



2004

▶ THE F.B. HERON FOUNDATION



▶ ANNUAL REPORT 2004



From the President 1

Program Guidelines 3

Application Procedure
and Review Process 6

Mission-Related Investments 7



Home Ownership

Grants 8

PRIs 10

Fixed-Income Securities 11



Enterprise Development

Grants 12

PRIs 13

Fixed-Income Securities 14

Market-Rate Private Equity 14



Child Care

Grants 15

PRIs 15



Access to Capital

Grants 16

PRIs 18

Market-Rate Deposits 19

Fixed-Income Securities 19



**Comprehensive
Community Development**

Grants 20

PRIs 23

Fixed-Income Securities 23

Market-Rate Private Equity 23

Other Grants

Nonprofit Sector 19

Board- and Staff-Directed 19

Financial Statements

Statements of Financial Position ... 24

Statements of Activities 25

Index of Organizations 26

**Board of Directors/
Officers and Staff**

..... 28

Mission:

The F.B. Heron Foundation was created in 1992 with the mission of helping people and communities to help themselves.

Website:

www.heronfdn.org

Total Assets as of 12/31/04:

\$273.2 million

**Mission-Related Investments
as of 12/31/04:**

Total PRIs: \$17.0 million

Other MRIs: \$28.6 million

Total MRIs: \$45.6 million

Grantmaking in 2004:

Number of grants paid: 281

Total grants paid: \$9.2 million

Grants for General Support: 81%

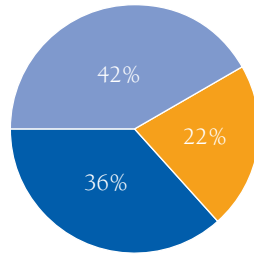
First-time Grant Range:

\$25,000–\$50,000

Annual Grant Range:

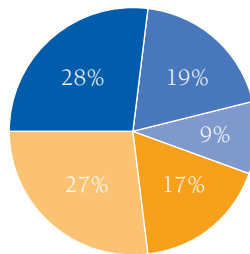
\$25,000–\$125,000

▶ 2004 Net Charitable Distribution by Population Served



Combined Charitable Distribution	Grants	PRIs
Urban	39%	3%
Rural	21%	1%
Both Urban & Rural	26%	10%
Total	86%	14%

▶ 2004 Net Charitable Distribution by Program Area



Combined Charitable Distribution	Grants	PRIs
Home Ownership	20%	8%
Enterprise Development	13%	6%
Child Care	7%	2%
Access to Capital	19%	-2%
Comp. Comm. Dev.	27%	0%
Total	86%	14%

A Letter from the President

AN ANNUAL REPORT REPRESENTS AN IMPORTANT MEANS for a foundation to tell its story—to communicate its mission, program guidelines, funding strategies, decision-making processes, program progress, and shifts within the foundation.

This year's annual report, presented in two sections, focuses on customer service.

The essay in the companion booklet, "Customer Service in Action," is written by Patricia J. Kozu, Vice President, Finance and Administration. Pat is responsible for making the Foundation's long-term interest in quality customer service a reality. With energy and flair, she has expanded upon our initial efforts to improve our response time to applicants and grantees/investees to include an expanded concept of relationships and service. The booklet also includes profiles of several grantees that have a commitment to customer service.

This report includes the Foundation's current guidelines, a description of grants and mission-related investments made during 2004.

I would also like to take this opportunity to tell the readers of this annual report—particularly our grantee, investee and applicant customers—about a significant change approved by the F.B. Heron Board of Directors in November 2004, to explain why and how we are making this change—and what is not changing.

Going forward, we will be concentrating our grantmaking in twelve U.S. geographic areas, noted at the end of this letter. The areas are a mix of cities, states and regions in which we have been funding for a number of years. While we will remain a national foundation, this consolidation represents a decrease from nearly 30 geographic areas, (loosely defined as "clusters") in which we were also funding. It should be noted that our mission-related investing will remain nationwide in scope.

WHY THE GEOGRAPHIC CONSOLIDATION?

Motivated by a desire to deploy the Foundation's financial and human resources as effectively as possible to achieve our mission, the board and staff engage in regular, comprehensive reviews of Heron's grantmaking and investing programs.

We are also motivated by a desire to deepen the **quality of our engagement with our customers**. As we broaden our "tool kit" of investments to support program—and as other resources emerge to advance the work of organizations helping low-income people to join the economic mainstream—it became increasingly clear that working in fewer areas holds the promise of deploying our supportive resources more adeptly and effectively.

And, in a third-party survey conducted with our customers in 2003-04, we learned that we have opportunities to improve our understanding of the communities in which we work—more fully discussed in the companion essay. The ultimate motivation is, of course, to improve and demonstrate positive impact on low-income people and communities.

HOW ARE WE MAKING THIS CHANGE?

Unfortunately, some of the organizations currently funded by Heron no longer correspond to the Foundation's core geographic areas going forward. This shift in no way reflects a judgment on the value and impact of those organizations. Rather, it reflects a recognition that the Heron

Foundation cannot effectively deploy resources in so many diverse and disperse geographic areas.

In all cases, the Foundation has attempted to provide clear and adequate notice of the change. To help with those organizations not within the geographic areas in which we will be concentrating in the future, we also plan to recommend transition grants—most of these will be general support grants, as is our practice—over the next 12-18 months.

This decision followed months of difficult and deliberate consideration, although I suspect this is of small comfort to the many organizations that we have been privileged to get to know and to fund.

The niche we have carved as a national foundation is one that tends to work with organizations that have a demonstrated track record in our program areas. Among the questions we asked: Does the "cluster" currently have a significant level of grantmaking and investing relationships with track records in our program areas? Are there mission-related investment opportunities? Are there present opportunities to help organizations move closer to the private capital markets? And, are there demonstrated efforts to advance work in improving impact?

To be clear, we do not intend to design and impose initiatives on the geographic areas that we have selected. Nor will we limit our mission-related investment activity to the twelve geographic "clusters." We do hope that within these areas we might: deepen our understanding of and, perhaps, broker relationships within the private, nonprofit and public sectors; mine opportunities to advance market-rate investments that support mission; support research and policy opportunities that advance the wealth-creation program areas on which we have chosen to focus; and accelerate efforts to demonstrate and communicate impact to residents and policymakers.

As a small staff team at Heron, we have always worked at exchanging lessons learned from our grantees and investees to ensure consistency in our decisions. As we consolidate geographic areas with attendant program officer portfolio reassignments, we are keenly aware that these reassignments might cause nervousness among our customers. Nevertheless, we offer the perspective that it often helps to have more than one person within a foundation deepen the understanding of a customer’s organization, leadership and programs. We appreciate your patience and understanding through these transitions.

WHAT HASN’T CHANGED?

Our mission: helping people and communities to help themselves

Our wealth-creation program areas as a means to help people take control over their lives, and make decisions for themselves and their families

Our mission-related investing, which seeks to deploy an array of below- and market-rate investments to support our program areas

Our strategy of funding community-based organizations and the regional and national organizations that improve their capacity and take their lessons into the policy arena

Our belief that **general support grantmaking** remains a rare and valuable tool for planning, paying the bills and leveraging other resources

Our intent to **identify and support practice-based, meaningful approaches to improving and demonstrating impact**

Our approach to **listening to and applying lessons from our customers**

We do not pretend to assume that we have selected the golden number of geographic areas. It is our hope that a smaller number of geographic areas will help us to deploy the Foundation’s resources more effectively and efficiently. As always, we rely on our grantees and investees to advance the Foundation’s mission of helping people and communities to help themselves.

I thank the Foundation’s Board of Directors, especially our chairman, Bill Dietel, for their guidance and support. During this period of change, they have consistently challenged

the staff to make sure that the interests of the ultimate beneficiaries of the Foundation’s work were utmost in our minds and that we be respectful when exiting relationships with existing grantees no longer in target areas.

My thanks as well to the staff for enthusiastically engaging in yet another “improvement opportunity.” The Foundation benefits from this exceptional team of professionals whose commitment to Heron’s mission and methods is demonstrated every day.

Finally, I acknowledge the Foundation’s partners—the grantees and investees—who do the real work in building wealth-creation opportunities for low-income families and communities. They work with extraordinary creativity and nimbleness in achieving their mission in a very dynamic environment—where traditional lines between nonprofit, public, and private sectors continue to blur.

Sharon B. King
President

▶ **AREAS IDENTIFIED FOR HERON SUPPORT**

From 2005 forward, the Heron Foundation will concentrate the majority of our grants in the areas listed below. We will also continue to support organizations with a national focus and, in some cases, regional focus where those organizations are advancing solutions that have broad application for the Foundation’s selected wealth-creation strategies. Our mission-related investments, however, will not be restricted geographically, but will remain nationwide in scope.

▶ APPALACHIA	▶ MICHIGAN	▶ NEW YORK CITY
▶ CALIFORNIA	▶ MINNEAPOLIS/ST. PAUL	▶ NORTH CAROLINA
▶ CHICAGO	▶ MISSISSIPPI DELTA	▶ TEXAS
▶ KANSAS CITY	▶ NEW JERSEY	▶ WASHINGTON, D.C.

Program Guidelines

MISSION

THE F.B. HERON FOUNDATION WAS CREATED IN 1992 with the mission of helping people and communities to help themselves.

AREAS OF PROGRAM INTEREST

To advance its mission, the Foundation supports organizations that help *low-income people to create wealth and take control of their lives*. The Foundation makes grants to and investments in programs in urban and rural communities in the U.S. engaged in the following wealth-creation strategies:

- ▶ advancing home ownership;
- ▶ supporting enterprise development;
- ▶ reducing the barriers to full participation in the economy by providing quality child care;
- ▶ increasing access to capital;
- ▶ employing comprehensive community development approaches with a strong focus on the wealth-creation strategies.

Details on these five program areas are provided in the section titled “Wealth-Creation Strategies.” In addition to its grantmaking, the Foundation makes other kinds of investments to support these program areas, and seeks to accelerate the level of its assets invested to support the mission. A fuller description of the Foundation’s mission-related investing program can be found below in the section “Types of Support Provided by the Foundation.”

ASSESSING IMPACT

The Foundation regards an organization’s ability to improve and demonstrate its impact on the lives of low-income people and communities to be of paramount interest, and to be a reflection of that organization’s sound management and accountability. To be considered for support, applicants must have a clear commitment to and track record of using data to improve programs and impact. In addition, the Foundation supports peer networks, trade associations, and technical assistance providers that help practitioners working in the Foundation’s core areas to improve approaches and methods for assessing impact.

WEALTH-CREATION STRATEGIES



Home Ownership

A family’s home provides a stable place in which to form a healthy environment. A home also often represents a family’s primary asset, and serves as a base upon which to build additional assets. Furthermore, communities with a high percentage of owner-occupied homes are generally safer, economically stronger, and characterized by a more engaged citizenry.

The Foundation will consider support for organizations working to increase home ownership in low- and moderate-income urban and rural communities. The Foundation is interested in organizations that develop and/or finance new or rehabilitated owner-occupied homes, including self-help housing; that assist people with affordable mortgages; or that provide pre- and post-mortgage counseling to first-time home buyers. As in all program areas, the Foundation will give priority to organizations that can demonstrate results, including the number of low-income families that acquire and retain their homes, and show an increase in home-ownership rates within low-income communities.



Enterprise Development

Small business ownership can be an important means of building wealth and economic security within a family, as well as providing employment opportunities and other benefits for low- and moderate-income communities. The Foundation prefers to support enterprise development programs that benefit many community members, or that are part of a comprehensive community development strategy.

The Foundation supports organizations that: provide technical assistance and financing for small businesses, help to build networks and markets for entrepreneurs in distressed rural and urban communities, strengthen worker-owned enterprises and cooperatives, or foster commercial real estate development. *Please note that the Foundation does not support microenterprise development as a stand-alone strategy.*



Child Care

Access to quality, affordable child care is a vital concern for low-income, working parents, and reduces the barriers

keeping families from full participation in the economy. Child care is an intangible asset that helps people be productive at their jobs, secure in the knowledge that their children are in a safe, caring environment that fosters learning. It is also a critical part of a community's infrastructure as it supports the ability of people to work and businesses to prosper.

The Foundation will consider support for citywide, state or regional efforts that increase the availability of affordable, preschool child care in underserved areas *and* that help preschool programs to meet or exceed quality standards as set by the National Association for the Education of Young Children, the National Association for Family Child Care, or Head Start.



Access to Capital

Sustained access to capital is critical for individuals, families, and communities to build assets, create

wealth, and achieve prosperity.

The Foundation will consider supporting efforts to broaden the adaptation of private market financing mechanisms, or to promote community reinvestment to accelerate community development. In addition, the Foundation funds opportunities to help low-income people to build savings, and efforts to combat practices or conditions that deplete assets (e.g., threaten home ownership) of low-income families.

Through its access to capital strategy, the Foundation will also consider support for community development financial institutions (CDFIs) that serve low-income communities. CDFIs seeking the Foundation's support must have as their core work financing home ownership, business enterprise or commercial real estate development that creates jobs, or quality and affordable child care. The Foundation also funds practitioner associations that promulgate best practices, especially those helping CDFIs to track the social impact of their investments.



Comprehensive Community Development

Fundamental and lasting transformation of low-income communities requires integrated,

comprehensive approaches rather than single-faceted solutions. Holistic community development programs build healthy neighborhoods and help residents create wealth and preserve their assets.

