

HEARTH Annual Report 2013



Advocates



Donors



Interns



Peer supporters



Volunteers



Leaders

Researchers



Hearth is a non-profit organization dedicated to the elimination of homelessness among the elderly. This mission is accomplished through a unique blend of prevention, placement, and housing programs all designed to help elders find and succeed in homes of their own. To this end, all housing operated by Hearth provides a creative array of supportive services that assist residents to age with dignity, regardless of their special medical, mental health, or social needs. Hearth believes these goals are best accomplished through respect for elders and staff, with the desire to see both achieve their highest degree of potential.

our's is a community of advocates donors leaders
peer supporters researchers volunteers **potential**

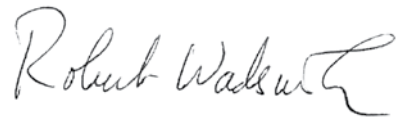
dear friends

Each year we enjoy reflecting on the year past and looking forward to the year to come. Recent years have offered a chance to celebrate real progress in the face of deep challenges in our quest to end elder homelessness, and this year, too, we have made some amazing progress on each of our strategic goals. We have taken the lessons learned in getting Hearth at Olmsted Green up and running and made some very promising refinements in how we will deliver our services there, and the real estate committee is in the midst of strategizing on how we move forward to the next project. The Outreach Program has continued to amaze with improved performance, particularly on the prevention front, even as it welcomes a new Director of Outreach. The National Leadership Initiative held its second successful National Convening in Los Angeles and attracted a major new partner in LeadingAge, an association of 6,000 not-for-profit organizations dedicated to making America a better place to grow old. In October LeadingAge recognized Hearth with the 2013 Excellence in Not-for-Profit Leadership Award.

We write this letter as the threat of continued political paralysis creates apprehension and confusion about the future of public support for our cause. We will continue to advocate for solutions to ending elder homelessness that make fiscal sense, but recognize that Hearth's ongoing success depends on having strong and diverse sources of support. That's why your support is so critical to Hearth. We cannot continue our work without our many partners including staff, Board, donors, volunteers, advocates, city, state and federal agencies, as well as other nonprofits with whom we work so closely, who make success possible. The following pages contain highlights of some of our many endeavors, all with an eye and a commitment to ending elder homelessness.

Thank you for caring.

Sincerely,
Bob and Mark



Robert Wadsworth
Hearth Board Chair



Mark Hinderlie
Hearth President & CEO



The success of Hearth's housing depends upon the dedication of staff and volunteers, and a commitment to providing services that create community and help address the needs of residents in a holistic way.

With the addition of Hearth at Olmsted Green last year, Hearth now owns or operates 196 units of service enriched housing. However, the need remains great. In a study titled, "The Age Structure of Contemporary Homelessness: Evidence and Implications for Public Policy" released in early 2013, Dennis P. Culhane from the University of Pennsylvania noted that the housing needs of the older adult homeless population merit close consideration, and that homeless assistance systems will need to be prepared to address the housing needs of an aging homeless population, including the targeted provision of permanent supportive housing.

Going Forward

With the goal of addressing this growing need, Hearth's Real Estate Committee has developed objectives to work on over the next several years. Thanks in part to a grant from Bank of America, Hearth is continuing to work with consultant Peter Roche, President of Development Synergies LLC, and has begun to investigate a range of prospective development opportunities for expanding its housing portfolio, either through: 1) strategic acquisition; 2) joint venture with existing owners of affordable housing; or 3) "ground up" development. Although obtaining scarce subsidy resources remains challenging, housing Boston's homeless is a compelling priority for public funders.

Service in Housing

Hearth's services provide a resident-centered approach with the goal of keeping residents safely housed and promoting their independence. Hearth's team of personal care homemakers, resident service coordinators, site directors, social workers, and nurses work together to help residents enroll in and negotiate complex systems of support, to connect residents with appropriate care providers rather than relying on emergency rooms, and even to assist elders with daily activities such as housekeeping and grocery shopping. And, by partnering with university programs, Hearth also benefits from the addition of graduate social work student interns, nursing and physical therapy students, and fellows in geriatric medicine, dentistry, and psychiatry. These partnerships enable us to offer even more services to residents including workshops on ways to stay healthy, exercise programs geared towards the elderly, and various support groups.

