



**HEART**  
OF SAN MATEO COUNTY

**10**  
YEARS  
OF SERVICE

# 2015 Annual Report



## Opening Doors in Our Community

The Housing Endowment and Regional Trust of San Mateo County



DON HORSLEY



ARMANDO SANCHEZ

# Letter from the Board Chair and Executive Director

Dear Friend,

Community leaders came together to form HEART during the housing shortage caused by strong job growth in San Mateo County and the Bay Area in the early 2000s. Today, the economy is once again booming and the demand for housing is greater than ever. HEART has worked diligently to meet the housing needs of working families by collaborating on the development of more than 980 affordable housing units in San Mateo County. Operating as a Joint Powers Authority (JPA) and as a non-profit organization, HEART has invested more than \$14 million in affordable housing.

In 2015, HEART was proud to see two projects it funded reach significant milestones. Core Affordable Housing opened 60 units of affordable housing at the Willow Housing project for homeless and at-risk veterans in Menlo Park. Nearby, EPA CanDo and MidPen Housing also reached an important milestone breaking ground on a 41 unit senior development in East Palo Alto. HEART was an early investor in both of these projects providing funding for predevelopment work and land acquisition that made the projects possible. We were also pleased to have been one of the partners with Bridge Housing in saving the Ocean View Apartments in Pacifica. Together we retained 100 affordable units for seniors.

For 2016, HEART's goal will be to strengthen and build new partnerships. With the support of our generous funders, HEART will continue to be an early investor, innovator and leader in the development of affordable housing. On behalf of HEART's staff and the board of directors, thank you for supporting HEART and being our partner.

We are pleased to be HEART's new leadership team. We are excited about HEART's future and thankful to those who preceded us. Thank you to Jack Matthews for his service as HEART's Board Chair and to Mark Moulton, our past Executive Director. And thank you to Paula Stinson who steered HEART programs as Interim Executive Director.

Don Horsley  
Chair, Board of Directors

Armando F. Sanchez  
Executive Director

**“HEART is a big reason that working families can own a home in our county. With HEART, there's hope. Thank you for a job well done.”**

**Honorable Jackie Speier**  
*Congresswoman,  
14th Congressional District of California*

## HEART Board of Directors

### PUBLIC OFFICIALS

- Don Horsley, Chair**  
Board of Supervisors  
County of San Mateo
- Ron Collins, Vice Chair**  
City Council, City of San Carlos
- Rick Bonilla\***  
City Council, City of San Mateo
- Maryann Moise Derwin**  
City Council, Town of Portola Valley
- Robert Gottschalk\***  
City Council, City of Millbrae
- Diane Howard**  
City Council, City of Redwood City
- Ken Ibarra**  
City Council, City of San Bruno
- Doug Kim\***  
City Council, City of Belmont

- Cliff Lentz**  
City Council, City of Brisbane
- Laurence May\*\***  
Mayor, Town of Hillsborough
- Liza Normandy**  
City Council, City of South San Francisco
- Anne Oliva\*\***  
Mayor, City of Millbrae
- Warren Slocum**  
Board of Supervisors,  
County of San Mateo

### COMMUNITY LEADERS

- Linda Asbury**  
The EDGE
- Julia Baigent**  
Attorney at Law

- Karyl Eldridge**  
Faith in Action
- Barbara Evers**  
Boston Private Bank & Trust
- Larry Franzella**  
Berkshire Hathaway Realty
- Pam Frisella**  
City of Foster City, ret.
- Kitty Lopez\***  
First 5 San Mateo County
- Jack Matthews**  
John Matthews Architects
- Bill Nack**  
San Mateo County Building & Construction Trades Council, ret.
- Paul Shepherd, Cargill, ret.**
- Marcia Raines, Treasurer**  
City of Millbrae, ex officio

\*Term began 2/16 \*\*Term began 4/16 †Term ended 12/15 ††Term ended 3/16

# Buying Their First Home

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

- Together with a conforming mortgage from Meriwest Mortgage, HEART loans up to 75% of the downpayment, allowing the borrower to put 5% down with no private mortgage insurance (PMI) costs.
- Families may purchase a home up to \$521,250, with an income limit of \$150,000.
- Work or live in San Mateo County. FICO score of 680 or better.
- Find out more and apply online at [www.heartofsmc.org](http://www.heartofsmc.org)