Recognizing that families and communities need support in a variety of interrelated areas, the Foundation funds comprehensive community development organizations built around a strong core of the wealth-creation strategies on which the Foundation focuses—i.e., home ownership, enterprise development, quality and affordable child care, and access to capital. The Foundation gives priority to programs that are tracking the impact of their comprehensive approaches on increasing wealth in low-income families and communities.

In addition, the Foundation supports technical assistance providers and practitioner networks or associations that assist community development organizations engaged in relevant wealth-creation strategies to build management and program capacity, and to improve and demonstrate impact.

WHERE THE FOUNDATION FUNDS

From 2005 forward, the Heron Foundation will concentrate the majority of our grants in the areas listed below. We will also continue to support organizations with a national focus and, in some cases, regional focus where those organizations are advancing solutions that have broad application for the Foundation's selected wealth-creation strategies. Our mission-related investments, however, will not be restricted geographically, but will remain nationwide in scope.

- ▶ Appalachia
- ▶ California
- ▶ Chicago
- ▶ Kansas City
- ▶ Michigan
- ▶ Minneapolis/St. Paul
- ▶ Mississippi Delta
- ▶ New Jersey
- ▶ New York City
- ▶ North Carolina
- ▶ Texas
- ▶ Washington, D.C.

TYPES OF ORGANIZATIONS SUPPORTED WITH GRANTS AND INVESTMENTS

Believing that the leaders who are an integral part of a community are in the best position to identify, understand and address its needs, challenges, and strengths, the Foundation prefers to support *direct-service, community-based organizations and enterprises*.

Organizations should have a track record that documents the effects and impact of the wealth-creation strategies described above.

The Foundation recognizes that the particular challenges faced by *people with disabilities* can inhibit the pursuit of asset accumulation and wealth creation. People with disabilities are much less likely, for example, to own a home or business. The Foundation will give priority to organizations that actively incorporate people with disabilities as beneficiaries of the wealth-creation strategies on which the Foundation is focused.

The Foundation also funds entities that provide *financial or technical assistance* to organizations implementing wealth-creation strategies with preference given to those that help community-based organizations to design and implement systems that track results and improve impact. The Foundation will also consider support for a modest number of research and policy efforts that complement the direct-service efforts funded by the Foundation.

The Foundation will give priority to organizations that:

- ▶ advance the mission of helping people and communities to help themselves, helping people to improve their lives through strategies consistent with the Foundation's core wealth-creation strategies;
- ▶ are committed to accountability, including improving and demonstrating the tangible and lasting impact of its efforts;
- ▶ regularly set objectives that advance its mission and demonstrate progress in achieving them;
- ▶ have program and management resources in place to advance the objectives, and demonstrate consistent high performance in terms of actual outputs, outcomes and impact;
- ▶ have staff and board leadership that reflect the communities served, and regularly assess performance results with the organization's governance board, using this process to advance organizational development;
- ▶ demonstrate fiscal integrity, including the performance of annual independent audits, and show substantial levels of funding from other private funders or investors; and
- ▶ demonstrate leadership in its field or in its market area.

TYPES OF SUPPORT PROVIDED BY THE FOUNDATION

Grants

We consistently hear from the groups with whom the Foundation works that *general support* is highly valuable in helping an organization to conduct its business, set and modify objectives and strategies, and plan and innovate. If a strong core of an organization's work is consistent with the Foundation's funding strategies, and if the organization assesses its impact, is well-managed, and meets the other criteria specified above, the Foundation prefers to make general support grants.

When circumstances warrant, the Foundation will also consider supporting specific programs or projects; organizational capacity building, especially efforts to assess impact or to strengthen administrative and fiscal management practices; and other emerging opportunities within the Foundation's wealth-creation framework.

Support for an organization new to the Foundation typically begins with a one-year grant. If renewal funding is approved, two-year grants are provided in most cases, although the second year of support is always conditioned upon the Foundation's receipt and approval of progress reports and future plans.

Please note that the Foundation does *not* make grants to endowments, capital construction campaigns, or individuals.

Mission-Related Investing

In addition to grants, the Foundation seeks to accelerate the level of its assets invested in efforts with strong financial and social returns. Mission-related investments may take the following forms:

- ▶ **Program-related investments**, typically low-interest senior or subordinated loans to nonprofit or for-profit organizations whose work closely corresponds with the Foundation's programmatic interests;
- ▶ **Market-rate insured deposits** in low-income designated credit unions or community development banks;
- ▶ **Other mission-related investments** including, but not limited to, private equity and fixed-income securities offering a risk-adjusted market rate of return with substantial social benefits to low-income families and communities.

When reviewing a potential mission-related investment, Foundation staff or consultants conduct a comprehensive review of the prospective investee's program achievements, governance, management and program competencies, financial health, and future plans in order to judge its ability to meet the terms of the investment. As is the case with any investor, the Foundation will balance the risks of a given investment against its potential financial and social returns.

Please note that program-related investments (PRIs) are only made where the proceeds will be used to support an organization's direct charitable activities. PRIs will not be made, for example, to support endowments. In most cases, PRIs are made to organizations that also receive grant support from the Foundation.

Application Procedure and Review Process

THE FOUNDATION STRIVES TO TREAT ITS GRANTEES, INVESTEES, AND APPLICANTS—our “customers”—with courtesy and respect. To ensure that our communications are clear and timely, specific timelines for responses are provided below.

We prefer that all first-time applicants submit a one- or two-page letter of inquiry rather than calling. Current grantees or investees should contact their program officer prior to submitting a proposal for renewed support.

Please do not send videotapes.

It will be helpful if your letter of inquiry includes the following information:

- ▶ **Basic organizational information**—a brief statement of your organization’s mission, leadership, contact information, and a copy of your tax determination letter;
- ▶ **Program information**—a brief description of the population and the community served, major program emphases and accomplishments, summary data that demonstrate program impact, and future objectives;
- ▶ **Funding information**—the total dollar amount, duration, and type of support (i.e., grant and/or investment) requested; your total organization budget; and other *major* funding sources, including amounts of approved grants from private (philanthropic and corporate) sources.

There are no formal application deadlines. Staff will review your letter of inquiry and notify you within one week of receipt whether your request is declined or is undergoing review by a program officer, whose name and direct phone number

will be supplied to you. If your letter is under review, staff will contact you within four weeks of assignment to a program officer to let you know whether the Foundation is requesting a full proposal.

Once the full proposal is received, staff may research your request through telephone inquiries, meetings, and a site visit. Staff may also wish to speak with your colleagues, board members, or outside experts. If a formal grant recommendation goes forward to the Foundation’s leadership, applicants should ordinarily expect a decision no later than four months from the date that the Foundation received the full proposal.

In all cases, staff will be in communication with you throughout the review process, and you should feel free to contact Foundation staff with any questions or comments that you may have. The Foundation’s Board of Directors prefers that all inquiries be directed to staff, as noted below. An applicant who is acquainted with a board member should note the association in the inquiry letter, and staff will bring the application to the attention of the board.

All letters of inquiry should be directed to:

Mary Jo Mullan
Vice President, Programs
The F.B. Heron Foundation
100 Broadway, 17th Floor
New York, NY 10005

by fax: 212-404-1805

The process for *mission-related investment applications* is similar in many respects. An initial request for a mission-related investment may be in the form of a letter of inquiry with a proposed term sheet or private offering memorandum. Please submit the request to:

Luther M. Ragin, Jr.,
Vice President, Investments
The F.B. Heron Foundation
100 Broadway, 17th Floor
New York, NY 10005

by fax: 212-404-1805; or
by e-mail: lragin@heronfdn.org

Staff will normally inform you within four weeks of receipt of the inquiry whether further review will be undertaken, and what additional information will be required.

We thank you for your interest in The F.B. Heron Foundation.

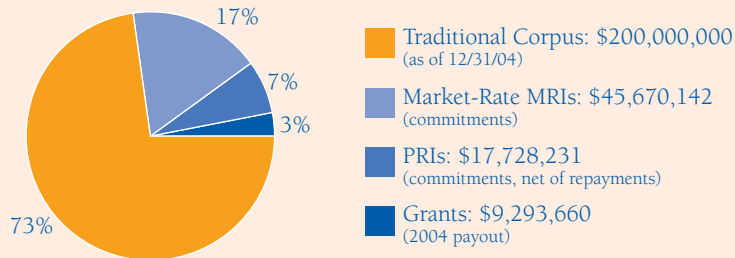
▶ THE F. B. HERON FOUNDATION

Assets as of 12/31/04:	\$273.2 million
First-time Grant Range:	\$25,000–\$50,000
Annual Grant Range:	\$25,000–\$125,000
PRI Range:	\$250,000–\$1,000,000
Insured Deposits:	\$100,000 per depository institution (may be higher if depository is a member of the Certificate of Deposit Account Registry Service™ network)
Market-Rate Mission-Related Investments:	Up to \$2.5 million per investment

Mission-Related Investments

THE GOAL OF MISSION-RELATED INVESTING at the FB. Heron Foundation is to put the assets of the Foundation to work to increase wealth-creation opportunities for low-income people and communities in the United States. We particularly seek opportunities that leverage our resources with those of other investors.

▶ Overall Asset Deployment



QUICK FACTS

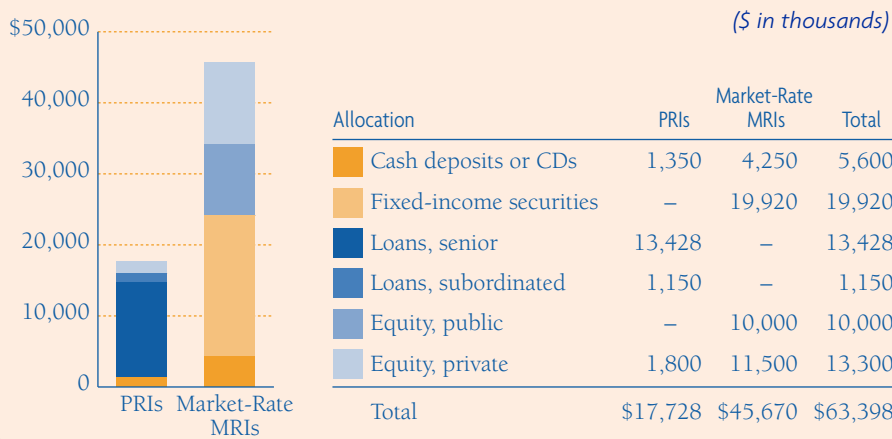
▶ The Foundation has program-related investments (PRIs) outstanding of \$17.7MM (net of repayments) and market-rate, mission-related investments (MRIs) of \$45.7MM, including \$4.2MM in insured and uninsured deposits in community development banks and credit unions.

▶ The Foundation's use of 24% of its assets for mission (27% including grants) places it in the top tier of private foundations and "socially responsive" institutional investors.

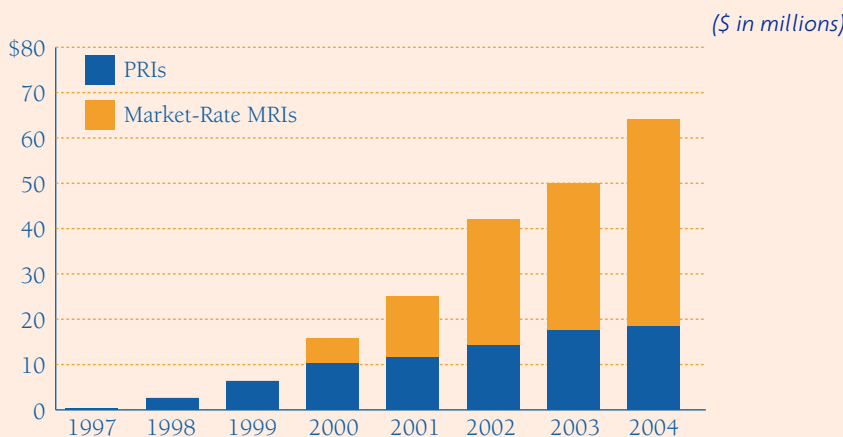
▶ The Foundation makes mission-related investments across a range of asset classes (deposits, fixed-income securities, senior and subordinated loans, preferred and common stock, and private equity) and targeted rates of return (below-market and market-rate). Approximately 72% of the Foundation's mission-related investments are market-rate.

▶ Performance benchmarks are established for each asset class in the Foundation's mission-related portfolio. For example, the benchmark for deposits is the national average for two-year jumbo deposits as reported by BanxQuote. The benchmark for fixed-income securities is the Lehman Brothers Aggregate Bond Index. The benchmark for public equity is the Russell 1000. The benchmark for private equity is Venture Economics' US Private Equity Performance Index. For PRIs, the benchmark is the long-term inflation rate +1%. The FB. Heron Foundation seeks to meet or exceed the performance benchmark for each asset class.

▶ Mission-Related Investments Asset Allocation



▶ Growth in Mission-Related Investment Portfolio, 1997-2004



**GRANTS****AAFE Community Development Fund, Inc.**www.aafe.org

New York, NY

\$45,000

General support for affordable home ownership. *First payment of a two-year \$90,000 grant approved in 2004.*

Access Living of Metropolitan Chicagowww.accessliving.org

Chicago, IL

\$50,000

To support an initiative to increase home-ownership opportunities for people with disabilities.

Bridge Housing Corporationwww.bridgehousing.com

San Francisco, CA

\$50,000

Project support for the Homeownership Initiative which entails housing development, mortgage assistance, education, and counseling for low- and moderate-income people.

