

**SAN BRUNO**

Community Foundation

**2016 Annual Report**

*Investing in Our Community*



WELCOME TO  
**SAN BRUNO**

# SAN BRUNO

Community Foundation

## Fulfilling Our Mission to Invest in the San Bruno Community

September 2016

On September 9, 2010, the San Bruno community suffered a devastating catastrophe when a high-pressure natural gas pipeline exploded in the city's Crestmoor neighborhood, resulting in a massive fire and ultimately destroying 38 homes, damaging 70 others, killing eight people, injuring 66 more, and shaking our community to its core.

Since the disaster, the community has endured. The neighborhood is being reconstructed, while the survivors continue to rebuild their lives. And the San Bruno Community Foundation (SBCF) has developed into a thriving nonprofit organization committed to enhancing the quality of life throughout San Bruno and turning a tragedy six years ago into a powerful force for good in the community.

The San Bruno City Council created the Foundation in 2013 to administer the \$70 million in restitution funds received from Pacific Gas & Electric Company after the 2010 explosion, appointing seven dedicated community volunteers to its Board of Directors. The Foundation serves the San Bruno community by investing in projects, programs, services, and facilities that have significant and lasting benefits. Through making grants, leveraging partnerships, and taking advantage of other resources, SBCF assists and enables the community to maximize shared investments and realize their subsequent enhancements and benefits.

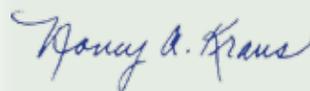
Since its creation, the Foundation has developed into a fully functioning nonprofit organization and achieved numerous milestones, including:

- Hiring its Executive Director, San Bruno resident Leslie Hatamiya, in early 2015
- Conducting a successful Community Listening Campaign, which engaged more than 1,000 community members and invigorated the community around improving San Bruno with the \$70 million in restitution funds (see page 6)
- Adopting its Program Strategy Framework, the policy document that provides the structure and outline of the Foundation's charitable programs and serves as the guiding document for accomplishing the Foundation's mission
- Identifying \$1 million in near-term project concepts for funding in 2016 (see page 3) and endorsing the Foundation's strategic grantmaking priorities
- Selecting Sand Hill Global Advisors, LLC, as SBCF's investment adviser after a thorough review process, adopting an Investment Policy Statement as the high-level document governing the Foundation's investment practices, appointing an Investment Committee to provide investment management guidance, and taking possession of the approximately \$70 million in restitution funds (see page 7)
- Designating \$15 million of the restitution funds as a quasi-endowment with a long-term investment strategy, with the balance (more than \$54 million) to be spent on programs, including strategic capital grants for community facilities, and operations over the next 7-10 years (see page 7)
- Creating the Crestmoor Neighborhood Memorial Scholarship and awarding college scholarships totaling \$100,000 to seven outstanding San Bruno students (see pages 4-5)
- Launching the Community Grants Fund, with plans to distribute \$200,000 in grants to local organizations (see page 8)

While acknowledging how far the Foundation has already come, we are equally excited about the path ahead of us. We look forward to receiving grant applications from a wide array of community organizations by late September and awarding the first set of Community Grants at the end of 2016. We are also eagerly awaiting the development of the Community Facilities Vision Plan (see page 3), which will include meaningful opportunities for community members to share their thoughts about the future vision for San Bruno's community facilities, such as the library, recreation center, pool, and other recreational facilities.

As the trustees of the restitution funds, the Board takes its responsibilities very seriously so that the Foundation can effectively serve as a vehicle for innovation, enhancement, and engagement. We welcome your participation and invite you to attend our monthly meetings, which are held at 7:00 p.m. on the first Wednesday of each month at the San Bruno Senior Center.

With warmest regards,



Nancy Kraus, President



Leslie Hatamiya, Executive Director

## Foundation Funds at Work for You

The Foundation's 2015 Community Listening Campaign clearly identified a number of community needs as well as various projects for using the restitution funds to meet those needs and benefit San Bruno over the long term. In particular, all demographic groups voiced strong support for investing in San Bruno's community facilities, including improvements to the library, recreation center, swimming pool, parks and other recreational facilities, as well as enhanced community meeting space. Based on this feedback, the Foundation Board established a quasi-endowment of \$15 million to fund programs such as the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund on an ongoing basis, while setting aside the balance of the restitution funds – more than \$54 million – to fund larger strategic initiatives, including upgraded community facilities in partnership with the City of San Bruno, and Foundation operations over the next 7-10 years.

