Dear Neighbor,

After being a part of the affordable housing community for 18 years, we marvel at how the landscape has changed. Philanthropists and long-supportive financial institutions have been joined by the broader community of corporations, businesses, voters and many individuals to build more housing, raise more funding and get more people into more homes. We are optimistic this trend of more will continue, because our housing needs are still enormous, and we have a long way to go to achieve our goal to make homes accessible to our broad and diverse community. More is more.

More means greater capacity - through investments from our public, private and philanthropic partners, our asset size has reached the $120 million mark. Fiscal year 2018 was our biggest year of multifamily loans yet – and this new year is already off to a big start.

More is TECH Fund - our program that allows philanthropists and corporations to invest in affordable housing solutions. After the first year it has already raised $30 million and put more than 1,000 homes in the pipeline. The disruptive characteristic of TECH Fund – engaging new affordable housing financing partners to help raise money faster and put it toward new housing quicker – is just getting started and gaining recognition.

More means leading the push for new solutions at the local, regional and state level. New affordable housing bonds are making it to the ballot box while ones we helped pass are putting money to work. We are excited to see the County of Santa Clara approve 10 permanent supportive housing developments already out of Measure A, and we’re honored to have provided crucial acquisition and predevelopment funding to more than half of them. And Empower Homebuyers, the 2016 Measure A Homebuyer Program for the County of Santa Clara, is launching this fall to assist first-time homebuyers – and Housing Trust has been named the administrator of this $25 million initiative.

More is two new programs. Our HELP loan is helping moderate-income buyers break the down payment barrier between them and homeownership, by providing down payments to qualified homebuyers in the form of shared appreciation loans. Our Accessory Dwelling Unit program helps both homeowners and home seekers by adding density to neighborhoods one backyard at a time. We were able to start this program with a grant from JP Morgan Chase’s PRO Neighborhoods program which will enable us to help guide homeowners and provide financial assistance to build an ADU on their property.

More is what we are going to do next, and more is made possible because of committed neighbors stepping up to share in our work and our mission. Thank you for being a part of our growing neighborhood.
Housing Trust is tackling the housing crisis from every angle, from helping people experiencing homelessness to financing affordable housing developments to assisting renters and first-time homebuyers. By creating a wide spectrum of affordable housing opportunities, Housing Trust helps create strong and diverse communities that include young workers, families, seniors and everyone in between.

Since 2000...

$183 million invested in affordable housing

16,977 housing opportunities

30,633 people helped

$3.1 billion leveraged by our partners
Six-figure down payments can put the dream of homeownership out of reach. Giving new buyers the financial literacy they need and the availability of low-interest loans can bring that dream closer to reality.

In fiscal year 2018, 1,739 hopeful homebuyers attended educational workshops.

“"I never have to worry about the rent going up or the owner saying I have to move. It’s my first home and I love it.”
Michele, first time homebuyer and elementary school teacher

“We have a big group of first-time homebuyers who are falling through the cracks. This kind of down payment assistance will help them get their foot in the door.”
Adria Quinones-Masur, Director of Homebuyer Programs, discussing Housing Trust’s Homebuyer Empowerment Loan Program (HELP), as quoted in the San Jose Mercury News (Nov. 10, 2017)
Accessory Dwelling Units (ADUs) have the power to add more housing opportunities to existing neighborhoods, easing the housing crisis one small home at a time. To help homeowners become part of this housing solution, Housing Trust - with a grant from JP Morgan Chase’s PRO Neighborhoods program and support from the Silicon Valley Community Foundation - created Small Homes, Big Impact. We provide educational and financial assistance to homeowners who want to build an ADU in their backyard.

“I have friends who are teachers, social workers and nonprofit employees. Many of them struggle with finding affordable housing in the Bay Area. As a homeowner, I would like to build an ADU so at least one more person has a safe, healthy and affordable home.”

Monica Nañez, San Jose homeowner

Those small homes could add up to a big difference. According to the Bay Area Council, about 25% of Bay Area homeowners said they’d consider adding an ADU to their property – potentially creating 400,000 new homes. Pictured: an ADU built from a shipping container, developed by Soup/Blocks.
The lack of affordable housing can force even employed individuals into homelessness. Our Finally Home clients are often employed as retail clerks, restaurant workers, hospital staff and many other professions our communities depend on. We help neighbors experiencing homelessness move off the streets and into homes.

In fiscal year 2018,

$534,415

granted to help people experiencing homelessness

470

people assisted through grants

275

homeless and/or permanent supportive housing opportunities financed

“We’ll be happy here for a long time. We will be celebrating for a long time. My 11 year old is ecstatic because he can stay in the school he has been going to since the third grade and can go to middle school with his friends.”