## I grew up in Burlingame and now I live near my work

Travis B. grew up in Burlingame and is now working for the Central Fire Department of Millbrae, Burlingame and Hillsborough. **He just bought his first home in September, a condo in the City of San Mateo, using the HEART down payment program and Meriwest Mortgage.** “I couldn’t have done this without the HEART program,” he said. Travis also shared that of the 80 firefighters in his district, only ten live on the Peninsula. **Thanks to the HEART down payment program, there is now one more firefighter who does.**



## All the pieces came together with help from our community

Mike and Debbie L. wanted to take the right steps as they started their married lives together – save money, buy a house, and start a family. In order to do so in the expensive housing market that is the Bay Area, **they spent the past four years living with Debbie’s parents in Daly City** as they worked overtime, paid down their student loans, cut back on expenses and saved for a down payment. Along the way, their daughter Maddie came into the world, and all three lived together in one small room.

Debbie, the Assistant Director at Footsteps Childcare in Redwood Shores, and Mike, a service technician at Tesla Motors in Palo Alto, **bought their condo in South San Francisco in November.** Now Maddie has a room of her own, and Mike and Debbie still marvel that they own their own home.



## HEART is the only reason we have a home

Michael H. grew up in South San Francisco and now teaches math at Cañada College. His wife Kristin works at the Edgewood Center for Children and Families. When their son James was born 13 months ago they knew that they needed a larger space and they wanted the stability of **knowing what their housing payment would be each month.**

They had no idea how to get into a market where the median home price is \$1.2M. They attended a HEART workshop sponsored by the San Mateo Community College District and realized that they could compete. Today **they own a beautiful two bedroom condo in San Bruno,** with a patio, greenery and privacy. Best of all – they are now homeowners. They are part of their community and they can count on the stability of staying in San Mateo County.

## HEART Member Cities and County

- Town of Atherton
- City of Belmont
- City of Brisbane
- City of Burlingame
- Town of Colma
- 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 HOMEBUYER RESULTS:

**Homes in:**  
Pacifica, San Bruno, San Mateo,  
South San Francisco

# OF BORROWERS	HEART LOANS	TOTAL HOME VALUE
65	\$3.7M	\$27.2M

# 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 – Opened May 2010

Jurisdiction: County of San Mateo (Colma)  
 Developer: BRIDGE Housing  
 People: 119 rental units for working families  
 HEART investment: \$2.51 million

## Ocean View – Occupied, renovations underway

Jurisdiction: City of Pacifica  
 Developer: BRIDGE Housing  
 People: 100 rental units for seniors  
 HEART investment: \$500,000

## Peninsula Station – Opened Fall 2010

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

## 636 El Camino – Opened Fall 2012

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

## Delaware Pacific – Opened Winter

Jurisdiction: City of San Mateo  
 Developer: Palo Alto Partners in partnership with MidPen Housing  
 People: 120 units for working families  
 HEART investment: \$200,000

## University Avenue Senior Housing – Under construction

Jurisdiction: City of East Palo Alto  
 Developers: EPA CAN DO and MidPen Housing  
 People: 46 units of senior housing  
 HEART investment: \$744,565

## Waverly Place – Predevelopment

Jurisdiction: North Fair Oaks (unincorporated Redwood City)  
 Developer: Mental Health Association of San Mateo County  
 People: 16 units for special needs individuals  
 HEART investment: \$700,000

## Willow Veterans Housing – Opened Winter 2016

Jurisdiction: Menlo Park VA Campus  
 Developer: CORE Affordable Housing  
 People: 60 units for veterans  
 HEART investment: \$700,000

## 612 Jefferson Avenue – Land Purchase

Jurisdiction: Redwood City  
 Developer: Habitat for Humanity Greater San Francisco  
 People: 20 condominiums for sale to working families  
 HEART investment: \$500,000