In the meantime, in a desire to begin realizing community benefits in the near term, in early 2016 the Foundation Board approved \$1 million in initial program disbursements: \$100,000 to launch the Crestmoor Scholarship, \$200,000 for the first installment of the Community Grants Fund, and \$700,000 to fund four projects with the City. The Foundation is pleased to report on its progress with these projects:



### Community Day

With its first strategic grant, the Foundation proudly sponsored San Bruno's 2016 Community Day, which was held on June 5 at San Bruno City Park in conjunction with the San Bruno Lions Club's annual Posy Parade. The Foundation contributed to the costs of the event with a \$30,000 grant.

Thousands of community members convened at San Bruno City Park, enjoying carnival rides, games, music, food booths, baseball games, the Lions Club's classic car show, and a beautiful spring afternoon. A festive community spirit permeated the park.

### Community Facilities Vision Plan

The Foundation is funding up to \$300,000 in grants for the development of a Community Facilities Vision Plan to be prepared by the City with the assistance of an architectural design firm and focused on the Foundation's capital project strategic priorities, such as upgraded library, community meeting space, recreation center, and pool facilities. Once completed, this plan will provide meaningful guidance to the City in charting a course for addressing its community facility needs and to the Foundation in its consideration of which projects to fund.

The vision planning process will launch this fall and include a survey, community meetings, and other opportunities for community members to provide feedback on a variety of community facilities.

Of the \$300,000, an initial grant of \$25,000 covered the cost of securing the services of Anderson Brulé Architects to design the vision planning process.

**The Foundation encourages all community members to participate in the Community Facilities Vision Plan! Stay tuned for upcoming information from the City regarding a community meeting to be scheduled in October.**

### Pedestrian Safety Improvements

The Foundation has offered the City a grant of up to \$170,000 to improve pedestrian safety in various high-traffic areas of San Bruno, including the downtown area and near schools. The City is in the process of identifying specific pedestrian safety improvements to be funded by the Foundation grant.

### New Community Park

The Foundation is supporting the City's plans to transform the parcel of land at 324 Florida Avenue into a neighborhood park in an area of town that currently lacks any playground or park space. Foundation funding totaling \$200,000 will contribute to the design and construction phases of the park development project.

The City has launched the conceptual design process meeting with community members to receive input on park design options. The City expects to complete demolition of the existing structures on the site by the end of the year, with park construction to begin in spring 2017.

# Crestmoor Neighborhood Memorial Scholarship

As one of its first program initiatives, in early 2016 the Foundation launched the Crestmoor Neighborhood Memorial Scholarship in honor of the community members who most directly endured the destruction of the explosion and resulting fire and especially in memory of the eight San Bruno residents who lost their lives in the disaster. With the Scholarship, the Foundation has created a living tribute to the Crestmoor neighborhood through an investment in San Bruno's next generation of leaders.

In 2016, the Foundation awarded multi-year college scholarships totaling \$100,000 to seven outstanding students who have demonstrated a deep commitment to the San Bruno community. Other factors considered were the students' extracurricular activities, financial need, academic record, and demonstration of leadership, teamwork, and collaboration – three qualities displayed throughout San Bruno in the aftermath of the 2010 explosion.

The Foundation honored the 2016 Crestmoor Scholars at a reception and presentation at its June 1 Board Meeting.



The 2017 Crestmoor Scholarship Application will be available at [www.sbcf.org](http://www.sbcf.org) in December 2016. The application deadline is March 15, 2017.

