

Item 5 File 11-0773	Department(s): Mayor's Office of Housing (MOH), Office of Economic and Workforce Development (OEWD)
EXECUTIVE SUMMARY	
Legislative Objective	
<ul style="list-style-type: none"> Resolution authorizing the Mayor's Office of Housing (MOH) to expend \$325,000 from the South of Market (SOMA) Community Stabilization Fund for tenant, case management, and job placement services to assist low-income residents and workers in the South of Market neighborhood. 	
Key Points	
<ul style="list-style-type: none"> Section 418 of the City's Planning Code (a) established a Rincon Hill Downtown Residential District, (b) created a Rincon Hill Community Improvement Fund, (c) imposed a South of Market Community Stabilization Fee of \$ 10.95 per square foot charged to developers for new residential development constructed within the Rincon Hill Downtown Residential District¹, (d) created the SOMA Community Stabilization Fund, and (e) established the Community Stabilization Fund Community Advisory Committee. Section 418.7 provides that the SOMA Community Stabilization Fund is administered and expended by MOH, with all expenditures approved by the Board of Supervisors. The Community Stabilization Fund Community Advisory Committee and the Mayor's Office of Housing reviewed and is recommending approval of (a) \$250,000 to the Veteran's Equity Center, a non-profit agency, for tenant and case management services, based on a competitive Request for Proposal (RFP) process, and (b) \$75,000 to be transferred to the Office of Economic and Workforce Development (OEWD) to increase funding for an existing contract with Asian Neighborhood Design to provide case management services that will complement the CityBuild program without conducting a separate competitive RFP process. 	
Fiscal Impact	
<ul style="list-style-type: none"> The SOMA Community Stabilization Fund currently has a net balance of \$5,124,405. If the proposed resolution is approved authorizing \$325,000 of expenditures from the SOMA Community Stabilization Fund, the SOMA Community Stabilization Fund balance would be reduced to \$4,799,405 (\$5,124,405 less \$325,000). 	
Recommendations	
<ul style="list-style-type: none"> Approve the portion of the resolution to provide \$250,000 for the Veteran's Equity Center Since allocation of \$75,000 to the Asian Neighborhood Design is being made without utilizing a separate competitive RFP process, approval of the \$75,000 portion of the proposed resolution is a policy decision for the Board of Supervisors. 	

¹ On October 26, 2010, the Board of Supervisors approved Ordinance 270-10, which amended the original \$14 per square foot fee level to \$10.95, reflecting gross square feet instead of net square feet.

BACKGROUND/MANDATE STATEMENT**Mandate Statement**

In accordance with Planning Code Section 418.7, all monies in the South of Market Area (SOMA) Community Stabilization Fund are to be expended in order to address the effects of destabilization on residents and businesses in SOMA, subject to conditions specified in the Planning Code. In accordance with Section 418.7(c) of the Planning Code, the SOMA Community Stabilization Fund expenditures are administered by the Mayor's Office of Housing (MOH), subject to approval by resolution of the Board of Supervisors. In approving expenditures from the Fund, (a) MOH and the Board of Supervisors shall accept any comments from the Community Advisory Committee, the public, and any relevant City departments or offices, and (b) the Board of Supervisors shall determine the relative impact from the development in the Rincon Hill Plan Area and shall insure that the expenditures are consistent with mitigating the impacts from the development.

Background

On August 19, 2005, the Board of Supervisors approved a new Section 318 in the City's Planning Code, which among other provisions, (a) established the Rincon Hill Downtown Residential District², (b) created a Rincon Hill Community Improvement Fund, (c) imposed on developers a South of Market Area (SOMA) Community Stabilization Fee of \$14 per square foot (subsequently amended to \$10.95 per square foot – see Footnote 1 above) on new residential development within the Rincon Hill Downtown Residential District, (d) created the SOMA Community Stabilization Fund, and (e) established a SOMA Community Stabilization Fund Community Advisory Committee (CAC) to advise the Mayor's Office and the Board of Supervisors on the uses of the SOMA Community Stabilization Fund (Ordinance 217-05).

