



2010 Annual Report



Opening Doors in Our Community
The Housing Endowment and Regional Trust of San Mateo County



SUPERVISOR
ROSE JACOBS GIBSON



CHRISTOPHER MOHR

Letter from Board Chair and Executive Director

While economists tell us that we're officially out of the recession, those of us who work in the housing, financial, and employment sectors could be forgiven for thinking otherwise. At HEART, we know that affordable homes and apartments are still out of reach for too many local residents and employees. That's why it's critical that we never lose sight of our goal to provide housing that's attainable by all. In 2010-11, HEART not only focused on this core need, but also worked to encourage the growth of communities that foster better connections between land use and transportation for all income levels.

Through April 2011, HEART raised over \$10 million and invested \$8.66 million to build, renovate, or purchase 805 homes for working families and seniors. This represents 11% of all new homes created in the County during this time. All of these homes will be affordable to low and moderate-income families — an achievement of which we can all be proud.

This past year also saw the opening of two new apartment complexes for working families: Trestle Glen, with 119 units of affordable family housing, opened in May next to the Colma BART station, and Peninsula Station, with 68 units of affordable rental homes for families, opened in San Mateo in November.

HEART recently invested \$200,000 in early funds to the new development at 2000 S. Delaware St. in San Mateo, on the site of the old police station. A joint venture between Palo Alto Partners and MidPen Housing, it will offer 120 units of affordable rental homes. HEART also made its first loan for land acquisition to EPA CAN DO, a local community development nonprofit working in East Palo Alto.

All 20 cities in San Mateo County, as well as the County, 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.

As we share this with you, we are looking forward to another exciting and productive year in San Mateo County. With the valued support of our community members, partners and donors, HEART will continue on its mission to put affordable housing within the reach of everyone in 2011 and for years to come.

Sincerely,


Supervisor Rose Jacobs Gibson
Chair, Board of Directors


Christopher Mohr
Executive Director

“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

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City of Redwood City
 - Sal Torres ****
City Council
City of Daly City
- * Term ended 12/10
** Term ended 2/11
++ Term began 03/11

Investing in affordable rental homes for working families and seniors



Trestle Glen, Colma, 119 homes for working families, opened Jan. 2010

We have a safe, warm place for our children

Gumshu and Roi Hawa were political refugees from Burma. Gumshu worked in restaurants, and now owns his own sushi stand in Redwood City. "Getting an apartment at Trestle Glen is the best thing that has happened to us. We were living in an in-law unit without heat, and this new building is so much better for our children." HEART worked with BRIDGE Housing to finance this 119-unit complex next to Colma BART.



We don't have to live with our parents anymore

"Ping and I got married while we were in college. We lived with his parents in Daly City for almost ten years while we were in school, and then working," said Princess. "When our son was born, I was so excited to be accepted at Trestle Glen because we would now have room for our child to crawl and play. We can begin our lives together as a family, while still staying close to our relatives."



The Village at the Crossing, San Bruno, 228 homes for seniors, opened May 2007

We share a wonderful bond

Xiu, Xiangxi, Paula and Quin Zhou all live at The Village at the Crossing, an affordable senior apartment complex in San Bruno. "I love the wealth of experiences, stories, cultures and personalities here," says Paula. "This is a place where people have come on different boats, but we are all on the same ship."

Meet Your Neighbors

Front cover photos, left to right

Glenn Ruiz and his family bought their first home in San Bruno with the help of HEART's "Opening Doors" home buyer assistance program, together with a conforming loan from Meriwest Mortgage.

In April 2011, MidPen Housing broke ground for a 109-unit complex of affordable rental homes for working families on El Camino Real in South San Francisco. HEART made an early, long-term loan of \$1 million, working with the City of South San Francisco.

"Our apartment is beautiful, and I can support my family here," says Chris Dubon (left) a resident of HEART-funded Trestle Glen apartments, with his wife Nikole Kosier and their son. "We didn't know what to expect by applying for 'affordable housing,' but this has been a true blessing for us." Originally from South San Francisco, Chris and Nikole are grateful to be near family, and were one of 1500 families who applied for 119 units, located next to Colma BART, in 2010.

