



HEART of San Mateo County

2 0 0 8 A N N U A L R E P O R T



Opening Doors in Our Community

The Housing Endowment and Regional Trust of San Mateo County



**“Opening Doors in Our Community”
home buyer program**

HEART’s program enabled County employee Kelly (right) and her partner Victoria (left) a chance to buy their first home in San Mateo and move closer to work.



Creating new homes and jobs

HEART has invested \$7.25 million to create or renovate 662 homes in the past five years, which is 11% of all new construction in the County. Every dollar from HEART leverages \$22.50 in new funds, for a total of \$171 million in development.

Meet Your Neighbors

Front cover photos, left to right

Unfortunately, our emergency personnel still can't afford to live here
Capt. Michael Townes commutes an hour-and-a-half each way to his job with the Foster City Fire Department. He does it by working 48-hour shifts and carpooling with other firefighters. Many of our emergency workers in San Mateo County have to do the same in order to afford a home.

Renovations for seniors in Pacifica

Catherine Hodgkinson, Ethel Reynolds and Helen Eagleston all live at Ocean View apartments in Pacifica, located across from the ocean. HEART made a \$500K emergency loan for a new roof and outside repairs to refurbish the units and keep them affordable for seniors.

Hillcrest Gardens opened in Daly City in 2008

Over 700 people applied for the 40 new rental homes for low-income seniors, located next to BART. Caretaker Rubin Alonzo oversees maintenance and upkeep.

Responding to community needs and investing

HEART loans to date:

The Village at the Crossing – Opened May 2007

Jurisdiction: San Bruno

Developer: Citizens Housing Corporation/KDF Communities

People: 228 rental units for seniors

HEART investment: \$1,730,000

Hillcrest Senior Housing – Opened November 2008

Jurisdiction: Daly City

Developer: American Baptist Homes of the West

People: 40 rental units for seniors

HEART investment: \$510,000

Trestle Glen – Under construction

Jurisdiction: County of San Mateo

Developer: Bridge Housing

People: 130 rental units for working families, including on-site day care

HEART investment: \$2.48 million

Ocean View – Occupied, under renovation

Jurisdiction: City of Pacifica

Developer: National Church Residences

People: 100 rental units for seniors

HEART investment: \$500,000

HEART Member Cities and County

- Town of Atherton
- City of Belmont
- City of Brisbane
- City of Burlingame
- Town of Colma
- City of Daly City
- City of East Palo Alto
- City of Foster City
- City of Half Moon Bay
- Town of Hillsborough
- City of Menlo Park
- City of Millbrae
- City of Pacifica
- Town of Portola Valley
- City of Redwood City
- City of San Bruno
- City of San Carlos
- City of San Mateo
- City of South San Francisco
- Town of Woodside
- County of San Mateo

in 662 homes for working families and seniors

El Camino Family Housing – Early planning stages

Jurisdiction: South San Francisco
 Developer: Mid-Peninsula Housing Coalition
 People: 106 rental units for working families
 HEART investment: \$1,000,000

Peninsula Station – Under construction

Jurisdiction: City of San Mateo
 Developer: Mid-Peninsula Housing Coalition
 People: 68 units for working families
 HEART investment: \$1,000,000

Every \$1 in HEART funds leveraged
 \$22.50 in funds from other sources

# OF UNITS	VERY LOW	EXTREMELY LOW
662	438	168
LOW-MODERATE	HEART	TOTAL
56	\$7.25M	\$171M



Workforce housing in South San Francisco

Responding to concerns of local employers, HEART invested \$1 million to help early development of Mid-Peninsula Housing Coalition's projected 119 unit site for working families. Located on El Camino Real, the development has received major support from the City of South San Francisco.



HEART loan saves the day in San Mateo

When State bond funding was frozen in fall 2008, construction of Mid-Peninsula's 68 units of new rental homes for working families was in jeopardy. This "shovel-ready" project was able to proceed on schedule thanks to a \$1 million "bridge" loan from HEART and emergency aid from the city and the County.