In accordance with Section 418.7 of the Planning Code, monies in the SOMA Community Stabilization Fund are to be used to address the effects of destabilization on residents and businesses in SOMA, with the relevant sections including: (a) affordable housing and community asset building, (b) development of new affordable homes for residential rental units for low-income households, (c) employment development and capacity building for SOMA residents, (d) job growth and job placement, and (e) community cohesion

On May 6, 2008, the Board of Supervisors approved a resolution (Resolution 0216-08) (a) approving the SOMA Community Stabilization Fund Strategic Plan, (b) authorizing MOH to administer the SOMA Community Stabilization Fund in accordance with this Strategic Plan, and (c) authorizing MOH to work with the SOMA Stabilization Fund Community Advisory Committee to issue competitive Requests for Proposals (RFPs) to address the effects of destabilization on residents and businesses in SOMA, consistent with the Community Stabilization Fund Strategic Plan among other provisions.

² The Rincon Hill Downtown Residential District is considered to be the area bounded by Folsom Street, The Embarcadero, Bryant Street, and Essex Street.

The Community Stabilization Fund Strategic Plan articulated four goals:

- 1) Strengthen community cohesion;
- 2) Support economic and workforce development for low-income residents and businesses that serve the SOMA community;
- 3) Increase access to perpetually affordable housing opportunities for existing SOMA residents; and
- 4) Improve the infrastructure and physical environment.

The proposed resolution focuses on a housing development at 333 Harrison Street, which is located within the Rincon Hill Downtown Residential District. The Emerald Fund, a San Francisco housing developer, has begun construction of a seven-story, 326 unit apartment complex at 333 Harrison Street, which will include 49 affordable housing units for low income residents (29 studios, 18 one bedroom units, and 2 two bedroom units). The 333 Harrison Street building is estimated to be completed by the first half of 2013.

In May 2011, MOH issued a Request for Proposal (RFP) for “Tenant Counseling and Case Management Services” to be focused on the SOMA area, specifically to assist low-income residents in applying for the new housing development at 333 Harrison Street. Two organizations responded to the RFP by the May 27, 2011 deadline: API Legal Outreach and Veteran’s Equity Center. The SOMA Community Advisory Committee and MOH reviewed the proposals and recommend \$250,000 in funding for the Veteran’s Equity Center over a two-year period (\$125,000 each year) to provide tenant and case management services from approximately August of 2011 through August of 2013. The primary focus would be on preparing low income residents to meet the qualifications necessary to apply for housing at 333 Harrison Street but would also be helpful in preparing applications for other affordable housing options. According to Ms. Claudine del Rosario, of MOH, the SOMA Community Advisory Committee believed that the Veteran’s Equity Center’s proposal more closely matched the needs detailed in the RFP and that API Legal Outreach’s proposal would be duplicating services already provided.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would authorize \$325,000 of expenditures from the SOMA Community Stabilization Fund to assist low-income residents with tenant services, job training, and job placement services. Specifically, the funding would provide for:

1. Award of a \$250,000 contract to the Veteran’s Equity Center, a non-profit, community-based organization, to provide case management and tenant counseling services to residents of the SOMA area over a two-year period, from approximately August of 2011 to August of 2013. The primary focus would be to assist low-income residents in applying for affordable housing at 333 Harrison Street and services would also be provided to assist in securing affordable housing elsewhere. The Veteran’s Equity Center has previously worked with MOH and the SOMA Community Stabilization Fund Community Advisory Committee providing counseling services. This contract would require the Veteran’s Equity Center to take on a larger role including the introduction of

new case management services that would assist participants in securing housing and then follow up to assist them in maintaining that housing. The proposed contract would fund two full-time positions (one Program Coordinator/Case Worker and one Case Worker) and two part-time positions (Executive Director and Program Assistant)³. The Veteran's Equity Center hopes to serve 400 low-income residents living in the SOMA area and increase the number of qualified applicants for affordable housing at 333 Harrison Street as well as prepare clients for other housing opportunities. This would include assistance in preparing applications for low-income housing as well as case management services to address legal and financial issues that would otherwise prevent low-income persons from qualifying for affordable housing programs.

2. A one-time \$75,000 transfer of monies from the SOMA Community Stabilization Fund to the Office of Economic and Workforce Development (OEWD) to be used for case management services to be provided by Asian Neighborhood Design, a non-profit organization. These case management services would prepare workers for entry into the CityBuild program and follow the workers during and after completion of the program. Currently, Asian Neighborhood Design is working under contract with OEWD to provide similar services City-wide with \$50,000 of funding from the FY 2011-12 Community Development Block Grant. The requested additional \$75,000 from the SOMA Community Stabilization Fund would provide similar case management services exclusively in the SOMA neighborhood.

