

LIVING CITY PARTNERS

LIVE HERE, WORK HERE!
"A Better Housing Future For All"
Community Builders of San Mateo County



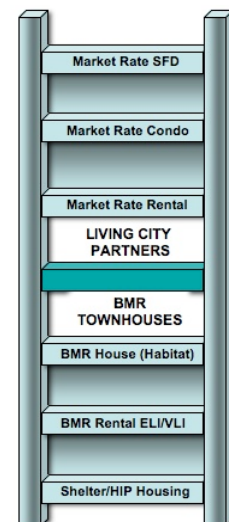
FY 2008 ANNUAL REPORT November, 2008

LIVING CITY PARTNERS begins its fourth year of operations with opportunities to build in Redwood City and Colma held at arms length by the changing picture of uncertain market and commercial lending conditions both for Living City Partners and prospective home buyers. Sources for national, state and local funding streams that make housing for families with low and moderate incomes financially possible continue to be available. However, since the LCP financial model for ownership housing always includes construction financing and mortgage financing, both of which are uncertain, we are proceeding with caution.

We have continued to meet with community leaders, government officials and staff while raising support to secure the first site for development that will advance our mission:

To create attractive, environmentally friendly ownership homes for residents of San Mateo and neighboring counties who have very low, low and moderate incomes and to improve the quality of life and economic health of the buyers and the community.

The market for affordable ownership housing that LIVING CITY PARTNERS intends to build has been sized, substantiated and documented. Reports by the San Mateo Department of Housing, Association of Bay Area Governments and the Housing Leadership Council Of San Mateo County call for thousands of new homes. This year, the Department of Housing issued its *Filling in the Gaps* report. The LCP strategy of building townhouses and condominiums to complete the "missing rung" on the Bay Area housing price "opportunity" ladder on **infill properties along public transportation corridors** fits this desired "pattern of development".



Because LCP has been included in the FY2008-2009 Redwood City budget for site acquisition and remediation funds as well as First-time Homebuyer assistance funds, we continue to look for a site to develop in Redwood City.

Site control or funding for site control continues to be a prerequisite for borrowing construction funds. Securing our first site will require a "land" or "financial" partner. While attempting to secure sites and partners, Mark Moulton, LCP Executive Director, has continued to work for the Board as a volunteer this year. Tincher Construction owner Richard Tincher kindly provides the Living City Partners office in Redwood City. That office and the LCP website are our "business location" for the foreseeable future. All our efforts are directed to making a move into a construction trailer on a project site!

FY 2008 Financial Statement (07/01/07-06/30/08)

LIVING CITY PARTNERS is incorporated in the State of California as a non-profit housing developer and its application for 501(c)(3) status with the IRS has been accepted and is being processed. LCP currently operates as a designated fund of Philanthropic Ventures Foundation and all tax deductible contributions to Living City Partners should be made to PVF.

Income Statement

| Income | | Expenses | |
|---------------|-------------------|------------------------------|-------------------|
| Donations* | \$1,000.00 | Consultant Fees** | \$0.00 |
| Interest | \$291.52 | Dues | \$899.95 |
| | | Office Supplies/phone | \$1,484.74 |
| | | Legal (Filing of 501 (c)(3)) | \$3,203.61 |
| | | Marketing | \$0.00 |
| | | Other Fees | \$633.41 |
| Totals | \$1,291.52 | | \$6,221.71 |

* Includes \$1,000 from Bay Area Bancorp Foundation

**All work by the Executive Director is currently being performed on a pro bono basis.

We gratefully acknowledge the pro bono work of our Architect David Crabbe during this year.

Balance Sheet

| Assets | | Liabilities | | |
|---------------|-------------------|--------------------|-----------------|-------------------|
| Cash on Hand | \$4,401.77 | | Office Expenses | \$123.64 |
| Total Assets | \$4,401.77 | Total Liabilities | | \$123.64 |
| | | | Total Net Worth | \$4,278.13 |

LIVING CITY PARTNERS continues to be grateful for its generous donors who provided the founding "seed" funding that has enabled us to position the organization to build housing for San Mateo families. We are grateful for the opportunity made possible by major support from Philanthropic Ventures Foundation, the Grousbeck Family Foundation and The Danford Foundation. Our continuing thanks go to the following: Robert A. Mang, Kathryn Poling, Thomas A. Kelley, Della and Paul Dodds, Hacienda Properties, Edmund and Carolyn Hayes, Ken Sletten and Bay Area Bancorp Foundation. Our Board of Directors acknowledges The Private Bank of Palo Alto for providing meeting facilities.

Respectfully Submitted,

Mark Moulton, Executive Director

Edmund Hayes, President

Mark Schoenstein, VP and Treasurer

Karl Schmidt, Secretary