An Ode to Hearth

*Hearth surely is an agency to
promote sweet happiness supreme
The joy of independence for all clients
such a beautiful dream
For love does abound and affection is
just ever on display
A most caring, endearing environment
expressed in this way*

-Martin Shapero, Resident of Hearth
at Burroughs Street

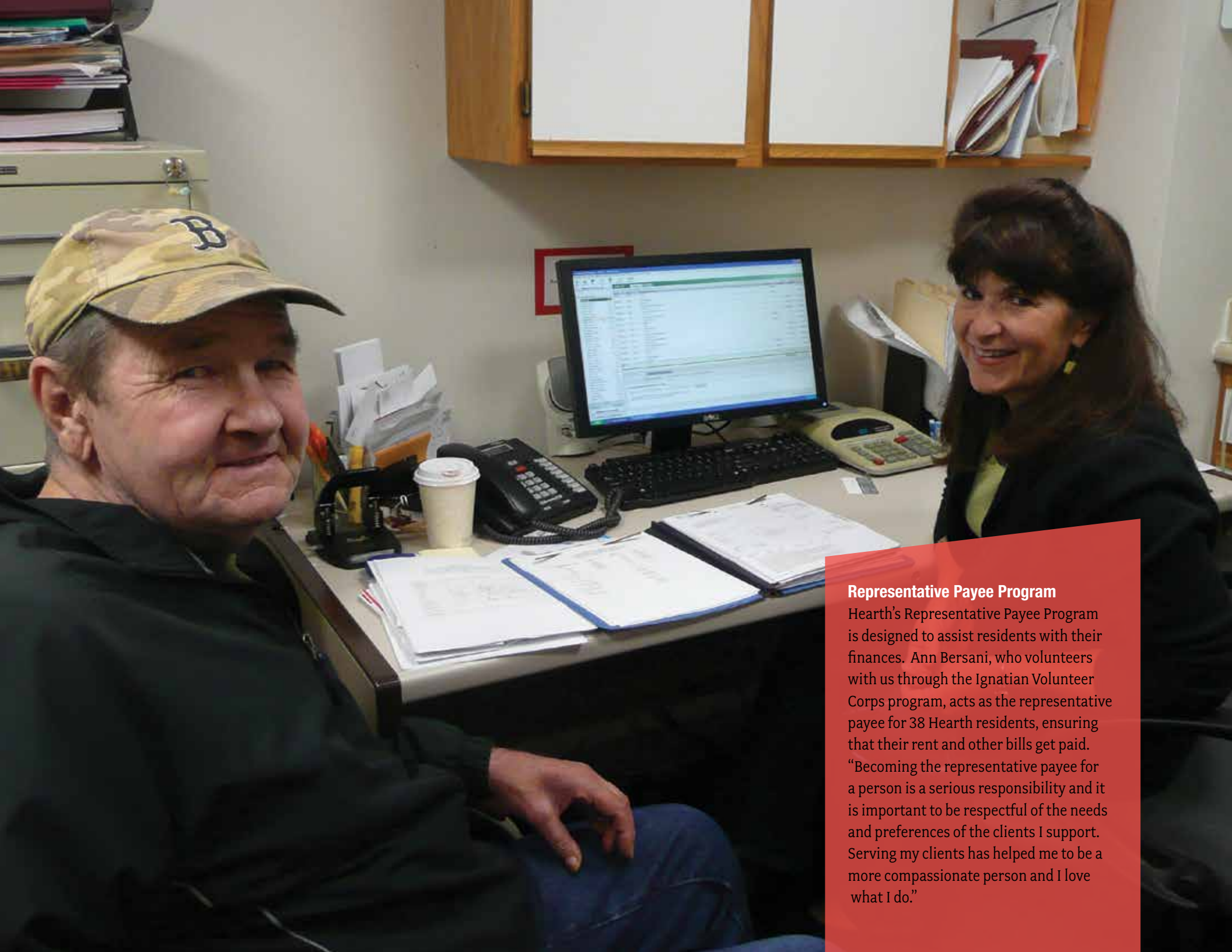


Community Advisory Council

The goal of the Community Advisory Council is to provide a forum for clients to voice their opinions and help shape Hearth's policies, and one member of the CAC sits on Hearth's Board of Directors. The advisory group, comprised of residents from each Hearth housing site along with Outreach clients, meets monthly to discuss issues of importance to them. Senior Outreach Case Manager Eileen Marra, along with Hearth Board Member Diana Kelly, co-facilitate the meetings.

