

How much local money has been raised to date? Who are the partners?

| | |
|--------------------------------|--------------------|
| City of Salinas | \$500,000 |
| South Swell Ventures | \$500,000 |
| County of Monterey | \$500,000 |
| United Way Monterey County | \$200,000 |
| City of Santa Cruz | \$200,000 |
| Packard Foundation | \$200,000 |
| City of Gonzales | \$100,000 |
| City of Watsonville | \$50,000 |
| Local Fundraising Total | \$2,250,000 |



Where does the Housing Trust Silicon Valley’s leverage money come from?

The Housing Trust Silicon Valley’s leveraged funds come from private sources in the form of low-interest loans. HTSV has many investors including banks, foundations and corporations. **The Dignity Health Foundation** has approved a low interest loan of \$1 million to the Housing Trust to be used in the Monterey Bay region.

What is the total amount of the MBHT fund?

| | |
|---------------------------------------|---------------------|
| Local Fundraising Total | \$2,250,000 |
| Housing Turst Silicon Valley leverage | \$9,000,000 |
| MBHT Fund total | \$11,250,000 |

Are there any projects that have already been approved for MBHT loans?

Yes! Two loans have been approved to date: one in Castroville in Monterey County and the other in the City of Santa Cruz:

- 1) CHISPA, Castroville Oaks in Monterey County, 124 apartments and 90 homes, low to moderate income households; start construction 2019.
- 2) New Way Homes, 180/2020 Permanent Supportive Housing in City of Santa Cruz, up to 100 studio apartments, extremely low income households; start construction 2019.

What are typical MBHT loan terms? *(see separate Term Sheet for more details)*

- Up to \$2 Million secured; \$500K unsecured
- Up to 60 months, 2% loan fees, competitive interest rates
- For land acquisition and predevelopment in support of affordable housing

How many homes will MBHT create?

We have already approved two projects and have several others in the pipeline. We estimate that at least \$10 Million will be deployed over the next 5 years and help create over 2,000 affordable homes (average loan size \$500,000 x 100 units/project).

What is the criteria MBHT uses when considering funding a project?

Projects must fit within MBEP’s Housing Initiative mission which includes increasing overall housing supply and must meet underwriting criteria established by the Housing Trust Silicon Valley. MBEP specifically supports the construction of new, high density developments, both rental and for sale at every income level, in appropriate locations near transit options, jobs and services, which maximize public infrastructure investments and prevent sprawl.

Will MBEP continue to fundraise, and if so, will all monies raised be matched 4:1 by HTSV?

Yes, MBEP will continue to grow our funding pool on an ongoing basis and the Housing Trust Silicon Valley has committed to leveraging all contributions by a 4:1 ratio.

What happens to the monies after the original loan is repaid?

Loan repayments flow back into the MBHT to be used for other qualified projects throughout the region.

Why is MBEP, an organization focused on economic vitality, involved in housing?

Safe, decent, affordable rental or homeownership opportunities for all residents are critical for our economic vitality. If our workforce can afford to live near job centers, this also improves transportation flows and access to other services such as shopping, education, healthcare, parks and recreation.

What else is MBEP doing to increase the supply of affordable housing?

Sample advocacy activities (since February 2017):

- 185 housing advocates, 120 active users of the Action Center
- 550 messages sent to elected and appointed officials
- Policies: SB 2 Homes and Jobs Act, Salinas Inclusionary Housing Ordinance, Santa Cruz Downtown Recovery Plan Amendment
- Projects: Harper Street Homes in Live Oak, Water Street Apartments in Santa Cruz, Line Street Senior Apartments in Hollister

Employer Sponsored Housing

- Leverage Spreckels Crossing as a model for successful design and approval
- Encourage employers from all industries to think about their real estate assets as a strategic asset to attracting and retaining employees by building employee housing
- Promote workforce housing efforts including employer down payment assistance programs—Looker, Bay Federal Credit Union, Landed

References for Regional Housing Cost Data, July 2017

Monterey County’s median home price is \$517,800, the median rent is \$2,408
<https://www.zillow.com/monterey-county-ca/home-values/>

San Benito County median home price is \$502,300, the median rent is \$2,401
<https://www.zillow.com/san-benito-county-ca/home-values/>

Santa Cruz County’s median home price is \$770,100, the median rent is \$3,002
<https://www.zillow.com/santa-cruz-county-ca/home-values/>

Regional Housing Needs from Regional Housing Needs Assessment (RHNA)

RHNA Goals 2014-2023 (inclusive of all cities and unincorporated areas)

| RHNA Goals 2014-2023 | | | | |
|-----------------------|-----------------|-------------------|-------------------|---------------------|
| | Monterey County | Santa Cruz County | San Benito County | Monterey Bay Region |
| Very Low Income | 1,781 | 734 | 520 | 3,035 |
| Low Income | 1,160 | 480 | 315 | 1,955 |
| Moderate Income | 1,346 | 554 | 430 | 2,330 |
| Above Moderate Income | 3,099 | 1,276 | 929 | 5,304 |
| Total | 7,386 | 3,044 | 2,194 | 12,624 |