



The HEART of San Mateo County

Opening Doors in Our Community

The Housing Endowment and Regional Trust



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The High Cost of Employee Housing—Even Higher Costs for Business

Susan Wisnom Nelson's great-grandfather Robert was one of the builders of the city of San Mateo. She and her husband Dick own Wisnom's Hardware, started in 1905, now on First and South Delaware Avenue, and she's grown up watching her family

sell supplies to those who built the homes, shops and businesses of San Mateo County. They've successfully competed with chain stores by offering superior customer service with a staff that has been with them, on average, over twenty years, but Susan doesn't see how the next generation can enjoy this—quite simply because new employees aren't here anymore.



In 2006, 88% of the employers surveyed by the Silicon Valley Leadership Group named high housing costs for employees as the most important challenge to business in our region.

"I've seen things change so much in the past few years because of the cost of housing. A lot of our employees are older, and bought their homes a long time ago, but I don't know how anyone just starting out can do it.... The rents are exorbitant and you need a huge deposit. How can anyone even get started, much less buy a home?"

The cost in lost productivity, and in attracting and retaining the best staff, is huge

Susan's views are shared by the largest employers in San Mateo County and Silicon Valley who must attract and retain top talent to compete in the global marketplace. They cite high housing costs as their number one concern.

With the median cost of a single-family home at \$850,000, many scientists and engineers can't, or don't want to move their families here. Entry and mid-level employees often live in Tracy, Livermore, or farther out. Two-hours-plus commutes affect morale, produc-

tivity, job and family, and traffic congestion and pollution. The cost to our community is enormous when people do not plan to put down roots, or don't have time to get involved in their kid's schools or local activities.

That's why John Conover, President of Borel Private Bank and Trust Company in San Mateo, got involved with HEART, and why he would like to see more employers contribute as a way to create new housing options for their workforce. "Our clients need to continually hire good people, and the housing shortage is critical."

San Mateo County's future economic growth depends on creating homes for employees

The number of jobs in San Mateo County is projected to grow by 40%, or 133,000 jobs, in the next 20 years, according to a 2006 analysis conducted by the Association of Bay Area Governments (ABAG). The largest

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HEART has two programs to help solve employer's needs: managing employee downpayment assistance loans and investing in new affordable home construction near public transit.



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growth—11,000 jobs in the next ten years alone—will be for professionals and managers. The number of commuters coming into the county is expected to double. If accurate, San Mateo County will need at least 22,000 new homes to support these new employees, and these homes simply don't exist at lower and middle-income levels.¹

A county-wide partnership to solve the housing crisis

Such numbers are daunting and the affordable housing shortage will not and cannot be addressed by market forces alone. The County, cities and private sector created The Housing Endowment and Regional Trust, HEART, as a vehicle to leverage significant

1. The City/County Association of Governments (C/CAG) of San Mateo County, 2006



Investing in new workforce housing is an effort no one company can do on its own, but working together to leverage funds will benefit all of us who want to work, live and serve in our communities.



funds from state, local and private sources to solve this overwhelming need for more homes that people can afford. The business community in San Mateo County has an important role to play.

Creating options for employers and employees

In response to employer feedback, HEART is developing a new employee downpayment assistance program, both for first-time homebuyers and for those relocating here. Because HEART is a public/private entity, the program is being designed by the San Mateo County Department of Housing to complement other programs offered by cities and employers,

Businesses lose 5-10% of their employees every year because of commuting stress.

and to increase and coordinate available assistance. Contributions to the loan fund from the business community will help valued workers buy homes they could not otherwise afford.

Building more homes

HEART is also committed to increasing supply, and has already invested \$4 million in new construction ranging from homes for seniors in San Bruno and Daly City to workforce housing in Colma. HEART's new \$2.5 million QuickStart revolving loan fund will provide critical, short-term loans to housing developers, resulting in faster community re-investment. More units mean more housing options.

HEART's "Opening Doors in Our Community" private sector campaign is raising \$3 million to create 600 new homes in the next three years. HEART's unique nature, along with the impact of extraordinarily high housing costs on business, make this an exceptional opportunity for community leaders and employers to join together to both help employees directly and to leverage the funds from other sources to build more homes at a wide range of prices. Susan and Dick Nelson and their expert staff will be happy to recommend supplies.