"I joined the Community Advisory Committee because I wanted to work with staff and residents in building the sense of community in all of Hearth's properties. At every meeting I learn more about the properties and the residents and the CAC is a wonderful way of working to match the resources of the organization with the needs of residents."

Diana Kelly, Hearth Board Member
and CAC Co-Facilitator



Representative Payee Program

Hearth's Representative Payee Program is designed to assist residents with their finances. Ann Bersani, who volunteers with us through the Ignatian Volunteer Corps program, acts as the representative payee for 38 Hearth residents, ensuring that their rent and other bills get paid.

"Becoming the representative payee for a person is a serious responsibility and it is important to be respectful of the needs and preferences of the clients I support. Serving my clients has helped me to be a more compassionate person and I love what I do."

Hearth's Outreach Program is recognized in the community as the expert for older adults who need to access help when they are in housing crisis. The Team is well trained in outreach/engagement techniques, motivational interviewing, aging issues, cultural diversity, and behavioral health interventions. Outreach has a 95% retention rate after 1 year from the placement. Of the homeless clients served 41% were chronically homeless.

Outreach Placements

Over the past several years, the number of Outreach placements has continued to rise. In 2012, the outreach team was responsible for a record high 120 housing placements, with 25% of these placements at Hearth at Olmsted Green. However, as of the printing of this report in October 2013, the team was on track to place over 150 individuals in 2013 into permanent housing without the Olmsted units.

Multiple factors contribute to this success, including:

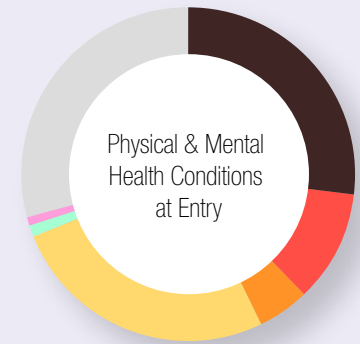
- Improved relationships with landlords, many of whom now reach out to Hearth Case Managers to help fill vacancies.
- Monthly meetings with the Boston Housing Authority, resulting in a streamlined screening process and quicker placements into housing.
- Two Spanish speaking case managers. 13% of Hearth's caseload is Spanish speaking and this number continues to grow.
- Scheduling regular walk-in hours at New England Center for Homeless Vets, Woods Mullen Shelter, Pine Street Men's Inn, Pine Street Women's Inn, Rosie's Place, and Cardinal Medeiros Center.

At-Risk Program

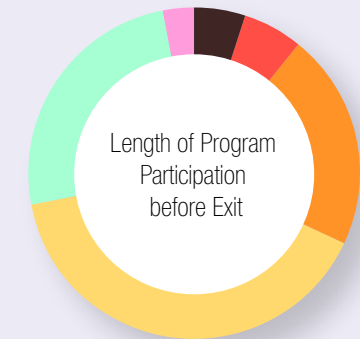
For Hearth's homelessness prevention program, called the At-Risk Program, placements grew from 13 in 2012 to 39 in just the first three quarters of 2013.

This increase is a result of:

- Funding from the City of Boston's Emergency Solutions Grant program, enabling the At Risk Case Manager to offer short term financial assistance for back rent and relocation rental costs to either prevent eviction in sustainable situations or to relocate a client to a sustainable situation.
- Increased awareness and accessibility of the program. In addition to referrals from community providers and older adults that self-refer in crisis, the At-Risk Program now has Walk in Hours at Hearth's Anna Bissonnette House every Monday and Wednesday.
- Hearth has been awarded a three-year grant to fund the prevention case manager position, in recognition of how important prevention is as a strategy for ending elder homelessness.



■ Mental Illness	27%
■ Alcohol Abuse	11%
■ Substance Abuse	5%
■ Chronic Health Condition	27%
■ HIV/AIDS Related Diseases	1%
■ Development Disability	1%
■ Physical Disability	28%



■ Less than 30 days:	5%
■ 31-60 days:	6%
■ 61-180 days:	21%
■ 181-365 days:	40%
■ 366-730 days (1-2 years):	25%
■ 731-1095 days (2-3 years):	3%



The Hearth Outreach Team

Back Row (left to right): Intern Ann Brooks, Carlton Johnson, At-Risk Case Manager Talia Pique, and Program Director LaTanya Archie; **Middle Row:** Senior Case Manager Eileen Marra and Brittany Golden; **Front Row:** Alex Hirshberg and Jean "JP" Delgado Galdamez.