FISCAL IMPACT

Based on information provided by Mr. Benjamin McCloskey, MOH, and as shown in Table 1 and 2 below, the SOMA Community Stabilization Fund has generated \$9,191,923 in total revenues and expended a total of \$4,067,518 since its inception for a current Fund balance of \$5,124,405.

Table 1: Revenues Deposited to the SOMA Community Stabilization Fund

	Revenue from Fees	Transfers from Community Improvement Funds	Total Revenue
FY 2005-2006	\$98,471	\$0	\$98,471
FY 2006-2007	0	203,292	203,292
FY 2007-2008	0	0	0
FY 2008-2009	67,324	0	67,324
FY 2009-2010	4,962,933	350,000	5,312,933
FY 2010-2011	2,807,128	589,626	3,396,754
Subtotal	\$7,935,856	\$1,142,918	\$9,078,774
Interest Earnings			\$113,149
Total			\$9,191,923

Source: Mayor's Office of Housing

³ See attached "Budget Form" from the proposal submitted by the Veteran's Equity Center

Table 2: Expenditures in SOMA Community Stabilization Fund

	<u>Salaries and Benefits</u>	<u>Inclusionary Housing Study</u>	<u>Grant Expenditures</u>	<u>Total Expenditures</u>
FY 2006-2007	\$45,614	\$40,000	\$0	\$85,614
FY 2007-2008	82,452	110,000	0	192,452
FY 2008-2009	185,596	0	0	185,596
FY 2009-2010	102,090*	0	0	102,090
FY 2010-2011	122,939*	0	3,378,827	3,501,766
Total	\$538,691	\$150,000	\$3,378,827	\$4,067,518

Source: Mayor's Office of Housing

* Includes advertising for public hearing and City Attorney costs.

The Table 1 revenues of \$9,191,923 less the Table 2 expenditures of \$4,067,518 result in a remaining Fund balance of \$5,124,405. If the proposed resolution authorizing \$325,000 of expenditures from the SOMA Community Stabilization Fund is approved, the remaining Fund balance would be \$4,799,405 (\$5,124,405 less \$325,000).

POLICY CONSIDERATIONS

In accordance with the requirements of Planning Code Section 418.7, MOH collaborated with the SOMA Citizens Advisory Committee (CAC) on the RFP as well as the selection process for the contract with the Veteran's Equity Center. There was unanimous agreement in selecting the Veteran's Equity Center as the recipient of the proposed \$250,000 contract. The goal of the proposed \$250,000 contract is to mitigate the effects of new developments (in this case, specifically 333 Harrison Street) by assisting low-income SOMA residents in potentially securing affordable housing.

In addition, MOH, SOMA CAC and OEWD are requesting \$75,000 of funding for Asian Neighborhood Design to provide case management services that would complement the CityBuild resources already participating in the 333 Harrison building project. The requested \$75,000 is in addition to the case management services already provided by Asian Neighborhood Design under a separate \$50,000 Community Development Block Grant managed through OEWD on a City-wide basis. Although the requested \$75,000 would specifically target the SOMA area, this \$75,000 request for services only in the SOMA area is \$25,000 more than the existing \$50,000 in Community Development Block Grant funds wherein Asian Neighborhood Design is providing such services City-wide.

Asian Neighborhood Design has been selected for this proposed \$75,000 allocation, without utilizing a separate competitive RFP process. However, Mr. McCloskey stated that an RFP was not utilized for the current allocation because Asian Neighborhood Design previously went through an RFP process to obtain a \$50,000 Community Development Block Grant and is currently providing similar services City-wide.

Based on the representations from Mr. McCloskey and Ms. del Rosario, both the tenant services and the case management employment services will mitigate the impacts of the proposed

development at 333 Harrison Street by providing more opportunities to residents and workers to continue living and/or working in the SOMA area.