Bridge Street Development Corporationwww.bsdcorp.org

Brooklyn, NY

\$50,000

General support for affordable home ownership in Brooklyn's Bedford Stuyvesant community.

Burlington Community Land Trust, Inc.www.bclt.net

Burlington, VT

\$30,000

General support to assist low-income people to become homeowners. *Second payment of a two-year \$60,000 grant approved in 2003.*

Cabrillo Economic Development Corporationwww.cabrilloedc.org

Saticoy, CA

\$75,000

General support to develop affordable homes and increase home ownership for low- and moderate-income people. *Follow-on payments of a two-year \$150,000 grant approved in 2003.*

Citizen Policy & Education Fund of New Jerseywww.njcitizenaction.org

Hackensack, NJ

\$25,000

To plan and design a financial education and home-ownership counseling evaluation in conjunction with the Federal Reserve Bank.

Cleveland Housing Network, Inc.www.chnnet.com

Cleveland, OH

\$75,000

General support to increase home ownership and self-sufficiency among low-income families citywide. *Third payment of a two-year \$175,000 grant approved in 2003.*

Community Development Corporation of Brownsville, Inc.www.cdcb.org

Brownsville, TX

\$35,000

General support for the development of home-ownership opportunities in the lower Rio Grande Valley of Texas. *First payment of a two-year \$70,000 grant approved in 2004.*

Easter Seals Southern California, Inc.www.essc.org

Van Nuys, CA

\$25,000

Project support for the Home Select Program which assists people with disabilities to become homeowners.

Enterprise Foundationwww.enterprisefoundation.org

Columbia, MD

\$50,000

To support efforts to increase home-ownership opportunities on Native American Reservations in the West. *Second payment of a two-year \$100,000 grant approved in 2003.*

Federation of Appalachian Housing Enterprises, Inc.www.fahc.org

Berea, KY

\$75,000

General support for technical assistance and construction financing to nonprofit housing builders in central Appalachia and mortgage lending to low-income Appalachian families. *Third payment of a two-year \$165,000 grant approved in 2003.*

Genesis Housing Development Corporationwww.geneshdc.org

Chicago, IL

\$25,000

General support for the development of affordable homes in the Bronzeville area of Chicago.

Greater Minnesota Housing Fundwww.gmhf.com

St. Paul, MN

\$50,000

General support to advance home-ownership opportunities in low-income Minnesota communities. *Second payment of a two-year \$100,000 grant approved in 2003.*

HomeSightwww.homesightwa.org

Seattle, WA

\$40,000

General support to expand home-ownership opportunities in Seattle and the Puget Sound region.

Homewise, Inc.www.homewise.org

Santa Fe, NM

\$50,000

General support to promote home-ownership opportunities for low-income families in northern New Mexico. *First payment of a two-year \$100,000 grant approved in 2004.*

Housing Assistance Councilwww.ruralhome.org

Washington, DC

\$100,000

General support for technical assistance and financing for home-ownership programs in rural communities nationwide. *Second payment of a two-year \$200,000 grant approved in 2003.*

▶ AFFORDABLE HOUSING RESOURCES, INC. (AHR)

AHR is the largest developer of affordable housing for low and moderate-income families in Nashville, TN. AHR received a Heron program-related investment to provide capital for land acquisition, environmental assessments and other pre-development costs.

**Inner City Christian Federation**www.iccf.org

Grand Rapids, MI \$50,000
 General support to increase home-ownership and community stability in the central core of Grand Rapids, Michigan. *Second payment of a two-year \$100,000 grant approved in 2003.*

Interfaith Housing Alliance, Inc.www.interfaithhousing.org

Frederick, MD \$50,000
 General support to develop self-help housing for low- and moderate-income individuals and families in rural Maryland. *Second payment of a two-year \$100,000 grant approved in 2003.*

Knox Housing Partnership, Inc.www.khp.org

Knoxville, TN \$15,000
 General support for home ownership and neighborhood-revitalization efforts. *Second payment of a two-year \$70,000 grant approved in 2003.*

Latin United Community Housing Associationwww.lucha.org

Chicago, IL \$30,000
 General support to provide counseling, training, loans, and home repairs to neighborhood residents to enable them to become or remain homeowners. *First payment of a two-year \$60,000 grant approved in 2004.*

Local Initiatives Support Corporationwww.liscnet.org/mid_south/

Greenville, MS \$40,000
 To support Mid South Delta LISC's work with local community development organizations to develop affordable home-ownership opportunities in the Delta. *Second payment of a two-year \$80,000 grant approved in 2003.*

Manna, Inc.www.mannadc.org

Washington, DC \$75,000
 General support to create home-ownership opportunities for low-income families in Washington, DC. *Second payment of a two-year \$150,000 grant approved in 2003.*

McAllen Affordable Homes, Inc.www.mcallenaffordablehomes.com

McAllen, TX \$35,000
 General support for the creation of home-ownership opportunities in the city of McAllen and Hidalgo County, Texas. *Second payment of a two-year \$70,000 grant approved in 2003.*

Mercy Housing Californiawww.mercyhousing.org

San Francisco, CA \$50,000
 To support the Affordable Homeownership Program which includes a major self-help housing component.

National American Indian Housing Councilwww.naihc.net

Washington, DC \$50,000
 General support to promote home ownership in Indian Country. *Second payment of a two-year \$100,000 grant approved in 2003.*

Native American Community Development Corporationwww.nacdc.org

Browning, MT \$35,000
 General support for home-ownership and financial literacy programs on Native American Reservations.

Navajo Partnership for Housing, Inc.www.navajopartnershipforhousing.org

St. Michaels, AZ \$50,000
 General support to expand affordable home-ownership opportunities on the Navajo Nation. *Second payment of a two-year \$100,000 grant approved in 2003.*

NCALL Research Fund, Inc.www.ncall.org

Dover, DE \$50,000
 General support to expand affordable home-ownership opportunities in rural Delaware. *Second payment of a two-year \$100,000 grant approved in 2003.*

Neighborhood Housing Services of Chicago, Inc.www.nhschicago.org

Chicago, IL \$50,000
 General support to provide counseling, training, and loans for home ownership, and foreclosure prevention for low-income residents.

Neighborhood Housing Services of New Orleans, Inc.www.nhsnola.org

New Orleans, LA \$25,000
 General support to provide training, financial support, and construction management to assist low-income residents to become or remain homeowners. *First payment of a two-year \$50,000 grant approved in 2004.*

Neighborhood Housing Services of New York City, Inc.www.nhsnyc.org

New York, NY \$125,000
 General support to assist low-income people to become homeowners. *Second payment of a two-year \$250,000 grant approved in 2003.*

Neighborhood Housing Services, Inc. of Great Fallswww.nhsgf.org

Great Falls, MT \$35,000
 General support to provide home-ownership opportunities in the city of Great Falls and throughout Montana. *First payment of a two-year \$70,000 grant approved in 2004.*

New Orleans Neighborhood Development Collaborative, Inc.www.nondc.org

New Orleans, LA \$25,000
 General support to strengthen local development groups and stabilize neighborhoods.

▶ CLEVELAND HOUSING NETWORK, INC. (CHN)

Heron has supported CHN with general support grants since 1995. CHN develops housing through rehabilitation and construction for lease purchase and conventional sales for families such as this one.

**New Orleans Neighborhood Development Foundation**www.ndf-neworleans.com

New Orleans, LA

\$25,000

To provide counseling and training to low-income families to enable them to become homeowners.

Peoples' Self-Help Housing Corporationwww.pshhc.org

San Luis Obispo, CA

\$50,000

General support to develop home ownership among low-income people. *Second payment of a two-year \$100,000 grant approved in 2003.*

Proyecto Aztecawww.proyectoazteca.org

San Juan, TX

\$35,000

General support to develop self-help, home-ownership opportunities in the colonias of the Rio Grande Valley of Texas. *Second payment of a two-year \$70,000 grant approved in 2003.*

Research Foundation for the City University of New Yorkwww.rfcuny.org

New York, NY

\$25,000

To fund the Neighborhood Reinvestment Homeownership Survey to evaluate home counseling efforts.

Rural Collaborative, Inc.www.shelterthewest.org

Park City, UT

\$65,000

General support for technical assistance and financing to housing and community development organizations in the High Plains and rural Northwest. *First payment of a two-year \$115,000 grant approved in 2004.*

Sacramento Neighborhood Housing Services, Inc.www.sacnhs.org

Sacramento, CA

\$50,000

General support for home-ownership opportunities for low-income people in Sacramento, California. *First payment of a two-year \$100,000 grant approved in 2004.*

Saint Joseph's Carpenter Societywww.sjcs Camden.org

Camden, NJ

\$60,000

General support to assist low-income people to become homeowners. *Third payment of a two-year \$135,000 grant approved in 2003.*

Santee Lynches Affordable Housing and Community Development Corp.www.communitydevelopmentsc.org/members/santeelynches

Sumter, SC

\$30,000

General support to promote home ownership and home retention for low-income families in four rural South Carolina counties. *First payment of a two-year \$60,000 grant approved in 2004.*

Self-Help Enterpriseswww.selfhelpenterprises.org

Visalia, CA

\$50,000

General support for affordable home ownership through self-help housing for farmworker families in rural California. *First payment of a two-year \$100,000 grant approved in 2004.*

United Methodist Relief Centerwww.umrc.org

Mt. Pleasant, SC

\$25,000

General support for housing rehabilitation for very low-income, rural homeowners in Charleston, Berkeley, and Dorchester counties.

PROGRAM-RELATED INVESTMENTS**Affordable Housing Resources, Inc.**www.ahrhousing.org

Nashville, TN

Senior loan to provide capital for predevelopment activities for home-ownership projects. *\$400,000 4-year senior loan approved and disbursed in 2004.*

Coastal Enterprises, Inc.www.ceimaine.org

Wiscasset, ME

Senior loan to expand the capacity of the Lease-Purchase Homeownership Program. *\$500,000 5-year senior loan approved in 1999.*

Connecticut Housing Investment Fund, Inc.www.chif.org

Hartford, CT

Senior loan to support home-ownership lending. *\$250,000 3-year senior loan approved in 2003.*

Federation of Appalachian Housing Enterprises, Inc.www.fahe.org

Berea, KY

Senior loan for the Development Loan Fund to provide predevelopment, construction, and bridge financing for nonprofit developers' home-ownership projects. *\$500,000 6-year senior loan approved and disbursed in 2004.*

Housing Assistance Councilwww.ruralhome.org

Washington, DC

Senior loan for the Rural Housing Loan Fund to finance the predevelopment activities of non-profit, self-help, and other low-income home-ownership providers in rural areas. *\$750,000 6-year senior loan approved in 2003.*

Manna, Inc.www.mannadc.org

Washington, DC

Senior loan to finance the predevelopment activities for home-ownership programs. *\$500,000 4-year senior loan approved and disbursed in 2004.*

Mercy Housing, Inc.*Formerly known as McAuley Institute, Inc.*www.mercyhousing.org

Denver, CO

Senior loan to support the Women's Homeownership Initiative. *\$299,126 9-year senior loan approved in 2000.*

▶ INNER CITY CHRISTIAN FEDERATION (ICCF)

As a part of its comprehensive home ownership services, ICCF offers educational classes like this one, conducts regular customer surveys and incorporates feedback into its programs.



Self-Help Enterprises

www.selfhelpenterprises.org

Visalia, CA

Senior loan to finance the building of self-help housing. \$500,000 6-year senior loan approved in 2004 for disbursement in 2005.

Sustained Excellence Alliance Corporation

Bethesda, MD

Senior loan for financing predevelopment activities of ten nonprofit affordable home-ownership developers. \$500,000 5-year senior loan approved in 2002. \$250,000 disbursed in 2004. Fully committed.

FIXED-INCOME SECURITIES

California Rural Home Mortgage Finance Agency

Single Family Mortgage Revenue Bonds (Taxable Subordinate Mortgage Program) 2003 Series A \$292,155
5.25% 06/01/2034 A2

Connecticut Housing Finance Authority

Housing Mortgage Finance Program Bonds 2004 Sub-Series D-3, Federally Taxable \$426,004
3.11% 11/15/2007 AAA

Connecticut Housing Finance Authority

Housing Mortgage Finance Program Bonds 2004 Sub-Series D-3, Federally Taxable \$113,379
2.74% 11/15/2006

Habitat for Humanity International, Inc.

Series 2001-1 \$163,458
5.00% 04/10/2009 Not Rated

Habitat for Humanity International, Inc.

Series 2002-2 \$201,715
5.00% 04/10/2010 Not Rated

Habitat for Humanity International, Inc.