HEART Staff



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HEART is a public entity and donations are tax deductible. Fed ID: 72-1589835

- Christopher Mohr**
Executive Director
- Paula Stinson**
Development and Communications Manager
- Sherri Stevenson**
Administrative Assistant
- PROGRAM, FISCAL, AND LEGAL SERVICES:
County of San Mateo
- Duane Bay**
- Marina Yu**
- Chas Mercurio**
- Eugene Whitlock**

HEART Volunteer Committee Members

- Shiloh Ballard**, Silicon Valley Leadership Group
- Duane Bay**, San Mateo County Department of Housing
- Michon Coleman**, San Mateo County Association of REALTORS®
- Michael Costa**, Office of Supervisor Rose Jacobs Gibson
- Rebecca Elliot**, League of California Cities
- Bruce Hamilton**, HIP Housing
- Matt Jacobs**, Office of Supervisor Richard Gordon
- Alex Kobayashi**, Office of Assembly Member Ira Ruskin
- Mary McMillan**, Deputy County Manager
- Laura Peterhans**, Peninsula Interfaith Action
- Laura Snideman**, City of San Mateo
- Brock Winstead**, Office of Senator Joe Simitian

Photos: *Yvonne Chamberlin, Arthur Koch, Mid-Peninsula Housing Coalition, Paula Stinson*

Contact us to subscribe to our monthly e-news or quarterly newsletter.



HEART Donors

ROOFERS

\$10,000-\$24,999

Borel Estate Company
City of San Carlos
Concar Enterprises, Inc.
Palo Alto Medical Foundation
Laura and Michael Peterhans
Charles and Helen Schwab
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FRAMERS

\$5,000-\$9,999

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SummerHill Homes
Wilson Meany Sullivan

FINISHERS

\$1,000-\$4,999

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\$250-\$499

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**BRICKS AND MORTAR
UP TO \$249**

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Mary Willis
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Opening Doors in Our Community: the Campaign for HEART

In May, 2007 HEART launched a \$3 million private sector fundraising campaign to fund the creation of 600 new homes. We have created 662 and raised \$2.6 million to date.



COMMUNITY PILLARS: \$1 MILLION OR MORE



California Housing and Community Development Department • California Housing Finance Agency • County of San Mateo • Genentech • Wells Fargo

PLATINUM HARDHAT
\$100,000-\$999,999

GOLDEN HARDHAT
\$50,000-\$99,999

SILVER HARDHAT
\$25,000-\$49,999



Letter from the Board Chair and Executive Director



**SUPERVISOR
ROSE JACOBS GIBSON**



CHRISTOPHER MOHR

**“Through its public/
private approach, the
HEART of San Mateo
County is in the forefront
of affordable housing,
and our community is
the beneficiary of its
leadership.”**

—HONORABLE ANNA ESHOO
*Congresswoman,
14th Congressional
District of California*

HEART continued its growth and development in 2008, receiving a \$1 million donation for workforce housing from Genentech, Inc. and launching a homebuyer assistance program.

HEART programs

In the past five years of operations, through April 2009, HEART has raised over \$10 million dollars and invested \$7.25 million to build, renovate or purchase 662 new homes for working families and seniors. This represents 11% of all new homes created in the County during this time. We consider this a great achievement as all of these homes will be affordable to low and moderate-income families, housing that is not created by the private sector alone.

In May 2008, HEART launched the “Opening Doors in Our Community” homebuyer program in partnership with Meriwest Credit Union at our annual luncheon. We raised over \$60K to match a generous \$50K challenge grant by Cargill Salt and DMB Associates, Inc. for this program. We were able to work with one couple to help them move closer to work in San Mateo before the financial markets collapsed in fall 2008. Changes in the mortgage insurance market required us to revise our original terms, and we plan to re-introduce this program in mid-2009 to better help families take advantage of lower average home costs.

What next?

Affordable homes are still out of reach for too many local residents and employees. When Hillcrest Senior Housing advertised a lottery for 40 new senior rental homes, they received over 700 applications, and 23,000 people signed up for the new San Mateo County Department of Housing Section 8 housing list. Even a family earning a median income of \$95,000, with impeccable credit, cannot afford the average starter home here.

In 2008, HEART welcomed the City of South San Francisco and the City of Belmont as new members, and is proud to report that all cities in the County, as well as the County, now belong to HEART. Thanks to their dues, which pay for the bulk of HEART’s administration, HEART is currently able to dedicate donations from the private sector to much-needed programs to create affordable homes for the employees and residents of San Mateo County.

HEART has grown up in the last year, and we are grateful to the many community members, partners, and donors who have made that possible.