# HEART Results

## CONSTRUCTION LOAN RESULTS

# OF UNITS	HEART FUNDS	TOTAL PROJECT
922	\$10.2M	\$289.6M
TOTAL LEVERAGE		
\$25 : \$1		

## ALL PROGRAMS RESULTS

# OF UNITS	HEART FUNDS	TOTAL PROJECT
987	\$13.9M	\$316.8M
TOTAL LEVERAGE		
\$22 : \$1		

# Pre-Development Loans: Early Investments Create a Foundation



## Willow Housing for veterans opens in Menlo Park in 2016

In 2014, HEART made a pre-development loan of \$700,000 to Core Affordable Housing for a housing project for veterans located on the Veterans Administration campus in Menlo Park. HEART is delighted to see its early investment come to fruition with the completion of Willow Housing which opened to residents in January 2016. It provides 60 affordable, high-quality apartments for homeless and at-risk veterans and their families. It also includes in-house supportive services to promote wellness, vocational training, self-sufficiency and self-determination. HEART is proud to have been an early investor.



## Willow Housing resident: “My mission is to share what I’ve learned.”

Meet James M., a resident and U.S. Navy veteran who served in Vietnam. When he left the service he worked a variety of jobs – including as a firefighter for the city of Oakland. But the past few years have not been good. He had congestive heart failure, COPD, a stroke, lost his home, and could no longer work.

Now that he has stable housing, James is looking forward to retirement, volunteering at the VA and studying filmmaking at his local community college. *“When I was homeless I had no idea what would come next. Now that I have a new and affordable home, I want to share my experiences and strength with others.”*



## Preserving a roof over their heads: 100 seniors in Pacifica

In 2008 National Church Residences faced the possibility of having to shut down Ocean View, a 100-unit senior development in Pacifica, because the roof needed repairs and immediate financing from HUD was not available. The City of Pacifica asked HEART to assist and the board quickly approved a \$500,000 loan to save the units. Because the building sits across the street from the ocean it is in constant need of repairs. In 2015 HEART, along with the County of San Mateo, agreed to restructure their loans so that the property could be sold to BRIDGE Housing under a new financing arrangement that will provide for ongoing maintenance and 55-year affordability.

## Early investing: the first plot of land in East Palo Alto

EPA CanDo has long had a vision to develop affordable housing for low-income residents in East Palo Alto. In 2011 they identified a group of properties that could be developed. HEART made the first loan for land acquisition. By early 2013 EPA CanDo had acquired five parcels. They then approached MidPen Housing to evaluate and design a project for the site. With project plans in place, HEART, along with Boston Private Bank provided additional funds to acquire a final parcel. MidPen is now developing the project for 41 seniors and broke ground in 2016.





## Statements of Activities

For the Years Ended June 30, 2015 and 2014

Expenses	2015	2014
General management and administrative support .....	\$ 398,217	\$ 403,969
Legal services .....	12,000	12,000
Interest on long-term debt .....	—	362
Grant funding .....	—	2,500
Miscellaneous .....	678	576
<b>Total Expenses .....</b>	<b>410,895</b>	<b>419,407</b>
<b>Program Revenues</b>		
Operating grants and contributions		
Member agencies .....	203,016	203,016
Donors .....	121,501	151,305
Grant Revenue .....	920,673	1,079,327
Charges for Services .....	8,589	25,338
Total Program Revenues .....	<u>1,253,779</u>	<u>1,458,986</u>
Net Program Revenue .....	842,884	1,039,579
<b>General Revenues (Expenses)</b>		
Investment earnings .....	227,490	278,404
Total General Revenues .....	<u>227,490</u>	<u>278,404</u>
Change in Net Positions .....	1,070,374	1,317,983
Net Positions – beginning .....	8,764,124	7,446,141
<b>Net Positions – ending .....</b>	<b><u>\$ 9,834,498</u></b>	<b><u>\$ 8,764,124</u></b>