Series 2003-1 \$233,916
5.00% 04/10/2011 Not Rated

Pinellas County, Florida Housing Finance Authority

Single Family Housing Revenue Bonds 2004 Series A-2 (Taxable) (Multi-County Program) \$476,923
5.36% 09/01/2026 AAA

State of Washington

General Obligation Bonds (State Housing Trust Fund) Series 2004T – Taxable \$747,428
2.00% 07/01/2005 AA+

Texas Department of Housing and Community Affairs

Taxable Junior Lien Single-Family Mortgage Revenue Bonds Series 2002A \$1,597,176
7.01% 09/01/2026 A+

Virginia Housing Development Authority

Commonwealth Mortgage Bonds Pass-Thru Certificates 2002 Series D \$223,676
6.50% 06/25/2032 AAA

Virginia Housing Development Authority

Commonwealth Mortgage Bonds Pass-Thru Certificates 2004 Series B \$872,811
5.50% 06/25/2034 AAA

Targeted Mortgage-Backed Securities

Fannie Mae Pool 696281

\$1,369,061
5.50% 02/01/2033 AAA

Freddie Mac Pool A13278

\$1,019,066
5.50% 09/01/2033 AAA

Freddie Mac Pool A19761

\$1,012,466
5.50% 03/01/2034 AAA

Freddie Mac Pool B30919

\$102,603
8.00% 08/01/2030 AAA

Freddie Mac Pool B30933

\$73,711
7.50% 09/01/2030 AAA

Freddie Mac Pool C48098

\$253,516
7.00% 02/01/2031 AAA

Freddie Mac Pool C74732

\$818,488
5.50% 12/01/2032 AAA

Freddie Mac Pool C76858

\$1,188,682
6.00% 02/01/2033 AAA

MARKET-RATE PRIVATE EQUITY

Genesis Workforce Housing Fund

New York, NY

Commitment to a private real estate partnership to develop for-sale and rental “workforce” housing in low- and moderate-income neighborhoods of Los Angeles County and other densely populated urban areas in Southern California. \$1,500,000 investment approved in 2004. \$137,563 disbursed in 2004, with an unfunded commitment at year end of \$1,362,437.

▶ SELF-HELP ENTERPRISES (SHE)



Heron has provided SHE with general support grants since 1994 and a program-related investment since 2004 to support its efforts in building and rehabilitating homes (over 10,000 since inception) and providing education and assistance to first-time homeowners.



GRANTS

Affiliated Tribes of Northwest Indians Economic Development Corp.

www.atniedc.com
Edmonds, WA \$40,000
General support to provide access to capital and technical assistance for tribal enterprise development in six northwestern states. *First payment of a two-year \$80,000 grant approved in 2004.*

alt.Consulting

www.altconsulting.org
Pine Bluff, AR \$40,000
General support to provide technical assistance to business owners and municipalities in the Delta. *First payment of a two-year \$80,000 grant approved in 2004.*

Appalachian By Design, Inc.

www.abdinc.org
Lewisburg, WV \$40,000
To support training, coordination, and access to markets for its network of home-based knitwear producers.

Appalachian Center for Economic Networks, Inc.

www.acenetworks.org
Athens, OH \$80,000
General support to expand opportunities for business ownership and employment through network- and sector-based strategies. *Second payment of a two-year \$160,000 grant approved in 2003.*

Appalachian Sustainable Development

www.appsusdev.org
Abingdon, VA \$40,000
General support to develop and promote enterprises in the food, agricultural, and forestry sectors.

Austin Community Development Corporation

www.austincdc.org
Austin, TX \$50,000
To support commercial enterprise development in Austin. *First payment of a two-year \$100,000 grant approved in 2004.*

Cascadia Revolving Fund

www.cascadiafund.org
Seattle, WA \$50,000
General support to provide financing and technical assistance to small businesses in Washington and Oregon. *First payment of a two-year \$100,000 grant approved in 2004.*

CHARO Community Development Corp.

www.charocorp.com
Los Angeles, CA \$35,000
General support for programs to develop small businesses and entrepreneurs, particularly in the Latino community.

City Limits Community Information Service, Inc.

www.nycfuture.org
New York, NY \$25,000
Project support for "Tapping the Economic Potential of Immigrant Entrepreneurs."

Corporation for Enterprise Development (CFED)

www.cfed.org
Washington, DC \$125,000
General support to promote enterprise development and asset-building in low-income communities.

Enterprise Corporation of the Delta

www.ecd.org
Jackson, MS \$125,000
General support to improve access to capital that finances the creation and expansion of commercial enterprises and home ownership in the Delta regions of Arkansas, Louisiana, and Mississippi. *First payment of a two-year \$250,000 grant approved in 2004.*

Greenpoint Manufacturing and Design Center Local Development Corp.

www.gmdconline.org
Brooklyn, NY \$30,000
General support to create and retain industrial sector jobs for low-income residents by operating a business incubator and providing technical assistance. *Second payment of a one-year \$60,000 grant approved in 2003.*

Kent State University Foundation, Inc./ Ohio Employee Ownership Center

www.kent.edu/oeoc
Kent, OH \$45,000
Support for the Ohio Employee Ownership Center to provide outreach, information, and technical assistance to employees and business owners on employee ownership. *Second payment of a two-year \$90,000 grant approved in 2003.*

Loyola University

www.loyno.edu/economics.institute/
New Orleans, LA \$25,000
General support to the Economics Institute to initiate and promote ecologically sound economic development for small-scale farmers and producers. *Second payment of a two-year \$50,000 grant approved in 2003.*

Loyola University

www.loyno.edu/economics.institute/
New Orleans, LA \$5,000
Develop an evaluation tool to assess the economic impact of farmers' markets.

Montana Community Development Corporation

www.mtcdc.org
Missoula, MT \$50,000
General support for technical assistance and financing to new and expanding businesses in Montana. *First payment of a two-year \$100,000 grant approved in 2004.*

Montana Community Development Corporation

www.mtcdc.org
Missoula, MT \$25,000
To support the development of the Wage and Benefits Metric, a tool to measure and monitor the economic indicators of jobs created or retained by community development organizations.

National Center for Employee Ownership

www.nceo.org
Oakland, CA \$20,000
To establish guidelines and best practices for employee ownership.

Neighborhood Development Center, Inc.

www.ndc-mn.org
St. Paul, MN \$40,000
General support for training, working capital, and incubator facilities for

▶ APPALACHIAN CENTER FOR ECONOMIC NETWORKS (ACEnet)



ACEnet provides training, incubation facilities, capital, and strategic marketing networks to locally owned businesses in Appalachian Ohio, Kentucky and West Virginia helping businesses like this barbeque restaurant to achieve scale. Heron has provided general support grants since 1994.



entrepreneurs and commercial real estate development in the inner cities of St. Paul and Minneapolis. *Second payment of a two-year \$80,000 grant approved in 2003.*

New Mexico Community Development Loan Fund

www.nmcdlf.org
Albuquerque, NM \$50,000
General support to provide access to capital and technical assistance in low-income communities for the development of affordable housing and small businesses. *Second payment of a two-year \$100,000 grant approved in 2003.*

The Oregon Native American Business and Entrepreneurial Network

www.onaben.org
Tigard, OR \$35,000
General support for technical assistance and training in small business development among Native Americans in collaboration with northwestern tribes. *Follow-on payments of a two-year \$70,000 grant approved in 2003.*

Paraprofessional Healthcare Institute, Inc.

www.paraprofessional.org
Bronx, NY \$125,000
General support to expand and strengthen worker-owned enterprises in the home health care industry. *First payment of a two-year \$250,000 grant approved in 2004.*

Rural Advancement Foundation International—USA

www.rafiusa.org
Pittsboro, NC \$30,000
Project support for the Tobacco Communities Reinvestment Fund to assist farmers in developing enterprises other than tobacco farming.

Shorebank Enterprise Group Cleveland

www.shorebankcleveland.com
Cleveland, OH \$75,000
General support to provide financing, commercial space, workforce development, and technical assistance to small businesses on Cleveland's upper east side.

Shorebank Enterprise Group Pacific

www.sbpac.com
Ilwaco, WA \$75,000
General support to provide financing and technical assistance for small business development in low-income, coastal regions of the Pacific Northwest. *First payment of a two-year \$150,000 grant approved in 2004.*

Southern Financial Partners

www.southernfinancialpartners.org
West Helena, AR \$50,000
General support for lending and technical assistance to small businesses in the Delta region.

Women's Action to Gain Economic Security

www.wagescooperatives.org
Oakland, CA \$35,000
General support for the development of cooperatively owned businesses in the Bay Area. *Second payment of a two-year \$70,000 grant approved in 2003.*

PROGRAM-RELATED INVESTMENTS

Adena Ventures, LP

www.adenaventures.com
Athens, OH
Limited partnership interest in a community development venture capital fund to promote business development in central Appalachia. *\$350,000 10-year limited partnership interest in a development venture capital fund approved in 2000. \$227,500 disbursed in 2004. Fully committed.*

Austin Community Development Corporation

www.austincdc.org
Austin, TX
Senior loan to provide capital for small business and nonprofit facility lending in the low-income neighborhoods of Austin. *\$250,000 5-year senior loan approved in 2002.*

Cascadia Revolving Fund

www.cascadiafund.org
Seattle, WA
Senior loan to finance small businesses and nonprofit community organizations throughout Washington and Oregon. *\$500,000 6-year senior loan approved and disbursed in 2004.*

East Bay Asian Local Development Corporation

www.ebaldc.com
Oakland, CA
Senior loan to finance the development of commercial real estate and to create and preserve jobs for low-income people in Oakland. *\$300,000 7-year senior loan approved in 2000.*

East Bay Asian Local Development Corporation

www.ebaldc.com
Oakland, CA
Senior loan to finance the development of commercial real estate and to create and preserve jobs for low-income people in Oakland. *\$100,000 6-year senior loan approved in 2000.*

Greenpoint Manufacturing and Design Center Local Development Corp.

www.gmdconline.org
Brooklyn, NY
Senior loan to support real estate acquisition and development for small businesses in low-income neighborhoods in Brooklyn. *\$500,000 5-year senior loan approved in 2000.*

Greyston Foundation, Inc.

www.greyston.org
Yonkers, NY
Senior loan to establish a debt service reserve account for the construction of a new bakery employing "hard-to-employ" individuals. *\$250,000 5-year senior loan approved in 2000.*

Jacobs Center for Nonprofit Innovation

www.JacobsCenter.org
San Diego, CA
Senior loan for the development of Phase I of Market Creek Plaza as part of the revitalization of The Diamond Neighborhoods of San Diego. *\$500,000 7-year guaranteed senior loan approved in 2002.*

▶ LOYOLA UNIVERSITY • ECONOMICS INSTITUTE



The Economics Institute at Loyola receives grant support from Heron to expand the commercial infrastructure for the cottage-industry market to encourage small businesses like this flower grower.



New Community Corporation

www.newcommunity.org

Newark, NJ

Working capital for a modular housing factory and a business assistance center. \$500,000 5-year senior loan approved in 1999.

New Mexico Community Development Loan Fund

www.nmcdlf.org

Albuquerque, NM

Senior loan for enterprise development, home ownership, community facilities, or other projects beneficial to low-income communities. \$300,000 5-year senior loan approved in 2001.

Penn Venture Partners, LP

www.pennventures.com

Harrisburg, PA

Limited partnership interest in a community development venture capital fund to promote business development in northern and central Pennsylvania. \$250,000 10-year limited partnership interest in a community development venture capital fund approved in 2002. \$166,667 disbursed in 2004. Fully committed.

The Reinvestment Fund, Inc.

www.trfund.com

Philadelphia, PA

Senior loan to finance enterprise development in low- and moderate-income communities. \$500,000 7-year senior loan approved in 2002.

Self-Help Ventures Fund

www.self-help.org

Durham, NC

Senior loan to finance commercial and community facility loans to small businesses and nonprofits in low-wealth communities of North Carolina. \$1,000,000 8-year senior loan approved in 2003.

Shorebank Enterprise Group Pacific

www.sbpac.com

Illwaco, WA

Senior loan to finance business and community development financing throughout coastal Washington and Oregon. \$250,000 4-year senior loan approved in 2004 for disbursement in 2005.

SJF Ventures II, L.P.

www.sjfund.com

Durham, NC

Limited partnership interest in a community development venture capital fund investing in growing businesses in the eastern United States. \$500,000 10-year limited partnership approved and disbursed in 2004.

The Southern Appalachian Fund, LP

London, KY

Limited partnership interest in a community development venture capital fund to promote economic development in southern Appalachia. \$400,000 10-year limited partnership interest in a community development venture capital fund approved in 2002.

FIXED-INCOME SECURITIES

Alabama Incentives Financing Authority

Taxable Special Obligation Bonds

Series 1999-B

\$1,901,590

7.75% 10/01/2019 AAA

Arkansas Development Finance Authority

Taxable Economic Development

Revenue Bonds

(ADFA and ADED Guaranty Programs—

2002 Series B)

\$159,589

3.90% 10/01/2008 AAA

Kirkwood Community College (Merged Area X), State of Iowa

Taxable Industrial New Jobs Training Certificates

Series 2002-1A

\$224,456

4.40% 06/01/2010 AA-

Kirkwood Community College (Merged Area X), State of Iowa

Taxable Industrial New Jobs Training Certificates

Series 2002-1B

\$230,237

4.60% 06/01/2011 AA-

MARKET-RATE PRIVATE EQUITY

Bay Area Equity Fund I, LP

San Francisco, CA

Commitment to a private equity fund to make investments primarily in mid-to-late stage growth companies located, or willing to locate in or near one of 46 designated low- and moderate-income neighborhoods in the nine-county Bay Area of Northern California. \$1,000,000 investment approved in 2002. \$150,000 disbursed in 2004, with an unfunded commitment at year end of \$800,000.

ICV Partners, L.P.

www.icvcapital.com

New York, NY

Commitment to a private equity fund established principally to invest in small- and middle-market companies that serve, operate in, hire from, or seek to expand into America's inner cities. \$2,500,000 investment approved in 2000. \$417,104 disbursed in 2004, with an unfunded commitment at year end of \$426,433.

Yucaipa Corporate Initiatives Fund I, LP

Los Angeles, CA

Commitment to a private equity fund established to invest in corporate partnerships that relocate to or expand their operations in underserved rural and urban communities throughout the United States. \$2,500,000 investment approved in 2003. \$936,188 disbursed in 2004, with an unfunded commitment at year end of \$1,256,831.