## The 2016 Crestmoor Scholars

(from left in photo)

**ANTHONY HARVEY:** A musician, athlete, community volunteer, and top student, Anthony Harvey is a true Renaissance man. As a senior at Capuchino High School, Anthony graduated with a full International Baccalaureate Diploma and is enrolling at U.C. San Diego this fall. Anthony plays the clarinet, guitar, and piano and enjoys playing his own musical compositions. Since middle school, where he was involved in student council and the Leo Club, Anthony has been engaged in the San Bruno community. In high school, he served as a peer tutor for Summer Bridge, participated in various community events as a member of the Interact Club, and was co-captain of the varsity tennis team.

**JAMIE CHEN:** Having helped family members navigate complicated health care systems both in the United States and Asia, Jamie Chen aspires to pursue a career in medicine, specifically oncology. Jamie graduated from St. Ignatius College Preparatory and begins her studies at U.C. Berkeley this fall. Living 12 miles from the epicenter of the 2010 gas pipeline explosion in the Crestmoor neighborhood, Jamie was inspired to begin training as an Emergency Medical Technician after seeing paramedics rush to aid those in need. From volunteering with the homeless at Catholic Worker House of Hospitality of San Bruno, to fundraising for cancer causes as president of the Cancer Awareness and Support Group, to playing the viola at Carnegie Hall as a member of SI's orchestra, to writing and directing award-winning films, Jamie exemplifies a "can do" attitude.

**GISELLE HENGST:** An advocate for social justice and gender equity, Giselle Hengst plans to double major in Environmental Sociology and Women's and Gender Studies at Vanderbilt University. A top student at Capuchino High School, Giselle served as president of the French Club, captain of the water polo team, member of the swim team, and cabin leader for the San Mateo County Outdoor Education program, while also providing academic support to others as a peer tutor, assisting as a swim instructor at the San Bruno Park Pool, participating in the Students Advocating Freedom and Equality Club, and representing Capuchino at California Girls State.

**ALEJANDRA ANDRADE:** A 2016 graduate of Capuchino High School, Alejandra Andrade is attending Holy Names University as a biology major, with the goal of becoming a pediatric nurse practitioner. Alejandra has demonstrated her love of working with children through her volunteer work at the San Bruno Library's Homework Center and Summer Reading Program and as an assistant teacher for St. Bruno's Catholic Church's catechism classes. She also helped organize community outreach activities as an intern with the Kaiser Permanente Public Affairs team. Alejandra was president of Capuchino's Latinos Unidos Club and served as a peer tutor.

**ALLIE STINES:** Allie Stines represents the scholar-athlete ideal. Following graduation from Capuchino High School, Allie begins her studies in kinesiology at the College of San Mateo, where she will play on the softball team. Allie's engagement in San Bruno began many years ago when she was named a Posy Parade princess, and over the years she has continued giving back to the community, including organizing a cancer awareness charity softball game that raised funds for the Relay for Life Foundation, volunteering at the annual San Bruno 4th of July baseball tournament, and serving as a peer tutor at Capuchino. An all-league athlete, Allie was captain of Capuchino's varsity softball and volleyball teams, and she served as a volunteer coach for a St. Robert School basketball team.

**ERICK SULLIVAN:** After graduating from Capuchino High School, Erick Sullivan enrolls at Skyline College this fall. A member of Capuchino's varsity baseball team, Erick distinguished himself for his commitment to the Junior Giants program. As a way to give back to the program that started his baseball career, Erick began serving as a volunteer umpire at age 11 and coached his first team at age 13, leading to his selection as the recipient of the "Willie Mac" award, which honors integrity, commitment, and dedication. Erick also volunteered with the Touch a Truck event for emotionally challenged children, Special Olympics, and San Bruno's annual haunted house.

**LEITU TAKAPU:** The first in her family to graduate from college, Leitu Takapu received an Associate of Arts Degree in Interdisciplinary Studies - Social Behavior from Skyline College in the spring of 2016. Motivated by a family member's struggles, Leitu seeks to pursue a career in social work in order to serve as an advocate for individuals with mental illness and others in need of social services. In the fall of 2016, she transfers to San Jose State University to pursue a Bachelor's Degree in Social Work. Besides being a full-time student and working as a financial aid student ambassador at Skyline, Leitu was also an educational support advocate for Edgewood Center for Children and Families and an elementary school tutor.