Tonya, Finally Home grant recipient

SHORING UP THE SAFETY NET

Gilroy Compassion Center helps individuals experiencing homelessness by providing basic needs, job training and other support. Housing Trust provided a grant to help GCC renovate their kitchen, showers and laundry room. Pictured: Gilroy Compassion Center’s Director of Operations Lisa Dimas-Jessen and case managers Joanna Wallace and Francesca Paist.
The competitive real estate market in the greater Bay Area creates a challenging environment for affordable housing development. Housing Trust – which makes more loans than any other nonprofit housing lender in our region – is here to help.

Families shouldn’t have to choose between rent and groceries, between a three-hour commute and a cramped spare bedroom or between any other trade-off few can imagine making. By building new housing, we can improve the quality of life for every resident.

In fiscal year 2018, $37.4 million in loans committed 1,348 homes financed

“Housing Trust is a true partner with experience combined with expertise. They have the responsiveness required to make deals happen in today’s market.”

Geoffrey Morgan, President & CEO First Community Housing
GROWTH AND BALANCE

Housing Trust, the first nonprofit Community Development Financial Institution to receive a Standard & Poor’s rating, an AA-, makes every dollar raised go further. Once our loans are repaid Housing Trust reinvests the same money back into the new loans and in the community to create more homes and make even more of an impact.

FINANCING PARTNERS

TECH Fund
- Cisco Foundation ($10.5M)
- David and Lucile Packard Foundation ($5M)
- Sobrato Family Foundation ($5M)
- LinkedIn ($10M)

Investors
- Bank of America
- Charles Schwab Bank
- CDFI Fund, Bond Guarantee Program
- Dignity Health
- First Bank
- Mercy Partnership Fund
- Nihar Foundation
- Rabobank
- Religious Investment Fund, Inc.
- Silicon Valley Bank
- Wells Fargo Bank

Affordable Housing Growth Fund & 2015 Loan Pool
- Avidbank
- Beneficial State Bank
- Bridge Bank, a division of Western Alliance Bank
- East West Bank
- First Bank
- Fremont Bank
- Heritage Bank of Commerce
- Manufacturers Bank
- Presidio Bank
- Silicon Valley Bank
- Technology Credit Union

Fund Partners
- County of Santa Clara
- Monterey Bay Economic Partnership

FINANCIAL POSITION

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<tr>
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<th>2018</th>
<th>2017</th>
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<tr>
<td>Total Assets</td>
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<tr>
<td>Gross loans receivable</td>
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<tr>
<td>Cash &amp; marketable securities</td>
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<td>33.1</td>
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<tr>
<td>NET ASSETS</td>
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<tr>
<td>Unrestricted net assets</td>
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<tr>
<td>Temporarily restricted net assets</td>
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<td>31.0</td>
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<tr>
<td>Total net assets</td>
<td>66.9</td>
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STATEMENT OF ACTIVITIES

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<tr>
<th></th>
<th>2018</th>
<th>2017</th>
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<tr>
<td>Total Revenue</td>
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<tr>
<td>Total Expense</td>
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<td>5.2</td>
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<tr>
<td>Change in Net Assets</td>
<td>8.2</td>
<td>6.1</td>
</tr>
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</table>

2018 unaudited results, $ millions, year ending June 30

MULTIFAMILY LOAN FUND GROWTH

Agrihood in Santa Clara is a mixed-income 359 home development with urban agricultural open space as a nod back to the site’s history as an agricultural research space for the University of California. Housing Trust made a $3.3 million predevelopment loan to the developer, CORE Affordable.
CREATING NEW SOLUTIONS

THE CHALLENGE
Affordable housing developers need fast and flexible capital to acquire land and buildings in the greater Bay Area’s red-hot market and mission-minded corporations want investment tools for meaningful impact.

THE SOLUTION: TECH FUND
Housing Trust uses funds raised to provide the start-up capital to affordable housing. Through the Community Impact Note, TECH Fund investors receive a modest return on their investment all while creating affordable housing opportunities. Investors so far include Cisco Foundation, the Sobrato Family Foundation, the David & Lucile Packard Foundation and LinkedIn.

RESULTS TO DATE
$30 million raised and, most importantly, put to work immediately, funding 12 developments to create and preserve 1,027 affordable homes – over half for families and a third for the homeless and/or permanent supportive housing – and one in five for seniors.

For more information or options on investing in TECH Fund visit www.housingtrustsv.org/TECH-Fund.