▶ **RURAL ADVANCEMENT FUND INC. (RAFI)**



With grant support from Heron, RAFI helps farmers like these in formerly tobacco-dependent communities to create new agricultural enterprises that generate jobs, find alternative uses for tobacco equipment and facilities, enhance and protect natural resources, and benefit other farmers in the community.



GRANTS

Associated Early Care and Education, Inc.

www.associatedearlycareandeducation.org
Boston, MA \$75,000

General support to expand the number of nationally accredited programs serving low-income children in the metropolitan Boston area. *First payment of a two-year \$150,000 grant approved in 2004.*

Child Care Resources

www.childcareresources.org
Missoula, MT \$25,000

To support efforts to increase the number of nationally accredited family child care and center-based programs in southwestern Montana. *First payment of a two-year \$50,000 grant approved in 2004.*

Child Care Resources

www.childcare.org
Seattle, WA \$40,000

General support to expand the number of nationally accredited child care programs and provide training and technical assistance to providers serving low-income children in Seattle and King County.

Down East Partnership for Children

www.depcc.org
Rocky Mount, NC \$40,000

General support to provide child care scholarships to low-income parents who work or attend school in Nash and Edgecombe counties and to assist local child care centers and family homes achieve the highest levels of accreditation. *Second payment of a two-year \$80,000 grant approved in 2003.*

Easter Seals, Inc.

www.easter-seals.org
Chicago, IL \$50,000

Project support for Easter Seals Child Development Network which supports inclusionary child services and National Association for the Education of Young Children accreditation among its affiliates across the country.

The Family Conservancy

www.thefamilyconservancy.org
Kansas City, KS \$125,000

To help community-based child care centers and family day care in Kansas City achieve quality care national accreditation. *Second payment of a two-year \$250,000 grant approved in 2003.*

National Association for the Education of Young Children

www.naeyc.org
Washington, DC \$50,000

Project support for accreditation re-invention, including deploying additional validators to rural programs serving low-income families.

North Carolina Partnership for Children, Inc.

www.ncsmartstart.org
Raleigh, NC \$40,000

Project support for the Smart Start National Assistance Center to increase the availability of high-quality child care in the southeast.

Nova Southeastern University, Inc./ Family Center of Tampa Bay

www.nova.edu/cwis/familycenter/fctampa/index.html
Tampa, FL \$30,000

To support the Family Center of Tampa Bay in promoting national accreditation among child care centers and home-based child care in Tampa Bay, Florida. *Second payment of a two-year \$75,000 grant approved in 2003.*

Partnership for Quality Child Care

www.earlystars.com
Chicago, IL \$100,000

General support to increase the number of nationally accredited child care centers serving low-income children and communities. *Second payment of a two-year \$200,000 grant approved in 2003.*

The Sheltering Arms

www.shelteringarmsforkids.com
Atlanta, GA \$100,000

General support to provide nationally accredited, high-quality child care to low-income families in the Atlanta metropolitan area. *Follow-on payments of a two-year \$200,000 grant approved in 2003.*

Suwannee Valley Community Coordinated Child Care, Inc.

www.sv4cs.org
Lake City, FL \$35,000

General support for nationally accredited child care, Head Start programs, and technical assistance for accreditation in rural northern Florida. *Second payment of a two-year \$70,000 grant approved in 2003.*

United Way of New York City

www.unitedwaynyc.org
New York, NY \$50,000

Project support for the Quality New York child care initiative.

PROGRAM-RELATED INVESTMENTS

Community Loan Fund of New Jersey

www.njclf.com
Trenton, NJ
Senior loan to finance development of center-based and family child care. \$500,000 8-year senior loan approved in 2003 and disbursed in 2004.

Low Income Investment Fund

www.liifund.org
San Francisco, CA
Senior loan to finance development of center-based and family child care. \$500,000 9-year senior loan approved in 2000.

▶ EASTER SEALS, INC.



Heron provides a general support grant to Easter Seals for its Childcare Network that supports accredited, inclusive childcare programs that address the special needs of children with disabilities.

**GRANTS****Boston Community Capital**www.bostoncommunitycapital.org

Boston, MA

\$100,000

General support to increase access to capital for affordable housing, community facilities, and business start-ups and expansions to benefit low-income residents and low-income communities. *First payment of a two-year \$200,000 grant approved in 2004.*

California Reinvestment Committeewww.calreinvest.org

San Francisco, CA

\$35,000

General support to help low-income communities in California use the Community Reinvestment Act and related strategies to gain access to capital. *Second payment of a two-year \$70,000 grant approved in 2003.*

Chicago Community Loan Fundwww.cclfchicago.org

Chicago, IL

\$40,000

General support to provide low-cost, flexible financing to nonprofit organizations working to revitalize low-income neighborhoods throughout metropolitan Chicago.

The Community Development Venture Capital Alliancewww.cdvca.org

New York, NY

\$50,000

Project support for practitioner-led effort to improve measurement of financial and social impact of community development venture capital funds. *Second payment of a two-year \$100,000 grant approved in 2003.*

Community Loan Fund of New Jerseywww.njclf.com

Trenton, NJ

\$75,000

General support for access to capital and technical assistance for affordable housing, child care facilities expansions, and business start-ups and expansions for low-income residents of New Jersey. *Second payment of a two-year \$150,000 grant approved in 2003.*

The Community Reinvestment Association of North Carolinawww.cra-nc.org

Durham, NC

\$40,000

General support to build and protect community wealth by improving the services and practices of North Carolina financial institutions. *Second payment of a two-year \$80,000 grant approved in 2003.*

Community Reinvestment Fund, Inc.www.crfusa.com

Minneapolis, MN

\$100,000

Equity grant to support the development of a robust secondary market in community-based economic development loans in order to increase the flow of capital to low-income communities. *Follow-on payments of a two-year \$200,000 grant approved in 2003.*

Credit Where Credit Is Due, Inc.www.cwcid.org

New York, NY

\$25,000

General support to provide access to capital and financial services through community development credit unions serving low-income residents in the Washington Heights and Harlem neighborhoods of New York City. *Second payment of a one-year \$50,000 grant approved in 2003.*

D2D Fund, Inc.www.d2dfund.org

Roxbury, MA

\$30,000

Project support to develop software to decrease costs of administering small savings accounts and make low-balance savers more attractive to financial institutions.

Demos:**A Network for Ideas and Action, Ltd.**www.demos-usa.org

New York, NY

\$35,000

Project support for the Economic Opportunity Program's policy research on the relationship between consumer debt and asset building.

Earned Asset Resource Network, Inc.www.sfearn.org

San Francisco, CA

\$50,000

General support for the development of its Individual Development Account program. *First payment of a two-year \$100,000 grant approved in 2004.*

First Nations Development Institutewww.firstnations.org

Fredericksburg, VA

\$50,000

General support for grantmaking, technical assistance, and research programs to help tribes and indigenous peoples control and develop their assets. *First payment of a two-year \$100,000 grant approved in 2004.*

First Nations Oweesta Corporationwww.oweesta.org

Rapid City, SD

\$50,000

General support to assist tribes and tribal communities through loans, investments, technical assistance, training, and financial literacy education.

Innovest Strategic Value Advisorswww.innovestgroup.com

New York, NY

\$65,000

Project support for research and development of a "positively screened" equity portfolio consisting of publicly traded companies with superior records in community investing.

Lakota Fundwww.lakotafund.org

Kyle, SD

\$25,000

General support to increase access to capital and provide technical assistance for Lakota entrepreneurs on the Pine Ridge Reservation. *Third payment of a two-year \$100,000 grant approved in 2002.*

Lenders for Community Developmentwww.L4cd.com

San Jose, CA

\$50,000

General support to provide financing and technical assistance for small-business development, home-ownership opportunities, and Individual Development Accounts for low-income people in Silicon Valley. *Second payment of a two-year \$100,000 grant approved in 2003.*

▶ BOSTON COMMUNITY CAPITAL

Since 1993, Heron has provided general support to this high-performing community development financial institution whose loans and investments are supporting home ownership, economic development, and overall revitalization in communities like this site in Roxbury, MA.

**Low Income Investment Fund**www.liifund.org

San Francisco, CA

\$100,000

General support to increase access to capital in low-income communities for strategies including home ownership and child care. *First payment of a two-year \$200,000 grant approved in 2004.*

National Community Capital Associationwww.communitycapital.org

Philadelphia, PA

\$50,000

To support the CDFI Assessment and Rating System and the Financial Innovation project.

National Community Reinvestment Coalition, Inc.www.ncrc.org

Washington, DC

\$100,000

General support to expand small-business lending, combat predatory lending, and provide access to capital in low-income communities. *Second payment of a two-year \$200,000 grant approved in 2003.*

National Community Reinvestment Coalition, Inc.www.ncrc.org

Washington, DC

\$100,000

Project support for the Economic Justice Campaign.

National Federation of Community Development Credit Unions, Inc.www.natfed.org

New York, NY

\$50,000

General support to strengthen the operations of community development credit unions. *First payment of a two-year \$100,000 grant approved in 2004.*

New Hampshire Community Loan Fund, Inc.www.nhclf.org

Concord, NH

\$70,000

General support to foster affordable housing and economic opportunity. *First payment of a two-year \$140,000 grant approved in 2004.*

New School Universitywww.wallstreetwithoutwalls.com

New York, NY

\$75,000

To support the Capital Markets Access Project that provides technical assistance to community development corporations, community development finance institutions, and other nonprofits seeking to access private capital markets.

New York City Financial Network Action Consortium, Inc.www.nycfnac.org

Brooklyn, NY

\$30,000

General support to help credit unions meet the financial service needs of New Yorkers who do not have bank accounts.

North Carolina Minority Support Centerwww.ncmsc.org

Durham, NC

\$75,000

General support to strengthen the work of community development corporations and credit unions in North Carolina through operating grants, financing, and technical assistance. *First payment of a two-year \$150,000 grant approved in 2004.*

North Carolina Minority Support Centerwww.ncmsc.org

Durham, NC

\$45,000

Project support to capitalize Generations Community Federal Credit Union.

Quitman County Development Organization, Inc.www.qcdo.org

Marks, MS

\$50,000

General support for access to capital, home ownership, and enterprise development in the Mississippi Delta. *First payment of a two-year \$100,000 grant approved in 2004.*

The Reinvestment Fund, Inc.www.trfund.com

Philadelphia, PA

\$125,000

To support the Public Policy & Program Assessment Department's efforts to track the impact of the Fund's lending and investments. *First payment of a two-year \$250,000 grant approved in 2004.*

Social Investment Forum Foundation, Inc.www.socialinvest.org

Washington, DC

\$50,000

To support the "One Percent in Communities" Campaign in order to triple the dollars involved in community investing over five years. *Second payment of a two-year \$100,000 grant approved in 2003.*

Southern New Hampshire Universitywww.snhu.edu

Manchester, NH

\$35,000

To support the efforts of the Financial Innovations Roundtable to increase access to capital and financial services in low-income communities. *Second payment of a two-year \$70,000 grant approved in 2003.*

Washington Universitywww.gwbweb.wustl.edu/csd

St. Louis, MO

\$75,000

General support for the Center for Social Development's ongoing research on asset building among low-income families. *First payment of a two-year \$150,000 grant approved in 2004.*

WECO Fund, Inc.www.wecofund.com

Cleveland, OH

\$75,000

General support to provide citywide financial services and education programs to low-income individuals, families, and companies. *Second payment of a two-year \$150,000 grant approved in 2003.*

Woodstock Institutewww.woodstockinst.org

Chicago, IL

\$100,000

General support for research and technical assistance toward meeting the capital and credit demands of low-income neighborhoods. *Second payment of a two-year \$200,000 grant approved in 2003.*

▶ LENDERS FOR COMMUNITY DEVELOPMENT (LCD)

LCD, which receives general support from Heron, addresses the widening income-disparity levels in Silicon Valley by financing affordable housing and small businesses like this trucking company in East Palo Alto, CA, and by helping people to build savings to create wealth.

**World Institute on Disability**www.wid.org

Oakland, CA

\$25,000

To support the expansion of the Individual Development Accounts program among people with disabilities. *Second payment of a two-year \$50,000 grant approved in 2003.*

PROGRAM-RELATED INVESTMENTS**Alternatives Federal Credit Union**www.alternatives.org

Ithaca, NY

Secondary capital to support home mortgages and small business lending. *\$250,000 7-year secondary capital loan approved in 2002.*

Boston Community Loan Fund, Inc.www.bostoncommunitycapital.org

Boston, MA

Pre-development, construction, and "bridge" financing for affordable housing, community facilities, and child care projects. *\$150,000 10-year subordinated loan or "equity equivalent" approved in 2000.*

Calvert Social Investment Foundation, Inc.www.calvertfoundation.org

Bethesda, MD

Subordinated loan to increase the capacity of the Calvert Foundation to issue Community Investment Notes. *\$500,000 3-year subordinated loan approved in 2003 and disbursed in 2004.*

Community Reinvestment Fund, Inc.www.crfusa.com

Minneapolis, MN

Senior loan to facilitate expansion of a secondary market in community development loans. *\$500,000 5-year senior loan approved in 2000. Additional \$500,000 amendment approved and disbursed in 2004.*

First Delta Federal Credit Unionwww.qcdo.org

Marks, MS

Insured deposit to match a deposit from the Community Development Revolving Loan Program of the National Credit Union Administration. *\$100,000 5-year insured deposit approved in 2000.*

National Community Capital Associationwww.communitycapital.org

Philadelphia, PA

Senior loan to provide flexible financing for Community Development Financial Institutions. *\$500,000 8-year senior loan approved in 2002.*

National Federation of Community Development Credit Unions, Inc.www.natfed.org

New York, NY

Secondary capital facility for low-income designated credit unions. *\$250,000 8-year senior loan approved in 1998.*

National Federation of Community Development Credit Unions, Inc.www.natfed.org

New York, NY

Nominee deposits for rural community development credit unions. *\$750,000 5-year nominee deposits approved in 2001.*

Native American Bancorporationwww.nabna.com

Denver, CO

Preferred stock in an Indian-owned development bank serving reservation communities and tribal enterprises. *\$300,000 10-year preferred stock investment approved and disbursed in 2004.*

North Carolina Minority Support Centerwww.ncmsc.org

Durham, NC

Collateralized loan to assist credit unions serving low-income communities to increase home mortgage and business lending. *\$500,000 8-year loan collateralized by credit union deposits approved in 1999.*

Opportunities Credit Unionwww.vdcu.org

Burlington, VT

Secondary capital to support home mortgages and small business lending. *\$250,000 7-year secondary capital loan approved in 2001.*

MARKET-RATE DEPOSITS

Deposits are for \$100,000 unless otherwise specified.