## Statements of Positions

For the Years Ended June 30, 2015 and 2014

Assets	2015	2014
Cash and cash equivalents .....	\$ 2,932,235	\$ 2,073,725
Receivables, net:		
Interest .....	565,566	455,294
Loans .....	6,928,550	7,163,270
Prepaid expense .....	11,119	
Restricted assets:		
Temporarily restricted:		
Cash and cash equivalents .....	409,388	408,979
<b>Total Assets .....</b>	<b><u>10,846,858</u></b>	<b><u>10,101,268</u></b>
<b>Liabilities</b>		
Accounts payable .....	12,360	12,144
Unearned revenues .....	1,000,000	1,325,000
<b>Total Liabilities .....</b>	<b><u>1,012,360</u></b>	<b><u>1,337,144</u></b>
<b>Net Position</b>		
Restricted for:		
Home Buyer Assistance		
Loan Program –		
pledge account .....	408,388	408,979
Unrestricted .....	9,425,110	8,355,145
<b>Total Net Position .....</b>	<b><u>\$ 9,834,498</u></b>	<b><u>\$ 8,764,124</u></b>

The Housing Endowment and Regional Trust's financial statements for the fiscal year ended June 30, 2015, are audited by Badawi & Associates. To obtain a copy of HEART's complete audited financial statements, please call 650-872-4444 x4# or visit [www.heartofsmc.org](http://www.heartofsmc.org).

# TEN YEARS OF SERVICE: COMMUNITY PILLAR DONATIONS 2005-2016

## \$1 MILLION OR MORE



### PLATINUM HARDHAT

\$100,000-\$999,999



### GOLDEN HARDHAT

\$50,000-\$99,999



### SILVER HARDHAT

\$25,000-\$49,999



## HEART Donors March 2015 to March 2016

**Champion**  
**\$25,000-\$50,000**  
Facebook

**Roofers**  
**\$10,000-\$25,000**  
Bank of America  
San Francisco  
Business Times  
Silicon Valley Bank

**Framers**  
**\$5,000-\$9,999**  
Boston Private Bank  
& Trust Company  
Cargill  
PG&E  
US Bank

**Finishers**  
**\$1,000-\$4,999**  
Berkshire Hathaway  
Realty  
BKF Engineers  
David D. Bohannon  
Organization  
BRIDGE Housing  
Brookwood Equities  
Cahill Contractors  
City of Redwood City  
Concar Enterprises, Inc.  
The Core Companies  
CSG Consultants, Inc.  
Maryann Moise Derwin  
Danford Foundation  
Eden Housing

Google, Inc.  
Supervisor Don Horsley  
IBEW Local Union 617  
K N Properties  
Kaiser Permanente  
Legacy Partners  
Meriwest Credit Union  
MidPen Housing  
Nibbi Brothers  
General Contractors  
O'Brien Homes  
Laura Peterhans  
Palo Alto Medical  
Foundation  
Palo Alto Partners  
Raiser Organization  
Recology San Bruno  
Recology  
San Mateo County  
Related California  
John & Gussie Stewart  
San Mateo County  
Department of  
Housing  
San Mateo Credit Union  
Sares Regis Group  
of No. Calif.  
South San Francisco  
Scavenger  
Universal Paragon  
Corporation  
Wells Fargo  
Westlake Urban  
Windy Hill  
Property Ventures

**Bricks and Mortar**  
**\$500-\$999**  
Pamela Culp  
City of Millbrae  
Comcast  
Emerald Fund  
Larry Franzella  
First National Bank of  
Northern California  
Gino Gasparini  
Robert Grassilli  
Hanson Bridgett LLP  
Leslie Loomis  
Larry Nibbi  
Jonathan Scharfman

**\$250-\$499**  
Julie Baigent  
Jess Benton  
Building Trades Council  
of San Mateo County  
Jennifer Cheung  
City of Half Moon Bay  
David Crabbe Architect  
Kevin Cullinane  
Karyl Eldridge  
Barbara Evers  
Greg Galli  
Diane Howard  
Jack Matthews  
Bradley T. McCulley  
Gene Mullin  
Liza Normandy  
Mark Olbert and  
Barbara McHugh

Craig Robinson  
Supervisor Warren Slocum  
Greg and Lyn Wilbur  
Christopher Wuthmann