Sincerely,

Supervisor Rose Jacobs Gibson
Chair, Board of Directors

Christopher Mohr
Executive Director

HEART Board of Directors

Community Leaders		Public Officials	
Denise Aquila Re/Max Realty	Bill Nack, Vice Chair Executive Officer, San Mateo County Building & Construction Trades Council	Richard Gordon Board of Supervisors County of San Mateo	Jack Matthews City Council City of San Mateo
Linda Asbury President/CEO, San Mateo Area Chamber of Commerce	Larry Nibbi CEO, Nibbi Brothers Construction	Carole Groom Supervisor County of San Mateo *	Gina Papan City Council City of Millbrae**
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John Conover President, Borel Private Bank & Trust Company	John Boyle City Council, City of Menlo Park	Rose Jacobs Gibson, Chair Board of Supervisors County of San Mateo	Randy Royce City Council City of San Carlos
Karyl Eldridge Peninsula Interfaith Action	Larry Franzella Mayor, City of San Bruno	James Janz Town Council Town of Atherton *	Sal Torres City Council City of Daly City
Michele Jackson Executive Director, Shelter Network	Pedro Gonzalez City Council City of South San Francisco	Tom Kasten City Council Town of Hillsborough	* Term ended 12/08 ** Term ended 02/09

Statements of Activities

For the Years Ended June 30, 2008 and 2007

	2008	2007
Expenses		
General management and administrative support	\$251,367	\$258,780
Legal services	10,000	10,000
Branding and communications	—	2,587
Interest on long-term debt	32,514	4,444
Miscellaneous	125	64
Total Expenses	294,006	275,875
Program Revenues		
Operating grants and contributions		
Member agencies	269,754	222,097
County of San Mateo	200,000	200,000
State of California	255,000	1,745,000
Other	492,197	91,720
Total Program Revenues	1,216,951	2,258,817
Net Program Revenue	922,945	1,982,942
General Revenues (Expenses)		
Investment earnings	96,207	119,173
Securities lending income	18,642	9,385
Securities lending expenses	(16,005)	(9,157)
Total General Revenues (Expenses)	98,844	119,401
Change in Net Assets	1,021,789	2,102,343
Net Assets-beginning	4,715,187	2,612,844
Net Assets-ending	\$5,736,976	\$4,715,187

The Housing Endowment and Regional Trust's financial statements for the fiscal year ended June 30, 2008 have been audited by the Controller's Office of the County of San Mateo, who issued an unqualified opinion on the statements. To obtain a copy of HEART's complete audited financial statements, please contact our office at 650-872-4444, ext. 4.

TOTAL PROGRAM AND ADMINISTRATION: \$10,265,877
SPRING 2003-SPRING 2009

ADMINISTRATION 11% 89% PROGRAM

Statements of Net Assets

For the Years Ended June 30, 2008 and 2007

	2008	2007
Assets		
Cash and cash equivalents	\$3,206,852	\$1,170,265
Securities lending collateral	320,964	216,811
Receivables, net:		
Interest	62,331	14,096
Loans	3,044,699	3,490,000
Prepaid expense	23,475	15,000
Restricted assets:		
Temporarily restricted		
Cash and cash equivalents	1,204,699	1,030,270
Total Assets	7,863,020	5,936,442
Liabilities		
Accounts payable	42,566	4,444
Securities lending collateral due	320,964	216,811
Noncurrent liabilities:		
Due in more than one year	1,762,514	1,000,000
Total Liabilities	2,126,044	1,221,255
Net Assets		
Restricted for:		
QuickStart Revolving Loan housing developers	963,707	1,000,192
Debt service - Loan Loss Reserve Account	30,292	30,078
Home Buyer Assistance Loan Program	210,700	—
Unrestricted	4,532,277	3,684,917
Total Net Assets	\$5,736,976	\$4,715,187

CUMULATIVE FUNDS GIVEN OR PLEDGED BY SOURCE SPRING 2003-SPRING 2009

Source of Funds	Housing Programs	Administration
County of San Mateo: Gift	\$3,000,000	\$ 75,000
CA Dept. of Housing (Prop. 46)	2,000,000	—
CA Housing Finance Agency (CalHFA)	1,500,000	—
Wells Fargo	1,000,000	—
Other gifts and private donations	1,373,933	5,000
Foundation Grants	150,000	66,974
Public agency dues	—	989,522
Interest income	105,448	—
TOTAL COMMITMENTS	\$9,129,381	\$1,136,496

Meet the residents of Hillcrest Senior Housing in Daly City

The new, spacious apartments and access to BART and major bus lines give local seniors a chance to enjoy their retirement and remain active in the community. Retired nurse Maxine Eastman's (left) schedule includes exercise classes at the senior center and volunteering with



the physically challenged and a local food bank. Griselda Muyat (center) lived with her daughter's family for years in the suburbs. This is the first time in her life she has had her own apartment, her own friends and the ability to travel.

Clara Chan (right), 85, also treasures her independence, after a lifetime of caring for children and grandchildren. She appreciates the little "extras" that the building includes for seniors, like a van, organized trips and activities and the special timer for her kitchen.