## Community Listening Campaign

From the beginning, the Foundation has been committed to soliciting community input on how the restitution funds can be used to enhance San Bruno. From late April through June 2015, the Foundation conducted an extensive Community Listening Campaign to assist the Board in shaping the Foundation's direction and activities. Assisted by the Public Dialogue Consortium (PDC), the Campaign engaged the public in conversations related to the assets and needs of the San Bruno community and solicited ideas for how to allocate the restitution funds for the benefit of the entire community.

The Campaign included three large town hall conversations, seven focus groups, one-on-one interviews at community events, an online survey and discussion platform, and a written survey. The Foundation ultimately heard from more than 1,000 community members, who communicated a strong sense of commitment and pride in San Bruno.

At the conclusion of the Campaign, PDC compiled a 15-page report documenting its findings. The report identified three primary categories of community assets and resources: strong sense of community; good location, access, and transportation; and open spaces and parks. The report also highlighted a series of dominant themes, expressed across demographic groups, regarding community needs and suggestions for using the restitution funds to address those needs. The themes included upgrades and expansions of the library, recreation center, pool, sports fields and programs, and parks and open spaces; increased community meeting spaces; downtown revitalization and beautification; infrastructure upgrades for safety, growth, and technology; investment in schools; citywide beautification; youth programs and facilities; economic development plans for the downtown to recruit and attract businesses; community events and public awareness; social services and affordable housing; integration of community resources; development of public-private partnerships; and leveraging and investing the restitution funds for future growth.

**The complete Listening Campaign Report can be downloaded from the Foundation's website at [www.sbcf.org](http://www.sbcf.org).**



## SBCF Leadership



The Foundation is staffed by Executive Director Leslie Hatamiya (far left), a San Bruno resident and graduate of Stanford University and Stanford Law School, who has wide-ranging experience building and managing organizations in the nonprofit, government, political, and business sectors over the past 25 years.

The volunteer Board of Directors, who are appointed by the San Bruno City Council, include (starting second from left) Vice President Frank Hedley, Patricia Bohm, President Nancy Kraus, John McGlothlin, Secretary Emily Roberts, and Dr. Regina Stanback Stroud. Ben Cohn (not pictured) serves as Treasurer. All seven Directors have served on the Board since late 2013.

*Photo donated by Scott Buschman Photography.*

**ATTEND SBCF BOARD MEETINGS – COMMUNITY MEMBERS ARE WELCOME**  
**First Wednesday of the Month**  
**7:00 p.m., San Bruno Senior Center, 1555 Crystal Springs Road**

## Finances and Investments

The Foundation took possession of the restitution funds late in the second quarter of 2016, after hiring an investment adviser – Sand Hill Global Advisors, LLC, an employee-owned investment management firm founded in 1982 and based in Palo Alto, with client assets exceeding \$1.7 billion – developing its Investment Policy Statement, and setting forth its program and investment strategies. Previously, the City held the restitution funds in custodial accounts on the Foundation's behalf.

As explained on page 3, based on the feedback received during the Community Listening Campaign, the Foundation Board designated \$15 million of the restitution funds as a quasi-endowment and set aside the balance of the restitution funds to support major strategic initiatives and operations during the next 7-10 years. The Foundation also holds funds needed to cover 2016-2017 program and operational expenses in operating accounts.

As of June 30, 2016, the end of the Foundation's fiscal year, the Foundation's assets were allocated in the three categories as follows:

	Quasi-Endowment	Strategic Funds	Operating Funds
	<i>Funds set aside to function as an endowment; use investment returns to help fund programs (e.g., grants and scholarships) and operations, while preserving purchasing power of \$15 million quasi-endowment</i>	<i>Funds to be spent down over the next 7-10 years to fund major strategic initiatives (including community facility capital projects), other programs, and operations</i>	<i>Funds held in SBCF's bank accounts and a liquidity investment account to cover the Foundation's 2016-2017 program and operational expenses. SBCF's 2016-2017 operating budget totals \$1,345,290, which includes \$975,000 in direct program expenses (e.g., grants and scholarships)</i>
<b>Time Horizon:</b>	Long-term	Mid-term	Short-term
<b>Risk Tolerance:</b>	Moderately conservative	Conservative	Conservative
<b>Objectives:</b>	Capital appreciation Capital preservation	Capital preservation Capital appreciation	Capital preservation
<b>6/30/16 Balance:</b>	<b>\$15,118,120</b>	<b>\$53,779,422</b>	<b>\$1,389,836</b>