Hearth continues to spread the word about issues and solutions locally and nationally. In Massachusetts, Mark Hinderlie helped lead an initiative with the Commonwealth's Interagency Council on Housing and Homelessness that has resulted in a memorandum of understanding to create a state plan to end elder homelessness. Massachusetts will be the first state in the nation to enact such a plan, and this project is anticipated to be completed by February of 2014.

Los Angeles Convening

Hearth, The Corporation for Supportive Housing, Leading Age and Shelter Partnership hosted the second convening on elder homelessness in June of 2013. The event furthered the dialogue on the growing need for supportive housing for elderly individuals who are homeless or at-risk of homelessness, as well as the aging in place of current supportive housing tenants.

Dr. Tom Byrne, Research Associate Professor, University of Pennsylvania, and new member of Hearth's Board of Visitors, shared his research showing that older homeless adults are growing as a percentage of the homeless population; roughly 28% of all homeless single adults were 51+ in 2011, up from 23% in 2007. Additionally, one in every fifty adults over age 51 in poverty experiences homelessness over the course of a year. Dr. Rebecca Brown, Fellow in Geriatric Medicine, UC, San Francisco/SF Veterans Affairs Medical Center and Hearth Board Member, discussed older homeless adults with geriatric conditions. Her research concludes that older homeless adults have high rates of geriatric conditions, chronic illnesses, mental illnesses, and substance use problems, and that these geriatric conditions require integrated approaches to care, difficult to deliver in shelter/street, but possible in permanent, enriched housing.

Hearth Research Committee

One objective in Hearth's strategic plan is to explicate the defining characteristics of the homeless elderly. Hearth has assembled a joint board and staff research committee to oversee the effort, which begins with developing an agenda defining research needs and identifying potential research partners. In addition to Hearth staff members, the committee includes members of Hearth's Board and Board of Visitors Jennifer Bottomley, PhD MS PT; Alan Abrams MD; Karyn Scheier; Rebecca Brown MD; and Tom Byrnes MD; as well as Lori Thomas, PhD, MSW, MDiv from the University of North Carolina at Charlotte. The committee has identified four questions addressing key gaps in what is known about elder homelessness and current approaches to addressing the issue.

- 1 How are aging networks engaged in elder homelessness?
- 2 What are the pathways out of homelessness among homeless elders?
- 3 What are the differences in outcomes between people who are homeless, in supportive housing, and long-term care?
- 4 Who is not having conversations about aging that need to be doing so?



1 Alisha Sanders, Managing Director, LeadingAge Center for Housing Plus, and Rose Aguilar, Radio Host of Your Call on NPR affiliate station KALW, discussing raising awareness about the issue of elder homelessness..

2 Dr. Tom Byrne, Research Associate Professor, University of Pennsylvania, and Dr. Rebecca Brown, Fellow in Geriatric Medicine, UC, San Francisco/SF Veterans Affairs Medical Center discussing research on the older adult homeless population.



Participants at the LA convening in the session called: “Developing Elderly Supportive Housing – creating the partnerships, finding the financing, designing the project and population mix.” Panelists from left to right include; Mercedes Marquez, General Manager, Los Angeles Housing Department and City of Los Angeles Deputy Mayor; Matthew Doherty, Regional Coordinator Team Leader, United States Interagency Council on Homelessness who moderated the panel; Ed Holder, Vice President, Real Estate Development, Mercy Housing California; Anne Friedrich, President, Menorah Housing Foundation; Leslie Moldow, Principal and Architect, Perkins Eastman; and Eve Stewart, Director of Housing Development, Satellite Affordable Housing Associates.