Albina Community Bankwww.albinabank.com

Portland, OR

\$200,000*

Alternatives Federal Credit Unionwww.alternatives.org

Ithaca, NY

Appalachian Federal Credit Union

Berea, KY

Bank of Cherokee Countywww.bankofcherokeecounty.net

Hulbert, OK

Bethex Federal Credit Unionwww.bethexfcu.org

Bronx, NY

Carver Federal Savings Bankwww.carverbank.com

New York, NY

Carver Federal Savings Bankwww.carverbank.com

New York, NY

\$150,000**

Central Bank of Kansas Citywww.centralbankkc.com

Kansas City, MO

Citizens Trust Bankwww.ctbatlanta.com

Atlanta, GA

City First Bank of DCwww.city-first.com

Washington, DC

▶ LOW INCOME INVESTMENT FUND (LIIF)

LIIF has received general support funding from Heron since 1993 for affordable home ownership, child care, and other vital community revitalization efforts. In addition, Heron made a program-related investment to finance LIIF's development of center-based and family child care.



City National Bank of New Jersey
www.citynatbank.com
Newark, NJ

Community Capital Bank
www.communitycapitalbank.com
Brooklyn, NY

Community Choice Federal Credit Union
Indianapolis, IN

Dakotaland Federal Credit Union
www.dakotalandfcu.com
Huron, SD

Douglass National Bank
www.douglassbk.com
Kansas City, KS

Elk Horn Bank & Trust
www.ehbt.com
Arkadelphia, AR

First American International Bank
Brooklyn, NY

First Bank of the Delta, N.A.
www.firstbankdelta.com
West Helena, AR

Friendship Community Federal Credit Union
Clarksdale, MS

Generations Community Credit Union
www.gencomcu.org
Durham, NC

Genesee Co-Op Federal Credit Union
www.gencoopfcu.com
Rochester, NY

The Harbor Bank of Maryland
www.theharborbank.com
Baltimore, MD

Hope Community Credit Union
www.hopecu.org
Jackson, MS

Latino Community Credit Union
www.cooperativalatina.org
Durham, NC

Legacy Bank
www.legacybancorp.com
Milwaukee, WI

Liberty Bank and Trust Company
www.libertybank.net
New Orleans, LA

Mechanics and Farmers Bank
www.mfbonline.com
Durham, NC

Mission Community Bank
www.MissionCommunityBank.com
San Luis Obispo, CA

Native American Bank, NA
www.nabna.com
Denver, CO

Neighborhood National Bank
www.mynnb.com
National City, CA

North Star Community Credit Union
www.northstarccu.com
Maddock, ND

Opportunities Credit Union
www.vdcu.org
Burlington, VT

Self-Help Credit Union
www.self-help.org
Durham, NC

Shorebank
www.shorebankcorp.com
Chicago, IL \$300,000*

Shorebank
www.shorebankcorp.com
Chicago, IL

ShoreBank Cleveland
www.shorebankcleveland.com
Cleveland, OH

South Carolina Community Bank
Columbia, SC

Syracuse Cooperative Federal Credit Union
www.syrcoopfcu.org
Syracuse, NY

University National Bank
www.universitybank.com
St. Paul, MN

FIXED-INCOME SECURITIES

Community Reinvestment Revenue Notes
Fifteen Series
Class A-1 Senior \$534,870
4.85% 05/01/2020 Not Rated

*Certificate of Deposit Account Registry Service™ (CDARS) insured deposit **Uninsured deposit

▶ OTHER GRANTS

In addition to the grants made within our five wealth-creation program strategies, Heron has provided support in these other areas.

NONPROFIT SECTOR

Council on Foundations, Inc. Washington, DC	\$22,320
The Foundation Center New York, NY	\$5,000
Independent Sector Washington, DC	\$5,000

New York Regional Association of Grantmakers New York, NY	\$10,950
Nonprofit Coordinating Committee of New York, Inc. New York, NY	\$1,500
Philanthropic Research, Inc. Williamsburg, VA	\$10,000

BOARD- AND STAFF-DIRECTED

Community Service Grants	\$13,000
Matching Grants	\$35,390
Board-/Staff-Directed Grants	\$108,500



GRANTS

Abyssinian Development Corporation

www.adcorp.org
New York, NY \$75,000
General support for comprehensive services in home ownership, economic development, and economic literacy training.

Applied Urban Research Institute

www.aurikc.org
Kansas City, MO \$25,000
General support for technical assistance and financing of development projects, including home ownership and commercial real estate, in low-income communities.

The Aspen Institute, Inc.

www.aspeninstitute.org
Washington, DC \$50,000
Support for the Aspen Roundtable on Community Change. *First payment of a two-year \$100,000 grant approved in 2004.*

Avenue Community Development Corporation

www.avenuecdc.org
Houston, TX \$25,000
General support for home ownership and commercial real estate development in the Near Northside neighborhood of Houston.

Calvert Social Investment Foundation, Inc./ National Rural Funders' Collaborative

www.nrfc.org
Bethesda, MD \$150,000
To support the National Rural Funders' Collaborative that seeks to expand resources available to low-income rural areas and improve the practice of rural grantmaking. *First payment of a two-year \$300,000 grant approved in 2004.*

Center for Community Change

www.communitychange.org
Washington, DC \$25,000
General support to strengthen community-based organizations' programs and operations, and to advance public policies that improve opportunities for low-income people.

Chicago Lawyers' Committee for Civil Rights Under Law, Inc.

www.clccrul.org
Chicago, IL \$40,000
To support the Community Economic Development Law Project that provides and coordinates *pro bono* legal assistance to community groups that strengthen Chicago's neighborhoods through affordable housing and economic development. *Follow-on payments of a two-year \$80,000 grant approved in 2003.*

Chicanos Por La Causa, Inc.

www.cplc.org
Phoenix, AZ \$75,000
General support for community-building and revitalization efforts in Arizona, including small business lending, home-ownership development, migrant Head Start, and credit union services. *Second payment of a two-year \$150,000 grant approved in 2003.*

Citizen Policy & Education Fund of New Jersey

www.njcitizenaction.org
Hackensack, NJ \$50,000
General support for organizing efforts and programs to increase home ownership, access to capital, and financial literacy in low- and moderate-income neighborhoods in New Jersey. *Second payment of a two-year \$100,000 grant approved in 2003.*

City Vision Ministries

www.cityvisionministries.org
Kansas City, KS \$35,000
General support for home ownership and commercial real estate development in low-income Kansas City, Kansas neighborhoods. *First payment of a two-year \$70,000 grant approved in 2004.*

Coastal Enterprises, Inc.

www.ceimaine.org
Wiscasset, ME \$100,000
General support for affordable home ownership, enterprise development, and access to capital. *Second payment of a two-year \$200,000 grant approved in 2003.*

Community Development Advocates of Detroit

www.cdadonline.org
Detroit, MI \$45,000
General support for capacity building efforts, including work with community development practitioners to demonstrate the impact of their work. *Follow-on payments of a two-year \$90,000 grant approved in 2003.*

Community Development Corporation of Long Island

www.cdcli.org
Centerach, NY \$35,000
General support for affordable home ownership and enterprise development.

Community Development Partnerships' Network

www.cdprn.org
Denver, CO \$25,000
Project support for a Practitioner's toolkit for the "Campaign for America's Core Cities."

CHWC, Inc.

www.chwconline.com
Kansas City, KS \$35,000
General support for home ownership and commercial real estate development in low-income Kansas City neighborhoods.

Cypress Hills Local Development Corporation, Inc.

www.CypressHills.org
Brooklyn, NY \$50,000
General support to revitalize the Cypress Hills community of Brooklyn through commercial development and home ownership. *First payment of a two-year \$100,000 grant approved in 2004.*

▶ EL CENTRO, INC.



This Kansas City-based organization receives general-support dollars from Heron for its comprehensive community development programs including accredited child care programs like this that serve over 600 children.



Detroit Catholic Pastoral Alliance

Detroit, MI \$35,000
 General support for community development efforts focusing on home ownership and small business development in low-income eastside Detroit neighborhoods. *First payment of a two-year \$70,000 grant approved in 2004.*

The Development Training Institute

www.dtinational.org
Baltimore, MD \$50,000
 General support for programs to strengthen the capacity and leadership of community development practitioners.

East Bay Asian Local Development Corporation

www.ebaldc.com
Oakland, CA \$75,000
 General support for comprehensive neighborhood planning and improvement, including home ownership and economic development, to enhance the quality of life for low-income East Bay residents. *Second payment of a two-year \$150,000 grant approved in 2003.*

East Side Neighborhood Development Company, Inc.

www.esndc.org
St. Paul, MN \$75,000
 General support for community revitalization efforts including home ownership and business development on the east side of St. Paul. *First payment of a two-year \$150,000 grant approved in 2004.*

El Centro, Inc.

www.elcentroinc.com
Kansas City, KS \$50,000
 General support for asset development efforts, including home ownership, Individual Development Accounts, enterprise development, and quality child care. *Follow-on payments of a two-year \$100,000 grant approved in 2003.*

The Faith Center for Community Development, Inc.

www.fccd.org
New York, NY \$50,000
 General support to increase the capacity of faith-based organizations to help create and sustain healthy neighborhoods. *Second payment of a two-year \$100,000 grant approved in 2003.*

Fifth Ward Community Redevelopment Corporation

www.fifthwardcra.org
Houston, TX \$60,000
 General support for home ownership and commercial development in Houston's Fifth Ward. *First payment of a two-year \$120,000 grant approved in 2004.*

Guadalupe Center, Inc.

www.guadalupecenters.org
Kansas City, MO \$75,000
 To develop a home-ownership program and expand its credit union serving low-income residents. *Second payment of a two-year \$150,000 grant approved in 2003.*

Housing and Community Development Network of New Jersey

www.hcdnnj.org
Trenton, NJ \$50,000
 General support to provide technical assistance and training in organizational development, management, community planning, and policy evaluation to community development practitioners. *First payment of a two-year \$100,000 grant approved in 2004.*

Interfaith Education Fund, Inc.

Austin, TX \$125,000
 General support for research, training, and organizing efforts through a network of congregation-based organizations in the Southwest. *Second payment of a two-year \$250,000 grant approved in 2003.*

Isles Inc.

www.isles.org
Trenton, NJ \$90,000
 General support for programs that develop housing for low-income people, counsel first-time homebuyers, encourage savings through Individual Development Accounts, and promote sustainable development. *Second payment of a two-year \$180,000 grant approved in 2003.*

Kansas City Neighborhood Alliance

www.kcna.org
Kansas City, MO \$100,000
 General support for community-building strategies, focusing on home ownership and block organizing, in Kansas City neighborhoods. *Second payment of a two-year \$200,000 grant approved in 2003.*

La Casa de Don Pedro

www.lacasanwk.org
Newark, NJ \$30,000
 General support for comprehensive community development, primarily in Newark's North Ward.

Lawndale Christian Development Corporation

www.lcdc.net
Chicago, IL \$40,000
 General support of neighborhood revitalization efforts including housing development for ownership and economic development. *First payment of a two-year \$80,000 grant approved in 2004.*

Local Initiatives Support Corporation

www.liscnet.org/mid_south/
Greenville, MS \$2,000
 Support for Mid South Delta LISC's Impact Award made at its annual conference.

▶ KANSAS CITY NEIGHBORHOOD ALLIANCE (KCNA)



Because of its comprehensive community development efforts—including home ownership, its endeavors to become a “learning organization,” and strong attention to impact, KCNA has received general support funds from Heron since 1994.



Maryland Center for Community Development

www.mccd.org
 Baltimore, MD \$30,000
 General support for work with community development corporations to promote a statewide Individual Development Account initiative, home-ownership activities, and the Success Measures Project. *Second payment of a two-year \$60,000 grant approved in 2003.*

Massachusetts Association of Community Development Corporations

www.macdc.org
 Boston, MA \$30,000
 To support its members' home ownership, enterprise development, and access to capital efforts.