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

HEART loans to date: Responding to community needs and investing in 805 affordable homes

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 – Opened May 2010

Jurisdiction: County of San Mateo
 Developer: Bridge Housing
 People: 119 rental units for working families
 HEART investment: \$2,480,000

Ocean View – Occupied, renovation complete

Jurisdiction: City of Pacifica
 Developer: National Church Residences
 People: 100 rental units for seniors
 HEART investment: \$500,000

Peninsula Station – Opened November 2010

Jurisdiction: City of San Mateo
 Developer: MidPen Housing
 People: 68 rental units for working families
 HEART investment: \$1,000,000

636 El Camino – Groundbreaking April 2011; opening 2012

Jurisdiction: South San Francisco
 Developer: MidPen Housing
 People: 109 rental units for working families
 HEART investment: \$1,000,000

2000 South Delaware - planning stages

Jurisdiction: City of San Mateo
 Developers: Palo Alto Partners and MidPen Housing
 People: 120 rental units for working families
 HEART investment: \$200,000

University Avenue Parcel - land acquisition

Jurisdiction: City of East Palo Alto
 Developer: EPA CAN DO
 People: Land for future construction of family housing
 HEART investment: \$180,000

HEART RESULTS TO DATE		
# OF UNITS	HEART FUNDS	TOTAL PROJECT
805	\$8.8M	\$216M
LOW-MODERATE	VERY LOW	EXTREMELY LOW
139	493	173
TOTAL LEVERAGE	\$18: \$1	

HEART Volunteer Committee Members

Joe Galligan HEART Treasurer, Galligan, Thompson & Flocas LLP
Shiloh Ballard Silicon Valley Leadership Group
Duane Bay San Mateo County Department of Housing
Michon Coleman San Mateo County Association of REALTORS®
Jeremy Dennis Office of Assemblymember Richard Gordon
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Bruce Hamilton HIP Housing
Charisse Lebron-Cannon Office of Supervisor Rose Jacobs Gibson
Mary McMillan Deputy County Manager
Laura Peterhans Peninsula Interfaith Action
Shaun Naidu Office of Assemblymember Jerry Hill
Laura Snideman City of Half Moon Bay
Brock Winstead Office of Senator Joe Simitian

HEART Staff

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 | **Scott Coe** | **Diana Lao** | **Barbara Leff**
Jessica Stanfill | **Janet Stone** | **Lee Thompson**
Thelma Villar | **Marina Yu**

Photos: **Arthur Koch**, **MidPen Housing**, **Paula Stinson**, **Kathi Trefz**

HEART Homebuyer Assistance Program

“Opening Doors in Our Community” homebuyer assistance program helps well-qualified, moderate-income families buy their first home in San Mateo County.



Biotech Start-up in South San Francisco

With help from HEART, Glenn Ruiz and his family bought a home in San Bruno—next door to his parents. They can stay close to extended family while Glen works at a life sciences startup company in South San Francisco. The Ruiz family had been looking to buy a home for four years, but were always outbid by investors offering cash until they discovered the conforming loan package from HEART and Meriwest Mortgage. Their offer was accepted immediately.



Police Officer in Atherton

Krystal Pronske grew up in Belmont, and comes from a family tradition of law enforcement and public service. She was thrilled to get a job as a patrol officer with the Town of Atherton Police Department, but never thought she could afford a home. Living with her parents to save money for a downpayment, she was able to buy a starter home in San Mateo. “With the money I saved through HEART, I have enough to fix up the house and add a kennel in the back to train K-9 dogs.”



Young Professionals in Foster City

Jennifer is a legal secretary in Burlingame and part-time law student; her husband Andrew is a police assistant. They were renting in Foster City and loved the suburban feel and convenient location. They qualified for an FHA loan, but could not apply it to their condo. The HEART loan, with a downpayment requirement of 5% and no PMI, made their condo available and affordable.

HEART HOMEBUYER LOANS TO DATE:

Jurisdictions: Foster City, Pacifica, Redwood City, San Bruno, San Mateo, South San Francisco

# BORROWERS	HEART LOANS:	TOTAL VALUE:
20	\$1.1M	\$7.8M

How the Program Works

New Homebuyer Loans For San Mateo County

“Opening Doors in Our Community” helps qualified, moderate-income families buy a home.