Our focus in 2007 is Work, Live and Shop San Mateo—that means job creation and business retention. Live is certainly the most challenging, and that's why we will continue to support HEART's work to increase our housing stock and the number of below market units for our workers.

Linda Asbury, HEART Board Member
San Mateo Area Chamber of Commerce

Opening Doors in Our Community

The HEART Campaign to Raise \$3 Million in Three Years to Create 600 New Homes

- Vision:** A County where housing is attainable to all.
- Mission:** Raise funds from public and private sources to meet critical housing needs in San Mateo County.
- Who:** Support from our community businesses and residents.
- How:** Invest in rental and ownership homes. Leverage funds 10:1. Create \$30M total in new housing.

The Housing Endowment and Regional Trust of San Mateo County

HEART Member Cities

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

The Village at the Crossing Opening in San Bruno in Spring 2007



The first HEART-funded development, The Village at the Crossing in San Bruno, is nearing completion. Developed by Citizens Housing Corporation and KDF Communities, The Village offers 228 units at a variety of affordability levels for active seniors 55+.

“San Bruno is excited about The Village senior homes, and very excited that they are affordable,” said Larry Franzella, Mayor and HEART board member. “We are very pleased that HEART was able to assist with a \$1.73 million completion loan, and make the affordability even greater. It is a tremendous project, close to both SamTrans and BART, and just across El Camino Real from The Shops at Tanforan.”

HEART invested \$1.73 million in the \$29.8 million development to create 228 new homes—leveraging HEART funds by 17:1!

The High Cost of Employee Housing, CONTINUED

Who do we need here who cannot afford to live here?

Income Category	Annual Income (Family of 4)	Affordable Rent (2-BR-apt.)	Affordable Purchase Price ¹	Sample Occupations ²
Median	up to \$95,000	\$2,059	\$501,000	Technical Support Engineer, Project Manager, Associate Scientist, Software Engineer,
Low	up to \$90,500	\$2,036	\$477,000	Bank Branch Manager, Network Administrator, Sr. Executive Assistant, Head Nurse ER, Police, Sergeant, Social Service Agency Director, Biostatistician
Very Low	up to \$56,550	\$1,272	\$298,000	Admin Assistant, Teacher, Fire Fighter, Social Worker, Plumber, Staff Nurse RN, Research Associate, Carpenter
Extremely Low	up to \$33,950	\$764	\$179,000	Childcare Worker, Retail Clerk, Nursing Assistant, Bank Teller, Office Clerk, Food Server, Janitor, Homecare Aide, Security Guard

1. Assumes conventional, 30-year mortgage with 10% downpayment, 6% interest.
 2. Assumes single-earner household; in many cases, there is more than one earner per household.
 Source: Housing Leadership Council of San Mateo County

What does it cost to live here?

MEDIAN PRICE TO PURCHASE A HOME:

\$850,000

MEDIAN PRICE TO RENT (2-BEDROOM)

\$1,515

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Financial First Responders

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San Carlos Development Corporation

San Mateo County Association of Realtors
(SAMCAR)

Charles & Helen Schwab Foundation

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Wells Fargo Community Development
Corporation

Visionaries

*Many people have worked tirelessly to make
HEART a reality. Meet a few of our visionaries:*

Vice Mayor Carole Groom

City of San Mateo

For her leadership as Board Chair.

Denise Aquila

RE/MAX Today and San Mateo County
Association of Realtors® Foundation

Who has worked tirelessly with SAMCAR
and the real estate community to raise
over \$85,000 for HEART.

Karyl Eldridge and Laura Peterhans

Peninsula Interfaith Action

Who have worked to raise the issue of
housing, leading to the creation of HEART,
and give generously of their time and
energy to HEART committees.

*Affordable housing isn't just a good
thing to do; it's the smart thing to do.*

Investing in HEART Benefits:

Families • Business

Community

Your Support is Vital

- All donations to HEART go to new homes and loans.
- HEART's city and county members cover all administrative costs.
- HEART leverages every donated dollar with at least \$10 from other sources.
- Every contribution, large or small, makes a big difference.

Thank you



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Opening Doors in Our Community

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