Metro IAF, Inc.

www.industrialareasfoundation.org
 Rego Park, NY \$75,000
 General support for large-scale home-ownership programs and other neighborhood development actions. *Second payment of a two-year \$150,000 grant approved in 2003.*

Midtown Community Development Corporation

www.swopecommunitybuilders.org
 Kansas City, MO \$100,000
 General support for community-building efforts including home ownership and commercial development in midtown Kansas City. *Second payment of a two-year \$200,000 grant approved in 2003.*

Mission Economic Development Association

www.medasf.org
 San Francisco, CA \$35,000
 General support to promote enterprise development and home-ownership opportunities in San Francisco's Mission District. *Follow-on payments of a two-year \$70,000 grant approved in 2003.*

Mountain Association for Community Economic Development

www.maced.org
 Berea, KY \$50,000
 To support enterprise development and sustainable community-based economic development in Appalachian Kentucky. *First payment of a two-year \$100,000 grant approved in 2004.*

National Committee for Responsive Philanthropy

www.ncrp.org
 Washington, DC \$5,000
 General support to advance accountability in philanthropy.

National Housing Institute

www.nhi.org
 Montclair, NJ \$40,000
 General support to provide information, analysis, and resources to community-based practitioners engaged in community development efforts. *First payment of a two-year \$80,000 grant approved in 2004.*

Neighborhood Funders Group, Inc.

www.nfg.org
 Washington, DC \$25,000
 General support to a national membership association for grantmakers who fund community-based development, and project support for the "PRI Makers" group's educational activities.

Neighborhood Reinvestment Corporation

www.nw.org
 Washington, DC \$50,000
 To support development of the Success Measures Data System for improving and demonstrating impact in communities.

North Carolina Community Development Initiative, Inc.

www.ncinitiative.org
 Raleigh, NC \$100,000
 General support to strengthen capacity, impact, and sustainability of community development corporations in low-resource communities in North Carolina. *First payment of a two-year \$200,000 grant approved in 2004.*

NorthStar Community Development Corporation

www.northstarcdc.org
 Detroit, MI \$25,000
 General support for home ownership and partnerships with commercial districts to revitalize neighborhoods in northern Detroit.

Northwest Detroit Neighborhood Development, Inc.

www.ndnd.org
 Detroit, MI \$35,000
 For comprehensive community development, including affordable home ownership, in the Brightmoor community of Detroit. *First payment of a two-year \$70,000 grant approved in 2004.*

Oakland Livingston Human Service Agency

www.olhsa.org
 Pontiac, MI \$35,000
 General support for comprehensive efforts, including Head Start programs, Individual Development Accounts, and affordable home ownership in low-income communities north of Detroit.

Pratt Area Community Council, Inc.

www.prattarea.org
 Brooklyn, NY \$35,000
 General support for the Economic Development/Commercial Revitalization Initiative and the Homeowner Foreclosure Prevention Program. *Second payment of a two-year \$70,000 grant approved in 2003.*

The Resurrection Project

www.resurrectionproject.org
 Chicago, IL \$100,000
 General support to develop and implement comprehensive community development strategies. *Follow-on payments of a two-year \$200,000 grant approved in 2003.*

▶ MOUNTAIN ASSOCIATION FOR COMMUNITY ECONOMIC DEVELOPMENT (MACED)



MACED has led Appalachian community development through business support and financing, citizen empowerment, and sustainable natural resource management. This mushroom farmer benefited from MACED's integrated approach to building businesses and communities.



Rural Opportunities, Inc.

www.ruralinc.org
 Rochester, NY \$50,000
 General support for affordable home ownership, quality child care, and enterprise development. *Second payment of a two-year \$100,000 grant approved in 2003.*

Sacramento Valley Organizing Community

www.ruralisc.org/svoc.htm
 Sacramento, CA \$35,000
 General support for comprehensive community organizing and development efforts, including home ownership and Individual Development Accounts.

South Carolina Association of Community Development Corporations

www.communitydevelopmentsc.org
 Charleston, SC \$35,000
 General support to advance the community economic development industry in South Carolina and support the implementation of a statewide Individual Development Account program. *Third payment of a two-year \$85,000 grant approved in 2003.*

Southern Mutual Help Association, Inc.

www.southernmutualhelp.org
 New Iberia, LA \$50,000
 General support to help low-income people develop healthy and prosperous rural communities in Louisiana through home ownership and community economic development. *Second payment of a two-year \$100,000 grant approved in 2003.*

Urban Edge Housing Corporation

www.urbanedge.org
 Boston, MA \$35,000
 General support for affordable home ownership and enterprise development.

Washington Interfaith Network

www.industrialareasfoundation.org
 Washington, DC \$50,000
 \$25,000 for general support and \$25,000 for project support to partner with The Reinvestment Fund to structure the city-wide Neighborhood Investment Fund.

Washington University

www.gwbweb.wustl.edu/csd
 St. Louis, MO \$50,000
 To support "Wealth Building in Rural America," a research project to assess and advance the state of knowledge, policy, and practice regarding wealth creation in rural communities. *Full payment of a 19-month \$50,000 grant approved in 2004.*

PROGRAM-RELATED INVESTMENTS

Boston Community Loan Fund, Inc.

www.bostoncommunitycapital.org
 Boston, MA
 Senior loan for affordable housing, community facilities, and other projects beneficial to low-income communities. \$350,000
5-year senior loan approved in 2000.

Chicago Community Loan Fund

www.cclfchicago.org
 Chicago, IL
 Senior loan for real estate development, equipment purchase, and working capital. \$250,000
6-year senior loan approved in 2001.

Illinois Facilities Fund

www.iff.org
 Chicago, IL
 Senior loan to finance community infrastructure in low-income communities. \$500,000
5-year senior loan approved in 1999.

New Hampshire Community Loan Fund, Inc.

www.nhclf.org
 Concord, NH
 Senior loan to support expanded home-ownership and small business lending. \$500,000
7-year senior loan approved in 2002.

Rural Community Assistance Corporation

www.rcac.org
 West Sacramento, CA
 Senior loan to support lending activities for affordable housing, water and waste water systems, and community facility development in low-income, rural areas. \$500,000
10-year senior loan approved in 1998.

FIXED-INCOME SECURITIES

City of Cleveland

Taxable Economic and Community Development Revenue Bonds
 Series 2004 (Core City Fund) \$297,636
 4.60% 12/01/2012 AAA

Pinole, California Redevelopment Agency

Tax Allocation Refunding Bonds
 Series 1998B \$1,509,700
 6.375% 08/01/2012 AAA

Redevelopment Authority of the City of Philadelphia

City of Philadelphia Neighborhood Transformation Initiative
 Taxable Revenue Bonds,
 Series 2002B \$1,295,450
 5.30% 04/15/2007 AAA

Texas Public Finance Authority

Unemployment Compensation Obligation Assessment
 Revenue Bonds, Series 2003B \$991,720
 2.125% 12/15/2005 AA

US Department of Housing and Urban Development

Section 108 Government Guaranteed Participation Certificates
 Series HUD 2001-A \$1,012,500
 4.97% 08/01/2005 AAA

MARKET-RATE PRIVATE EQUITY

Bay Area Smart Growth Fund I, LLC

www.basgf.com
 San Francisco, CA
 Commitment to a private equity fund to invest in commercial and residential real estate projects in 46 designated low- and moderate-income neighborhoods in the nine-county Bay Area of Northern California. \$1,500,000 investment approved in 2001. \$492,557 disbursed in 2004, with an unfunded commitment at year end of \$304,797.

UrbanAmerica, L.P.

www.urbanamerica.com
 New York, NY
 Commitment to a private real estate partnership to acquire and develop retail and commercial properties in inner-city neighborhoods in the Northeast and Southeast, including federally designated enterprise zones and enterprise communities. \$1,500,000 investment approved in 2000.

UrbanAmerica, L.P. II

www.urbanamerica.com
 New York, NY
 Commitment to a private real estate partnership to acquire and develop retail and commercial properties in inner-cities nationwide and to provide opportunities for corporate and retail tenants to locate facilities in such communities. \$1,000,000 investment approved in 2004 for disbursement in 2005.

STATEMENTS OF FINANCIAL POSITION

December 31, 2004 and 2003

Assets	2004	2003
Cash and cash equivalents	\$ 2,492,722	\$ 5,562,019
Traditional investments	224,432,032	209,585,700
Mission-related investments (see Note 1)	45,604,909	42,497,737
Other assets	403,748	357,686
Property and equipment, net	294,500	368,340
Total assets	\$273,227,911	\$258,371,482
Liabilities and Net Assets	2004	2003
Liabilities:		
Accounts payable and accrued expenses	\$ 74,465	\$ 79,734
Grants payable (see Note 2)	2,715,000	3,970,000
Deferred Federal excise tax payable	308,746	218,425
Total liabilities	3,098,211	4,268,159
Unrestricted net assets	270,129,700	254,103,323
Total liabilities and net assets	\$273,227,911	\$258,371,482

See accompanying notes to financial statements.

The financial information in this report has been summarized by the Foundation from its audited financial statements. A copy of the independent auditor's report, complete financial statements and notes are on file at the Foundation's office.

NOTE 1. MISSION-RELATED INVESTMENTS

Mission-related investments advance the mission of the Foundation using the core program strategies articulated in the Program Guidelines. These include both risk-adjusted, market-rate investments that advance the mission and program-related investments (PRIs).

PRIs, defined in IRC §4944(c), have a primary purpose of advancing the mission of the Foundation without a significant purpose of the production of income or the appreciation of property. PRIs are treated as charitable distributions on Internal Revenue Service form 990-PF, the tax and information return filed by private foundations for minimum-distribution requirement purposes. The Foundation's PRI loans bear interest at below-market rates, from 1% to 6%, generally payable on March 31 and September 30 of each year. Four PRIs are limited partnership interests in community development venture funds and one is preferred stock in a community development bank. The Foundation expects to hold all PRIs to maturity.

At December 31, 2004 and 2003, mission-related investments consisted of the following:

	2004		2003	
	Fair or carrying value	Cost	Fair or carrying value	Cost
Invested cash and cash equivalents	\$ 576,040	\$ 576,040	\$ 544,996	\$ 544,996
Insured and uninsured deposits in Community Development Credit Unions and Community Development Banks	4,250,000	4,250,000	4,300,000	4,300,000
Fixed-income securities	19,344,102	19,145,828	18,594,425	18,284,437
Limited partnership interests	4,457,375	4,482,900	3,573,795	3,583,222
Program-related investments	16,977,392	16,977,392	15,484,521	15,484,521
	\$ 45,604,909	\$ 45,432,160	\$ 42,497,737	\$ 42,197,176

At December 31, 2004 and 2003, the Foundation had capital commitments of approximately \$4,150,000 and \$4,820,000, respectively, to mission-related limited partnerships.

STATEMENTS OF ACTIVITIES

Years ended December 31, 2004 and 2003

Net investment income:	2004	2003
Interest and dividends	\$ 7,199,425	\$ 7,180,528
Less investment expenses	(1,146,779)	(980,999)
Less current Federal excise tax	(175,000)	(56,164)
Net investment income	<u>\$ 5,877,646</u>	<u>\$ 6,143,365</u>
Expenses:	2004	2003
Program services:		
Grants (see Note 2)	\$ 8,003,660	\$ 10,037,426
Program expenses	1,753,961	1,706,603
Total program services	9,757,621	11,744,029
Supporting services—administrative expenses	375,819	338,444
Total expenses	10,133,440	12,082,473
Net appreciation in fair value of investments, net of deferred Federal excise tax	20,282,171	35,846,018
Change in net assets	16,026,377	29,906,910
Unrestricted net assets at beginning of year	254,103,323	224,196,413
Unrestricted net assets at end of year	<u>\$270,129,700</u>	<u>\$254,103,323</u>

See accompanying notes to financial statements.