For more details: www.heartofsmc.org/open to see if you qualify. Or call a Meriwest loan consultant at 1-408-363-3451.

Opening Doors to home ownership

HEART makes downpayment assistance loans so that well-qualified first-time or “move-closer” employees can buy a home with 5% down, filling a need in a tight consumer credit market.

HEART makes second loans for a downpayment, together with a first mortgage from Meriwest Mortgage. The guidelines insure secure loans for smart homeownership in a high-cost market.

- Household income up to \$150,000
- Maximum purchase price of \$521,250
- Minimum 5% downpayment
- FICO score of 680 or better
- Work or live in San Mateo County
- First-time or move-closer buyer
- Competitive with FHA loans, fewer restrictions

Apply online at www.heartofsmc.org/open or call Meriwest Mortgage at 408-363-3469 for more information

Statements of Activities

For the Years Ended June 30, 2010 and 2009

	2010	2009
Expenses		
General management and administrative support	\$282,472	\$271,710
Legal services	10,000	10,000
Interest on long-term debt	66,521	42,500
Miscellaneous	188	26,317
Total Expenses	359,181	350,527
Program Revenues		
Operating grants and contributions		
Member agencies	291,761	291,761
County of San Mateo	-	200,000
Donors.....	899,545	77,197
Total Program Revenues	1,191,306	568,958
Net Program Revenue	832,125	218,431
General Revenues (Expenses)		
Investment earnings	137,475	6,214
Total General Revenues	137,475	6,214
Change in Net Assets	969,600	224,645
Net Assets-beginning	5,961,621	5,736,976
Net Assets-ending	\$6,931,221	\$5,961,621

The Housing Endowment and Regional Trust's financial statements for the fiscal year ended June 30, 2010 have been audited by the Controller's Office of the County of San Mateo, who issued an unqualified opinion on the statements.

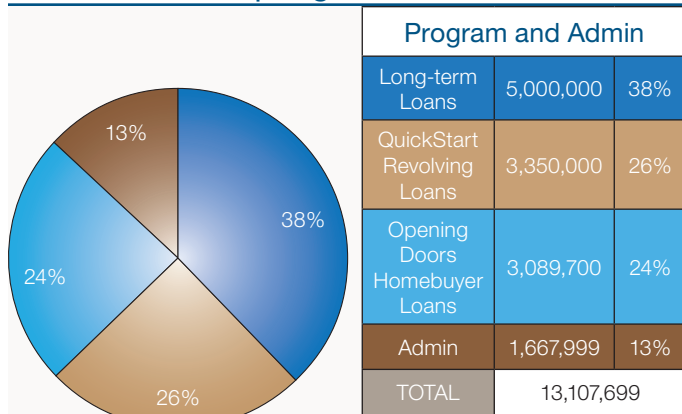
To obtain a copy of HEART's complete audited financial statements, please contact our office at 650-872-4444, ext. 4.