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ReServe

New to Boston, ReServe is an innovative nonprofit that matches continuing professionals age 55+ (ReServists) with organizations that need their expertise. Hearth learned about ReServe at a presentation at The Boston Foundation in early 2013. It made perfect sense to connect with this organization that utilizes the experience and expertise of older adults with professional experience. Since then, Hearth has engaged two excellent ReServists. Greg Betley (pictured above), who previously worked as Senior Product Manager at BMC Software, has been evaluating Hearth's information systems and is working to identify software that could be used throughout the organization to facilitate reporting and billing. Jim Adler is a human resources professional with extensive experience including working in the field at organizations such as the New York Times, and has been reviewing Hearth's HR policies and looking at Hearth's internal review and hiring processes. With ReServists, Hearth benefits from senior level experts who work with us on explicit challenges we are facing. Thanks to Greg and Jim, Hearth has made a lot of progress in a very short time.

Diversity and Inclusion Committee

Hearth seeks to promote a diverse and welcoming community throughout the organization, including our workforce, our residences, our Board of Directors and Board of Visitors, as well as in our interactions with the greater community. To achieve this we have created a Diversity and Inclusion Committee. It began under the leadership of Board of Visitors member Joyce King, and we are fortunate to have our Board Member Michealle Larkins (pictured below) serving as the current Chair. Under Michealle's leadership, the committee has set out to review all aspects of our organization, including personnel and other operating policies, to ensure we build such a community. We have written and reviewed a draft of a comprehensive Diversity & Inclusion Policy and hope to finalize that by the end of this year, and we are already seeing results. In the past several years we have increased the diversity of our Board and our professional and senior staff, and our goal is to continue to make Hearth a more diverse and inclusive community.



2013 Community Classic Golf Tournament

Hearth was thrilled to be chosen by Blue Cross Blue Shield of Massachusetts as the charity partner of their 2013 Community Classic golf tournament, held at The International in Bolton, Massachusetts on September 26, 2013. Event sponsors raised \$68,800 to support Hearth's work and mission to end elder homelessness. Pictured left to right: Larry Croes, Vice President of Sales; Barbara Tierney, Director of Account Management, Commercial Markets; Mark Hinderlie, President & CEO of Hearth; Claire Comstock, Director, Retail Sales and Retention; and Tim O'Brien, Senior Vice President, Sales & Marketing.

Fresh Truck

One of the challenges at Hearth at Olmsted Green is the distance to the local supermarket. To increase residents' access to healthy food and meals, lunch is offered each week day, and the Fresh Truck visits the parking lot at Olmsted Green each week. The Fresh Truck, a school bus-turned mobile market stocked with fresh produce at affordable prices, was started by two Northeastern graduates in April of 2013. Hearth staff and residents look forward to the truck's arrival each week and were featured in a September 2013 Boston Globe article about the Fresh Truck. One resident, Joan, was quoted, saying: "For me, it was an answer to a prayer."





Winter Walk

On December 2, 2012 Hearth teamed up with HomeStart, and held the 2012 WinterWalk on Boston Common. HomeStart is a fellow nonprofit that provides housing search, stabilization, and prevention programs to individuals and families in Greater Boston. Over 200 people participated in the event, including students from Boston University, Boston College, Northeastern University, Temple Beth Avodah, First Parish in Weston, St. Julia in Weston, St. Peter's Episcopal in Weston, Temple Israel, and even two of Hearth's interns. We'd like to thank the City of Boston's Department of Parks & Recreation for all of their assistance, and DavidsTea for providing tastings of some of their delicious teas! In 2013 the Winter Walk will take place on Sunday, December 8th.

❶ At the Hearth Volunteer Appreciation Reception, Volunteer Coordinator Jenny Hartwell presented Linda Hurley and Sandra MacQuinn from Noble and Greenough School with the Outstanding Community Partnership Award. In 2012 students and faculty from the school raised funds to furnish an apartment at Hearth at Olmsted Green, but that was only the beginning. Several projects later, we continue to find new ways to partner with Nobles.

❷&❸ Nobles Summer Service Camp partnered with Hearth to make and install package shelves for the apartments at the Anna Bissonnette House. To take advantage of the nice weather, students sanded and stained the shelves in the backyard of Hearth at Burroughs Street.

❹ Employees from the Tufts Health Plan Foundation, including Anne Marie Boursiquot King, Director of Grants and Operations, brightened up the dining room at the Anna Bissonnette House with a fresh coat of paint. Later that summer, students from the Nobles Service Camp took black and white photos of the neighborhood to decorate the room.

❺ Eaton Vance generously purchased a grill for Hearth at Olmsted Green, and their interns volunteered to be the first to use it. In addition to serving up burgers and hotdogs to the residents, interns also organized the storage room and put together two hundred Hearth info packets.