## Investment Committee

In June 2016, the Foundation Board created SBCF's Investment Committee, an advisory body charged with providing guidance to the Board on all aspects of the investment management process. The Investment Committee consists of the Treasurer, who serves as chair, one other Board member, and three public members with experience in finance and investment management.

The Investment Committee currently includes Treasurer Ben Cohn; Vice President Frank Hedley; Anthony Clifford, a long-time San Bruno resident and the Executive Vice President and Chief Operating Officer of First National Bank of Northern California; Dr. Mark Hayes, a former Managing Director of the Stanford Management Company who served as the Foundation's investment consultant during the process of selecting the Foundation's investment adviser and developing the Investment Policy Statement; and Georganne Perkins, who serves as Senior Advisor to Fisher Lynch Capital and has extensive experience in nonprofit investment management.

The Investment Committee holds quarterly meetings which, are open to the public and properly noticed in advance, on the third Wednesday of February, May, August, and November at 4:30 p.m. at San Bruno City Hall, Room 101, 567 El Camino Real.

## Audit Committee

The Audit Committee assists the Board in selecting an independent certified public accounting firm to conduct an annual audit of the Foundation's financial statements and oversees the audit process. Board Member John McGlothlin currently chairs the Audit Committee, on which Board Member Patricia Bohm also serves.

Novogradac & Company LLP currently serves as the Foundation's Board-selected auditor. Novogradac is a national certified public accounting firm headquartered in San Francisco. The annual audit is typically presented to the Foundation Board at its regular November meeting, after which it is posted at [www.sbcf.org](http://www.sbcf.org).

Audit Committee meetings are open to the public and properly noticed in advance.

# SAN BRUNO

Community Foundation

901 Sneath Lane, Suite 209  
San Bruno, CA 94066

www.sbcf.org  
info@sbcf.org  
(650) 763-0775

NonProfit Org.  
US Postage  
PAID  
Permit #500  
San Jose, CA

## Community Grants Fund

This summer the Foundation established the Community Grants Fund to support the many community organizations doing valuable work in San Bruno. This responsive grantmaking program allows local community groups to apply for grant funding of up to \$25,000 for projects and programs that benefit the San Bruno community. For the 2016-2017 grant cycle, the Foundation intends to award multiple grants totaling \$200,000 that benefit a diverse cross-section of the community.

Through the Community Grants Fund, the Foundation will offer a new funding source for a broad array of organizations that serve the community in many important and different ways. By leveraging the good work these organizations already do, the Foundation fulfills its mission of investing in the community and elevating the quality of life throughout San Bruno.

Eligible organizations can apply for a grant through the Foundation's online application, which is posted at [www.sbcf.org](http://www.sbcf.org). The Foundation intends to announce the first set of Community Grant awards in December 2016, which will be used to fund activities in 2017. Detailed program guidelines for the Community Grants Fund, including eligibility requirements and the application process, can be found on the Foundation's website at [www.sbcf.org](http://www.sbcf.org).

Organizations with questions about eligibility for a Community Grant are encouraged to contact the Foundation at [grants@sbcf.org](mailto:grants@sbcf.org) or (650) 763-0775 prior to completing an application.

Is your community organization working to enhance the quality of life in San Bruno?

If so, the San Bruno Community Foundation may be able to help!

To apply for a grant, visit [www.sbcf.org](http://www.sbcf.org)

**GRANT APPLICATION DEADLINE:**

**SEPTEMBER 30, 2016**

To learn more about the Community Grants Fund and the application process, attend:

**OPTIONAL GRANT WORKSHOP**

Monday, September 12, at 6:00-7:00 p.m.

San Bruno City Hall, Room 115, 567 El Camino Real