Statements of Net Assets

For the Years Ended June 30, 2010 and 2009

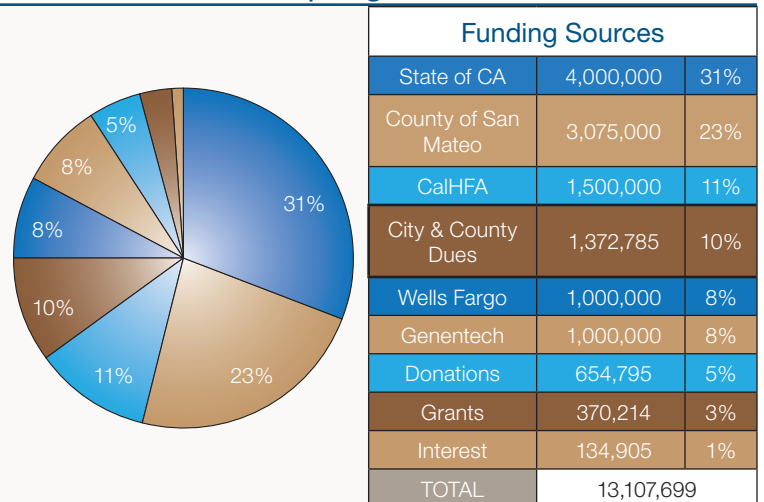
	2010	2009
Assets		
Cash and cash equivalents	\$2,067,860	\$1,381,608
Securities lending collateral	463,745	63,958
Receivables, net:		
Interest	247,609	160,897
Loans	5,250,000	6,109,719
Prepaid expense	14,626	-
Restricted assets:		
Temporarily restricted:		
Cash and cash equivalents	1,937,661	937,123
Total Assets	9,981,501	8,653,305
Liabilities		
Accounts payable	5,000	92,712
Securities lending collateral due	463,745	63,958
Noncurrent liabilities:		
Due in more than one year	2,581,535	2,535,014
Total Liabilities	3,050,280	2,691,684
Net Assets		
Restricted for:		
QuickStart Revolving Loan housing developers	505,217	469,030
Debt service - Loan Loss Reserve Account.....	30,000	30,343
Home Buyer Assistance Loan Program	402,444	237,750
Grant - City of South San Francisco Housing	1,000,000	200,000
Unrestricted	4,993,560	5,024,498
Total Net Assets	\$6,931,221	\$5,961,621

Uses of Funds Spring 2003-Spring 2011



HEART is proud that only 13% of its funds have been spent on overhead and administrative costs.

Sources of Funds Spring 2003-Spring 2011





HEART's mission is to raise funds from public and private sources to meet critical housing needs in San Mateo County.

Our goal is to raise \$ 3 million from the private sector.

WE ARE ALMOST THERE!

Thank you to everyone who has contributed to HEART's campaign.

COMMUNITY PILLARS: \$1 Million or more



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

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

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



HEART Donors

Roofers

\$10,000-\$24,999

- Borel Estate Company
- Charles and Helen Schwab Foundation
- City of San Carlos
- JPMorgan Chase Foundation
- Palo Alto Medical Foundation
- The Pauls Corporation
- Laura and Michael Peterhans
- Silicon Valley Bank Foundation
- US Bank
- Washington Mutual

Framers

\$5,000-\$9,999

- Anonymous
- Citibank
- Guardian Equity Growth II
- Keech Properties
- Orchard Commercial Foundation
- SummerHill Homes
- Wilson Meany Sullivan

Finishers

\$1,000-\$4,999

- Abrams & Associates
- Allied Waste of San Mateo County

- Denise Aquila
- Building Trades Council of San Mateo County
- Jerry Carlson
- City of Redwood City
- Clearinghouse CDFI
- John Conover
- Corey, Luzaich, Pliska, de Ghetaldi & Nastari
- David D. Bohannon Organization
- EBL&S Development
- Karyl Eldridge
- Larry Franzella
- Joe and Helen Galligan
- Richard Gordon
- Carole Groom

- Hathaway Dinwiddie Construction Co.
- Michele Jackson
- John Plane Construction
- Tom Kasten
- Meriwest Credit Union
- Larry Nibbi
- Nurseryman's Exchange
- Peninsula Health Care District
- PG&E
- Plumbers and Steamfitters Local 467
- Prudential California Realty
- Regis Homes of Northern CA
- Rey Vaden Family Foundation

- Randy Royce
- San Mateo Area Chamber of Commerce
- Sequoia Healthcare District
- Sheet Metal Workers' Local 104
- Paul Shepherd
- South San Francisco Scavenger
- United American Bank
- Universal Paragon Corporation
- \$500-\$999**
- Julie Baigent
- Cahill Contractors
- Dorcas Cheng-Tozun

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 First National Bank of
 Northern California
 Chris Glud and Carol Olsen
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 Rev. Dr. Kibbie Ruth
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 S.J. Amoroso Construction
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 SAMCEDA
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 Patty Boyle
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 Bruce K. Farrell
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 Patrick Gemma
 Bruce Hamilton
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 John M. Ward & Associates
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 Ken Housley
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www.heartofsmc.org

HEART is a public entity with 501(c)(3) status. Donations are tax-deductible.
 Fed ID: 72-1589835

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