TECH FUND: MEETING THE SPEED OF THE MARKET
LinkedIn’s $10 million investment went to work quickly to two developments in Mountain View. Part of the funds went to an $8.1 million loan to Palo Alto Housing to purchase a site to develop and operate a 100% affordable housing complex. Twenty of the 70 homes will be reserved for permanent supportive housing, aligning with Santa Clara County’s Measure A funding priorities. Eden Housing was able to use TECH Fund for a $9.7 million acquisition loan for 93 affordable family apartments on 1100 La Avenida Avenue (pictured below).

Housing Trust provided a $4.85 million loan to First Community Housing for acquisition and predevelopment of the future site of Roosevelt Park Apartments, which will provide 80 homes for low income young adults and families - many of whom will be transitioning out of homelessness in San Jose.
DOING MORE TOGETHER...

INVESTOR BRIEFING
Every year, Housing Trust holds our Investor Briefing, which brings together elected officials, business leaders, the affordable housing community and others across the region to reflect upon what we’ve done and what we’re planning to do next. This event raises funds for Housing Trust, honors notable affordable housing solutions, and provides a platform for leading regional voices. 2018 set a record with 540 registrants and filled the room.

Investor Briefing 2019 is set for March 29, 2019 at the Santa Clara Convention Center – so mark your calendar!

ON THE HOUSE
Each fall Housing Trust invites business and government leaders along with friends of our affordable housing efforts to an after work get-together in downtown San Jose to network and celebrate our collective impact of creating affordable housing opportunities in the greater Bay Area.

On the one hand, the affordable housing crisis has never been so acute. There’s never been so many people feeling so much pain around affordable housing. But on the other hand, there’s never been so much excitement and momentum around getting some big, big solutions.”

Kevin Zwick, as quoted by San Jose Mercury News, 2018 Investor Briefing (March 23, 2018)
We thank everyone who helps us make a greater impact. Every donation matters and makes a real difference in our region.

$1,000,000+
JP Morgan Chase

$250,000 to $999,999
US Department of Treasury, CDFI Fund
Local Initiatives Support Corporation (LISC)

$100,000 to $249,999
California Association of Realtors
David & Lucile Packard Foundation
Santa Clara County Association of REALTORS
Silicon Valley Association of REALTORS
Silicon Valley Leadership Group Foundation

$50,000 to $99,999
Bank of America
Silicon Valley Community Foundation
Wells Fargo Bank

$25,000 to $49,999
Applied Materials
Cisco
Google
Julie Lovins
Silicon Valley Bank
Sunlight Giving
U.S. Bank

$10,000 to $24,999
Janice Berthold
City National Bank
LinkedIn
MUFG Union Bank
Schwab Fund for Charitable Giving
Silicon Valley Business Journal
Summer Hill Homes
Technology Credit Union
Wells Fargo Foundation

$5,000 to $9,999
Armanino LLP
Bridge Housing
Comerica
Cypress Group
Thang Do
Dollinger Properties
First Republic Bank
Ford Land Company
Heritage Bank of Commerce
HSBC Bank
McPharlin Sprinkles & Thomas LLP
MidPen Housing
Pacific Gas & Electric Company
Pinon Property Company
Republic Urban Properties LLC
Santa Clara County Housing Authority
SiliconSage Builders
The Core Companies

$2,000 to $4,999
Aedis Architects
Aviabank
Bill Wilson Center
Bozzuto Insurance Services, Inc.
George Brown
California Strategies, LLC
Caritas Communities
Century Housing
Charities Housing Development Corporation
City of San José - Housing Department
Cupertino Electric, Inc.
EAH Housing
Eden Housing
First Bank
First Community Housing
Erik Fong
Fremont Bank
Grovenor
Jim Kosland
Mission City Community Fund
Nexenta
Novin Development
Palo Alto Housing Corporation
Prometheus Real Estate Group
Related California
SV@Home

$1,000 to $1,999
Shiloh Ballard
John Bruno
Mary Chandler
Jamie D’Alessandro
Art Fatum
First Commercial Bank (USA)
Nathan & Denise Ho
Katia Kamargar
Kathleen King
Law Foundation of Silicon Valley
Linda Mandolini
Manufacturers Bank
Dr. C.S. Park
Jack Russi

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Erin Brennock
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Guadalupe Sanchez
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Synopsys
Mayor Steve Tate
TeamLogic IT
Julia Teitelbaum
Eva Terrazas
That’s Amore Charitable Foundation
Kathy Thibodeaux
Mary Beth Train
Victoria Tong
Rachel Vanderveen
Casey Vess
Luis Villasenor
Anthony White
Glen Williams
Marvin Williams
Janice Yuen
Jerry & Leslie Zwick
By creating a wide spectrum of affordable housing opportunities, Housing Trust Silicon Valley helps people live and work in stable, safe and diverse communities. Be sure to stay in touch as we work throughout the year and help more of our neighbors!