NOTE 2. GRANTS PAYABLE

The following summarizes changes in grants payable as of December 31, 2004 and 2003:

	2004	2003
Balance at beginning of year	\$ 3,970,000	\$ 2,580,000
Additions:		
Grants authorized	8,003,660	10,037,426
Deductions:		
Grants paid	(9,258,660)	(8,647,426)
Balance at end of year	<u>\$ 2,715,000</u>	<u>\$ 3,970,000</u>

Index of Organizations

- A**
- AAFE Community Development Fund, Inc. 8
 - Abyssinian Development Corporation 20
 - Access Living of Metropolitan Chicago 8
 - Adena Ventures, LP 13
 - Affiliated Tribes of Northwest Indians
Economic Development Corp. 12
 - Affordable Housing Resources, Inc. 10
 - Alabama Incentives Financing Authority 14
 - Albina Community Bank 18
 - alt.Consulting 12
 - Alternatives Federal Credit Union 18
 - Appalachian By Design, Inc. 12
 - Appalachian Center for Economic Networks, Inc. 12
 - Appalachian Federal Credit Union 18
 - Appalachian Sustainable Development 12
 - Applied Urban Research Institute 20
 - Arkansas Development Finance Authority 14
 - Aspen Institute, Inc., The 20
 - Associated Early Care and Education, Inc. 15
 - Austin Community Development Corporation 12, 13
 - Avenue Community Development Corporation 20
- B**
- Bank of Cherokee County 18
 - Bay Area Equity Fund I, LP 14
 - Bay Area Smart Growth Fund I, LLC 23
 - Bethex Federal Credit Union 18
 - Boston Community Capital 16
 - Boston Community Loan Fund, Inc. 18, 23
 - Bridge Housing Corporation 8
 - Bridge Street Development Corporation 8
 - Burlington Community Land Trust, Inc. 8
- C**
- Cabrillo Economic Development Corporation 8
 - California Reinvestment Committee 16
 - California Rural Home Mortgage Finance Agency 11
 - Calvert Social Investment Foundation, Inc. 18, 20
 - Capital Markets Access Project,
see New School University 17
 - Carver Federal Savings Bank 18
 - Cascadia Revolving Fund 12, 13
 - Center for Community Change 20
 - Center for Social Development,
see Washington University 17
 - Central Bank of Kansas City 18
 - CHARO Community Development Corp. 12
 - Chicago Community Loan Fund 16, 23
 - Chicago Lawyers' Committee
for Civil Rights Under Law, Inc. 20
 - Chicanos Por La Causa, Inc. 20
 - Child Care Resources 15
 - CHWC INC 20
 - Citizen Policy & Education Fund of New Jersey 8, 20
 - Citizens Trust Bank 18
 - City First Bank of DC 18
 - City Limits Community Information Service, Inc. 12
 - City National Bank of New Jersey 19
 - City of Cleveland 14
 - City Vision Ministries 20
 - Cleveland Housing Network, Inc. 8
 - Coastal Enterprises, Inc. 10, 20
 - Community Capital Bank 19
 - Community Choice Federal Credit Union 19
 - Community Development Advocates of Detroit 20
 - Community Development Corporation
of Brownsville, Inc. 8
 - Community Development Corporation
of Long Island 20
 - Community Development Partnerships' Network 20
 - Community Development
Venture Capital Alliance, The 16
 - Community Loan Fund of New Jersey 15, 16
 - Community Reinvestment Association
of North Carolina, The 16
 - Community Reinvestment Fund, Inc. 16, 18
 - Community Reinvestment Revenue Notes 19
 - Connecticut Housing Finance Authority 11
 - Connecticut Housing Investment Fund, Inc. 10
 - Corporation for Enterprise Development (CFED) 12
 - Council on Foundations, Inc. 19
 - Credit Where Credit Is Due, Inc. 16
 - Cypress Hills Local Development Corporation, Inc. 20
- D**
- D2D Fund, Inc. 16
 - Dakotaland Federal Credit Union 19
 - Demos: A Network for Ideas and Action, Ltd. 16
 - Detroit Catholic Pastoral Alliance 21
 - Development Training Institute, The 21
 - Douglass National Bank 19
 - Down East Partnership for Children 15
- E**
- Earned Asset Resource Network, Inc. 16
 - East Bay Asian Local Development Corporation 13, 21
 - East Side Neighborhood
Development Company, Inc. 21
 - Easter Seals Southern California, Inc. 8
 - Easter Seals, Inc. 15
 - Economics Institute, see Loyola University 12
 - El Centro, Inc. 21
 - Elk Horn Bank & Trust 19
 - Enterprise Corporation of the Delta 12
 - Enterprise Foundation 8
- F**
- Faith Center for Community
Development, Inc., The 21
 - Family Conservancy, The 15
 - Fannie Mae 11
 - Federation of Appalachian
Housing Enterprises, Inc. 8, 10
 - Fifth Ward Community
Redevelopment Corporation 21
 - First American International Bank 19
 - First Bank of the Delta, N.A. 19
 - First Delta Federal Credit Union 18
 - First Nations Development Institute 16
 - First Nations Oweesta Corporation 16
 - Foundation Center, The 19
 - Freddie Mac 11
 - Friendship Community Federal Credit Union 19
- G**
- Generations Community Credit Union 19
 - Genesee Co-Op Federal Credit Union 19
 - Genesis Housing Development Corporation 8
 - Genesis Workforce Housing Fund 11
 - Greater Minnesota Housing Fund 8
 - Greenpoint Manufacturing and Design Center
Local Development Corp. 12, 13
 - Greyston Foundation, Inc. 13
 - Guadalupe Center, Inc. 21
- H**
- Habitat for Humanity International, Inc. 11
 - Harbor Bank of Maryland, The 19
 - HomeSight 8
 - Homewise, Inc. 8
 - Hope Community Credit Union 19
 - Housing and Community Development
Network of New Jersey 21
 - Housing Assistance Council 8, 10
- I**
- ICV Partners, L.P. 14
 - Illinois Facilities Fund 23
 - Independent Sector 19
 - Inner City Christian Federation 9
 - Innovest Strategic Value Advisors 16
 - Interfaith Education Fund, Inc. 21
 - Interfaith Housing Alliance, Inc. 9
 - Isles Inc. 21
- J**
- Jacobs Center for
Nonprofit Innovation 13
- K**
- Kansas City Neighborhood Alliance 21
 - Kent State University Foundation, Inc./
Ohio Employee Ownership Center 12
 - Kirkwood Community College
(Merged Area X), State of Iowa 14
 - Knox Housing Partnership, Inc. 9
- L**
- La Casa de Don Pedro 21
 - Lakota Fund 16
 - Latin United Community Housing Association 9
 - Latino Community Credit Union 19

Lawndale Christian Development Corporation 21
 Legacy Bank 19
 Lenders for Community Development 16
 Liberty Bank and Trust Company 19
 Local Initiatives Support Corporation 9, 21
 Low Income Investment Fund 15, 17
 Loyola University 12

M

Manna, Inc. 9, 10
 Maryland Center for Community Development 22
 Massachusetts Association of
 Community Development Corporations 22
 McAllen Affordable Homes, Inc. 9
 Mechanics and Farmers Bank 19
 Mercy Housing California 9
 Mercy Housing, Inc. 10
 Metro IAF, Inc. 22
 Mid South Delta LISC,
 see Local Initiatives Support Corporation 9, 21
 Midtown Community Development Corporation 22
 Mission Community Bank 19
 Mission Economic Development Association 22
 Montana Community Development Corporation 12
 Mountain Association for
 Community Economic Development 22

N

National American Indian Housing Council 9
 National Association for the Education
 of Young Children 15
 National Center for Employee Ownership 12
 National Committee for
 Responsive Philanthropy 22
 National Community Capital Association 17, 18
 National Community Reinvestment
 Coalition, Inc. 17
 National Federation of Community
 Development Credit Unions, Inc. 17, 18
 National Housing Institute 22
 National Rural Funders' Collaborative,
 see Calvert Social Investment Foundation, Inc. 20
 Native American Bancorporation 18
 Native American Bank, NA 19
 Native American
 Community Development Corporation 9
 Navajo Partnership for Housing, Inc. 9
 NCALL Research Fund, Inc. 9
 Neighborhood Development Center, Inc. 12
 Neighborhood Funders Group, Inc. 22
 Neighborhood Housing Services of Chicago, Inc. 9
 Neighborhood Housing Services
 of New Orleans, Inc. 9
 Neighborhood Housing Services
 of New York City, Inc. 9
 Neighborhood Housing Services, Inc.
 of Great Falls 9
 Neighborhood National Bank 19
 Neighborhood Reinvestment Corporation 22
 New Community Corporation 14
 New Hampshire Community Loan Fund, Inc. 17, 23
 New Mexico Community
 Development Loan Fund 13, 14

New Orleans Neighborhood
 Development Collaborative, Inc. 9
 New Orleans Neighborhood
 Development Foundation 10
 New School University 17
 New York City Financial Network
 Action Consortium, Inc. 17
 New York Regional Association of Grantmakers 19
 Nonprofit Coordinating Committee
 of New York, Inc. 19
 North Carolina Community
 Development Initiative, Inc. 22
 North Carolina Minority Support Center 17, 18
 North Carolina Partnership for Children, Inc. 15
 North Star Community Credit Union 19
 NorthStar Community Development Corporation 22
 Northwest Detroit
 Neighborhood Development, Inc. 22
 Nova Southeastern University, Inc./
 Family Center of Tampa Bay 15

O

Oakland Livingston Human Service Agency 22
 Ohio Employee Ownership Center,
 see Kent State University Foundation 12
 Opportunities Credit Union 18, 19
 Oregon Native American Business
 and Entrepreneurial Network, The 13

P

Paraprofessional Healthcare Institute, Inc. 13
 Partnership for Quality Child Care 15
 Penn Venture Partners, LP 14
 Peoples' Self-Help Housing Corporation 10
 Philanthropic Research, Inc. 19
 Pinellas County, Florida
 Housing Finance Authority 11
 Pinole, California Redevelopment Agency 23
 Pratt Area Community Council, Inc. 22
 Proyecto Azteca 10

Q

Quitman County
 Development Organization, Inc. 17
 Quitman/Tri-County Federal Credit Union,
 see First Delta Federal Credit Union 18

R

Redevelopment Authority
 of the City of Philadelphia 23
 Reinvestment Fund, Inc., The 14, 17
 Research Foundation for
 the City University of New York 10
 Resurrection Project, The 22
 Rural Advancement Foundation
 International—USA 13
 Rural Collaborative, Inc. 10
 Rural Community Assistance Corporation 23
 Rural Opportunities, Inc. 23

S

Sacramento Neighborhood Housing Services, Inc. 10
 Sacramento Valley Organizing Community 23
 Saint Joseph's Carpenter Society 10

Santee Lynchs Affordable Housing
 and Community Development Corp. 10
 Self-Help Credit Union 19
 Self-Help Enterprises 10, 11
 Self-Help Ventures Fund 14
 Sheltering Arms, The 15
 Shorebank 19
 ShoreBank Cleveland 19
 Shorebank Enterprise Group Cleveland 13
 Shorebank Enterprise Group Pacific 13, 14
 SJF Ventures II, L.P. 14
 Social Investment Forum Foundation, Inc. 17
 South Carolina Association of
 Community Development Corporations 23
 South Carolina Community Bank 19
 Southern Appalachian Fund, LP, The 14
 Southern Financial Partners 13
 Southern Mutual Help Association, Inc. 23
 Southern New Hampshire University 17
 State of Washington 11
 Sustained Excellence Alliance Corporation 11
 Suwannee Valley Community
 Coordinated Child Care, Inc. 15
 Swope Community Builders, see Midtown
 Community Development Corporation 22
 Syracuse Cooperative Federal Credit Union 19

T

Texas Department of Housing
 and Community Affairs 11
 Texas Public Finance Authority 23

U

United Methodist Relief Center 10
 United Way of New York City 15
 University National Bank 19
 Urban Edge Housing Corporation 23
 UrbanAmerica, L.P. 23
 UrbanAmerica, L.P. II 23
 US Department of Housing
 and Urban Development 23

V

Vermont Development Credit Union,
 see Opportunities Credit Union 18, 19
 Virginia Housing Development Authority 11

W

Washington Interfaith Network 23
 Washington University 17, 23
 WECO Fund, Inc. 17
 Women's Action to Gain Economic Security 13
 Woodstock Institute 17
 World Institute on Disability 18

Y

Yucaipa Corporate Initiatives Fund I, LP 14

Board of Directors/Officers and Staff

Board of Directors/Officers

William M. Dietel
Chairman and Director

John Otterlei
Director

Buzz Schmidt
*Director*¹

Tom Tinsley
Director

Sharon B. King
*President and Director*²

Mary Jo Mullan
Secretary and Treasurer

Staff

Charles H. Allison, Jr.
*Senior Investment Officer*³

Karen Asakawa
Investment Assistant

Shelley Curnow
Senior Grants and IT Administrator

Barbara Gomez
*Executive Assistant*⁴

Sharon B. King
President

Patricia J. Kozu
Vice President, Finance and Administration

Jim Metzinger
Senior Program Officer

Mary Jo Mullan
Vice President, Programs

Christopher Perez
Program Officer

Dorothy Pflager
Executive Assistant

Luther M. Ragin, Jr.
Vice President, Investments

Angeline Rodriguez
*Office Administrator*⁵

John Seidl
Administrative Assistant

Stacy L. Spann
*Investment Officer*⁶

Kathleen Starr
*Investment Officer*⁷

John Weiler
Senior Program Officer

¹ Director from November 8, 2004

² Director from September 29, 2004

³ Through April 29, 2005

⁴ Through July 2, 2004

⁵ From January 3, 2005

⁶ Through February 27, 2004

⁷ From August 1, 2005

Photography

Front cover (top to bottom):

Photo by Mary Jo Mullan.

Photo by Kate Starr.

Courtesy of Easter Seals, Avery Photography.

Courtesy of Self-Help Enterprises.

Courtesy of MACED, Photo by Marty Newell.

Courtesy of Kansas City Neighborhood Alliance.

Page 8: Photo by Kate Starr.

Page 9: Courtesy of Cleveland Housing Network,
Janet Century Photography.

Page 10: Courtesy of Steve Huyser-Honig,
Huyser-Honig Creative Services.

Page 11: Courtesy of Self-Help Enterprises.

Page 12: Courtesy of ACEnet.

Page 13: Courtesy of the Economics Institute,
Loyola University.

Page 14: Photo by Kate Starr.

Page 15: Courtesy of Easter Seals, Avery Photography.

Page 16: Courtesy Boston Community Capital,
Marilyn Humphries Photography.

Page 17: Courtesy of Lenders for Community
Development, Alex Schoenfeldt, Photographer.

Page 18: Courtesy of Low Income Investment Fund,
Maggie Hallahan Photography.

Page 20: Photo by Mary Jo Mullan.

Page 21: Courtesy of Kansas City Neighborhood
Alliance.

Page 22: Courtesy of MACED, Photo by
Marty Newell.

Design

Kaeser and Wilson Design Ltd.

The F.B. Heron Foundation

100 Broadway, 17th Floor
New York, NY 10005

Telephone: (212) 404-1800

Fax: (212) 404-1805

www.heronfdn.org

