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Corporations come through for affordable housing trust fund

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Five years ago there were 257 trust funds in the country with a goal of creating local affordable housing.

None was in Silicon Valley.

That was about when the County Collaborative on Homelessness approached the Silicon Valley Manufacturing Group in San Jose about creating such a foundation, according to Carl Guardino, the trade association's president and CEO.

Mr. Guardino's organization commissioned a study to see if people would support a broad-based partnership of business, government and community organizations.

"The good news is people agreed affordable housing is a good idea," Mr. Guardino says. "The bad news is people were not willing to pay for it."

The 75 community leaders who met to discuss the public reaction walked out looking defeated. But not Mr. Guardino's assistant, Leslee Coleman. She suggested they seek voluntary contributions.

An advisory committee determined it would take \$20 million to launch the ambitious project. That money would be leveraged to promote \$200 million in private development to assist 4,800 families by creating loans for first-time home buyers, building affordable rental homes, and providing funds for shelters and transitional homes for the homeless.

After a feasibility study, the Housing Trust of Santa Clara County was formed. As of July, the trust had collected \$20.3 million, with corporate contributions covering two-thirds of the total. The rest came from local city governments and Santa Clara County.

Mr. Guardino gives much of the credit to Intel CEO Craig Barrett, who is also on the manufacturing group's board.

"He stood up in front of 1,200 leaders at an annual luncheon and said: 'I'm giving \$1 million. My colleagues in the room — don't be staring at your shoes; we're going to be calling you,' " Mr. Guardino says. As a result, the trust received million-dollar donations from Adobe Systems, Advanced Micro Devices, Applied Materials, Cisco Systems, Hewlett-Packard and San Jose Mercury News/Knight Ridder.

In the last year the trust has invested \$6.1 million, which has been leveraged into \$360 million, helping 1,600 families. More than half of the families are those of teachers, firefighters, police officers and other public-sector employees.

Some of the money went into no-interest loans for first-time home buyers to cover down payments and closing costs. Much of the money was loaned to builders of affordable rental housing.

Seven builders have used the loans to create 690 affordable rental units. The funds have been used by homeless shelters and transitional homes to help 500 people, according to Mr. Guardino.

Prometheus Real Estate Group Inc., in Redwood Shores, donated \$250,000 to the trust through a nonprofit foundation and created the Prometheus Prize for excellence in building affordable housing.

"People need a dignified living area," says Jackie Safier, a principal in the company. "They should not be stigmatized for living in an affordable housing project."

Alma Place, in Palo Alto, is the first recipient. The 106-unit apartment complex was opened by the nonprofit Palo Alto Housing Corp. early in 1998.

According to Prometheus executive director Marlene Prendergast, the group has been building affordable housing for 30 years. "This is our crown jewel," she says of Alma Place.

The apartment complex received a \$10,000 cash prize, which Ms. Prendergast says will be used to pay part of the salary of the development's service coordinator and for supplies.

"The purpose of the award is to call attention to the fact that low-income housing can be wonderful, as opposed to [being] a ghetto," she says.

For additional information on the trust, go to <http://www.housingtrustscc.org>.

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