**Up to \$249**  
Kristen Anderson  
Rhovy Lyn Antonio  
Linda Asbury  
Thomas Banks  
BayBio  
Bruce Bean  
Janet Borgens  
Dave Burow  
Bart Charlow  
Dena Chesler  
Barbara Christensen  
Raines Cohen  
Ben Cohn  
Marge Colapietro  
Ken Cole  
Kate Comfort Harr  
John Conover  
Sandy Council  
Michael Darling  
Diane Daynes  
Gordon Deegan  
Tamara Del Bene  
Jeremy Dennis  
Sue Digre  
Anita Domondon  
Brad Donohue  
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Adrienne Etherton  
Cheryl Fama  
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Helen Fiscaro  
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Karon Knox Franzella  
Margaret Freeman  
Pam Frisella  
Alison Frost  
Ron Galatolo  
Ralph and Jean Garcia  
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Blanca Gomez  
Napallo Gomez-Somer  
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Davina Hurt  
Nori Jabba  
James R. Janz  
Jean Joh  
Robert Jones  
Michael Kaplan  
John Keener  
Kirsten Keith

## HEART Donors July 2014 to March 2015 (Continued)

Fady Khoury	Alan Louie	Bill Nack and Reyna Lehman	Dan and Catherine Quigg	Jill Singleton
Douglas Kim	Justin Lovell	Mandi Newton	Jeanne Quinlan	Jeffrey A. Smith
Sarah Kinahan	Keri Lung	Kathy O'Connell	Julie Quinn	Pete Snell
Bryan Kirk	Julia Mates	William Oldfield	Adria Quinones-Masur	John Souza
Christine M. Krolik	Sara Matlin and Jay Laefer	Larry Patterson	Sean Rabe	Julie Stock
Paul Krupka	Bradley T. McCulley	Brian Perkins	Nancy C. Radcliffe	Charles Stone
Michael Lane	Bart and Josie McHale	Barbara Pierce	Arlina Ramirez	Thyra Tegner
Michael Laughlin	Nevada Elias-Merriman	Dave Pine	Lorianne Richardson	Thelma Villar
Stacey Laumann	Donna Meschi	Kirsten Pinochi	Donna Rutherford	Diane Viviani
Jennifer Leaver	Thomas C. Mohr	Melissa Platte	San Mateo County Central Labor Council	John Ward
Richard Lee	Robert Morehead	Melanie Prole	Smitha Seshadri	
Kitty Lopez				

## HEART Volunteer Committee Members

<b>Bryan Kirk</b>	Franklin Templeton Investments
<b>Laura Peterhans</b>	Faith in Action
<b>Marcia Raines</b>	City of Millbrae

## HEART Staff

<b>Armando Sanchez</b>	Executive Director
<b>Paula Stinson</b>	Development and Communications Manager
<b>Nadine Makki</b>	Operations Manager

### PROGRAM, FISCAL AND LEGAL SERVICES

<b>Ken Cole</b>	Executive Director, Dept. of Housing, County of San Mateo
<b>Doug Frederick</b>	HCD Housing Manager, Dept. of Housing, County of San Mateo
<b>Ray Hodges</b>	HCD Specialist, Dept. of Housing, County of San Mateo
<b>Barbara Leff</b>	Financial Services Manager, Dept. of Housing, County of San Mateo
<b>Divali Magnus</b>	HEART homebuyer program, Dept. of Housing, County of San Mateo
<b>Justin Mates</b>	Office of the County Counsel, County of San Mateo
<b>Thelma Villar</b>	Financial Office Specialist, Dept. of Housing, County of San Mateo

Photo credits: **Core Affordable Housing, MidPen Housing, Paula Stinson**

## On the Cover

**Mike and Debbie L.** (left) lived with her parents in Daly City for five years while hoping to buy a home. Now they own a condo in South San Francisco and their daughter Maddie has her own room, thanks to the HEART first time homebuyer program

**James M.** (top right) served in Vietnam in the Navy and is delighted to have an apartment in Willow Housing, a new 60 unit development for homeless and at-risk veterans that opened in Menlo Park in 2016.

**Travis B.** (below right) grew up in Burlingame and is proud to serve his community as a firefighter with the Central district. He is even prouder of the condo he was able to buy in San Mateo, with help from HEART, which enables him to live close to his job and family.



**The Housing Endowment and Regional Trust of San Mateo County**  
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[www.heartofsmc.org](http://www.heartofsmc.org)

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

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