❻ At the Volunteer Appreciation Reception & Resident/Client Art Show, Harvey Rudman shared his musical talents, performing his original song "Now That You're Here."

❼ Phoenix Marks and Martha Bebinger have been volunteering at the Elsie Frank House since 2008. They put a lot of effort into planning the projects and donate most of the materials. The residents look forward to their bi-monthly visits and are always very proud of their creations.



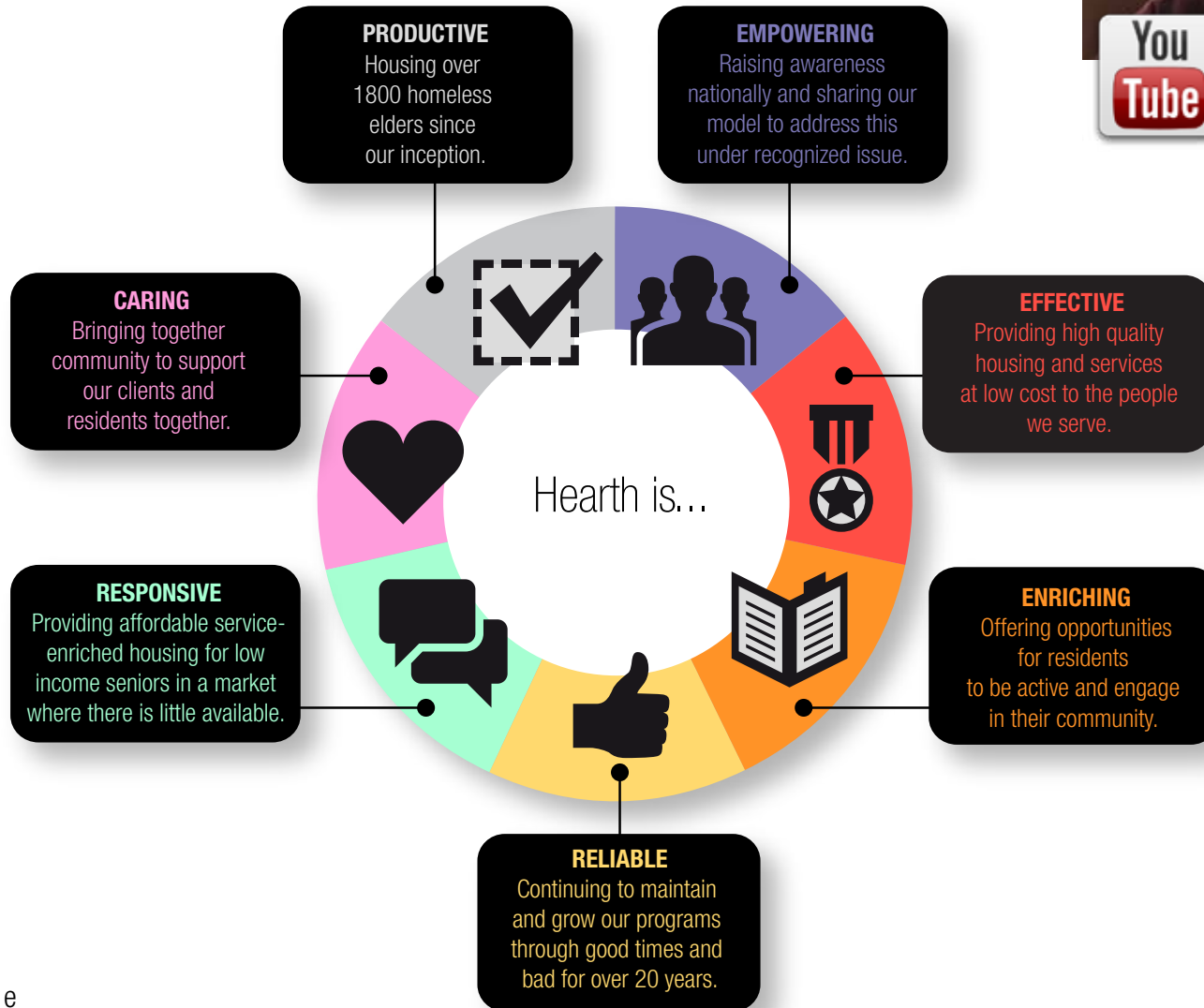
Hearth LeadingAge Award



The *Excellence in Not-for Profit Leadership Award* was presented to *Hearth*, in recognition of our exemplary leadership and dedication to excellence and innovation in care and services for the aging, at their Annual Meeting in October 2013. LeadingAge includes 6,000 not-for-profit organizations in the United States, 39 state partners, hundreds of businesses and other partners, and a broad global network of aging services organizations that reach over 30 countries.