RECOMMENDATIONS

1. Approve the portion of the resolution to provide \$250,000 for the Veteran's Equity Center.
2. Since allocation of \$75,000 to the Asian Neighborhood Design is being made without utilizing a separate competitive RFP process, approval of the \$75,000 portion of the proposed resolution is a policy decision for the Board of Supervisors.

Mayor's Office of Housing
SOMA Community Stabilization Fund
Budget Form

Grantee: Veterans Equity Center - Bill Sorro Housing Program
Address: 1010 Mission Street, Suite C San Francisco, CA 94103
Phone: 415-255-2347

Total Agency Budget: \$292,214

Total Program Budget: \$125,000

Line	Budget Item	Personnel Line			SOMA Stabilization Fund Request	CDBG	City Funding (General Fund)	State	Federal	Private Funding	Total Funding for Program
		Name - Title	Rate/Hr.	# of Hrs Adm							
1	Program Coordinator/Case Manager		\$17.79	1040							\$36,999
2	Case Manager		\$16.35	0	2080						\$34,000
3	Program Assistant		\$15.38	0	1560						\$19,194
4	Executive Director		\$26.08	250	0						\$6,520
5											\$0
6											\$0
7											\$0
8											\$0
9	Total Salaries & Wages (Lines 1 thru 8)			1290	4680		\$0	\$0	\$0	\$0	\$96,713
Fringe Benefits (Cannot exceed 25% CDBG/PSG Salaries & Wages)											
	Item						Column C	Column E	Column F	Column G	
10	FICA (7.65%)						\$7,398.52				\$7,399
11	SUI						461.93				\$462
12	Workers Compensation						300				\$300
13	Medical Insurance						7200				\$7,200
14	Retirement						0				\$0
15	Other						0.00%				\$0
16	Total Fringe Benefits (Lines 10 thru 15)						\$15,360	\$0	\$0	\$0	\$15,360
Contractual Services - Consultants											
	Item						Column A	Column B	Column D	Column E	Column F
17											\$0
18											\$0
19											\$0
20											\$0
21	OMB A-133 Audit (\$500,000 in Federal Funds)										\$0
22	Total Contractual Services (Lines 17 thru 21)			0	0		\$0	\$0	\$0	\$0	\$0
Equipment											
23											\$0
24											\$0
25											\$0
26	Total Equipment (Lines 23 thru 25)						\$0	\$0	\$0	\$0	\$0
Insurance											
27	General Liability										\$1,050
28	Fidelity Bond										\$0
29	Property										\$0
30	Auto										\$0
31	Other Volunteer Insurance										\$0
32	Total Insurance (Lines 27 thru 31)						\$1,400	\$0	\$0	\$0	\$350
											\$1,400

Mayor's Office of Housing
SOMA Community Stabilization Fund
Budget Form

	Column A	Column B	Column C	Column D	Column E	Column F	Column G
33 Local Travel (Three Mini Past Passes)	2592						\$2,592
34							\$0
35							\$0
36 Total Travel & Conferences (Lines 33 thru 35)	\$2,592	\$0	\$0	\$0	\$0	\$0	\$2,592
37 Space Rental	840						\$840
38 Total Space Rental	\$840	\$0	\$0	\$0	\$0	\$0	\$840
39 Office Supplies	1500						\$1,500
40 Total Office Supplies	\$1,500	\$0	\$0	\$0	\$0	\$0	\$1,500
41 Telecommunications	1200						\$1,200
42 Total Telecommunications	\$1,200	\$0	\$0	\$0	\$0	\$0	\$1,200
43 Utilities	390						\$390
44 Total Utilities	\$390	\$0	\$0	\$0	\$0	\$0	\$390
45 Printing	2000						\$2,000
46 Refreshments	500						\$500
47 Postage	505						\$505
48 Indirect Cost (Bookkeeping)	2000						\$2,000
49 Total Other (Lines 45 thru 48)	\$5,005	\$0	\$0	\$0	\$0	\$0	\$5,005
50 Total (Line 9+16+22+26+32+36+40+42+44+49)	\$125,000	\$0	\$0	\$0	\$0	\$0	\$125,000
51 Program Income							\$0

APPROVALS

GRANTEE

MOH

[Signature]
Executive Director

05/27/2011
Date

[Signature]
Board Chair

7/27/2011
Date

Director _____ Date _____

Program Director _____ Date _____

Fiscal Director _____ Date _____