To view the short video that was shown at the LeadingAge award presentation, visit: <http://youtu.be/axlKAu0eyEs>



About the Award

Each year the excellence in *Not-for-Profit Leadership Award* recognizes an organization that is a model of excellence in not-for-profit leadership and exemplifies to the highest degree the seven key attributes that, according to Johns Hopkins University research, characterize high-performing nonprofits and distinguish the sector from any other.

The seven attributes are: Productive, Empowering, Effective, Enriching, Reliable, Responsive and Caring.

January - December 2012

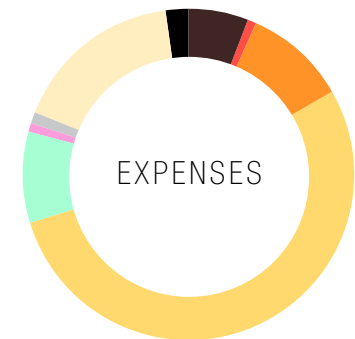
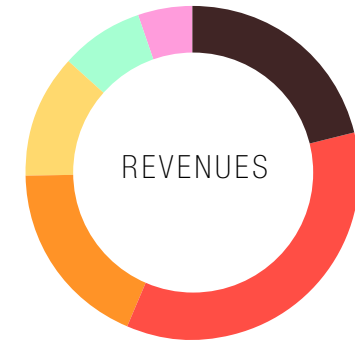
Hearth Financials

	Total in Dollars	% of Total
Revenues		
Government Grants and other contracts	974,084	21%
Rental Fees and Program Revenues	1,639,751	35%
Donations & Funds Released from Donor Restriction	851,958	18%
Net Assets Released - Capital Restrictions	572,468	12%
Developer Fee Revenue	374,656	8%
Other	219,142	5%
Total Revenues	4,632,059	100%
Expenses - Operations		
Institutional Advancement:		
Fundraising	257,030	6%
PR and Volunteer Management	45,358	1%
General Administrative	444,271	10%
Housing/Supportive Services	2,479,995	54%
Outreach	396,140	9%
National Leadership	37,595	1%
Property Management	59,036	1%
Reserve Development Grants and Investment in Affiliates	763,213	17%
Change in Provision - Affiliate Advances	68,378	2%
Total Expenses - Operations (before depreciation/amortization)	4,551,016	100%
Net Surplus/(Deficit) before depreciation - Operations		
	81,043	
Depreciation/amortization	(148,260)	
Surplus/(Deficit) - Operations	(67,217)	
Ruggles Assisted Living Limited Partnership Net Income/(Loss)	(245,557)	
East Concord Street Limited Partnership Net Income/(Loss)	(203,478)	
Hearth Olmsted Limited Partnership Net Income/(Loss)	(356,083)	
Combined Net Surplus/(Deficit) Net Income/(Loss)	(872,335)	

	Total in Dollars
Assets	
Current Assets:	
Cash and Equivalent	746,258
Receivables	342,640
Funds Held in Trust	63,127
Prepaid Expenses and Deposits	60,940
Developer and Overhead Fees Receivable	800,000
Total Current Assets	2,012,965
Property and Equipment	1,701,423
Other Assets	1,546,366
Total Assets	5,260,754
Liabilities and Net Assets	
Current Liabilities	
	537,195
Long-term debt, deferred interest and payables	187,524
Net Assets	4,536,035
Total Liabilities and Net Assets	5,260,754

Combined Statement of Activities and Operations

Hearth, Inc. owns or partly owns and fully operates three for-profits: the Ruggles Assisted Living Limited Partnership facility, the East Concord Street Limited Partnership supportive housing facility and the Hearth Olmsted Limited Partnership supportive housing facility. These limited partnerships are designed to create managed operating losses which the original investors use to offset operating profits in their general operations under the Federal Low Income Housing Tax Credit program (LIHTC). The combined activity fully represents the financial condition of Hearth, Inc. and related parties.



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