

1 [Authorizing Expenditures - SoMa Community Stabilization Fund - \$635,000]

2
3 **Resolution authorizing the Mayor's Office of Housing and Community Development to**
4 **expend SoMa Community Stabilization Fund dollars in the amount of \$635,000 to**
5 **address various impacts of destabilization on residents and businesses in SoMa, and**
6 **reaffirming an administrative support plan for the Fund.**

7
8 WHEREAS, On August 19, 2005, the Board of Supervisors approved Ordinance
9 No. 217-05 (the "Ordinance"), which, among other things, established a new Rincon Hill
10 Downtown Residential Mixed Use District; and

11 WHEREAS, The Ordinance added Section 418 to the San Francisco Planning Code,
12 which identifies a need to mitigate the impacts of new development in the Rincon Hill area and
13 establishes two new fees: 1) the Rincon Hill Community Infrastructure Impact Fee, which
14 provides specific improvements, including community open spaces, pedestrian and
15 streetscape improvements and other facilities and services; and 2) a SoMa Community
16 Stabilization Fee, which mitigates impacts on affordable housing, economic and community
17 development and community cohesion in SoMa, as defined in San Francisco Planning Code,
18 Section 401 (the area bounded by Market Street to the north, Embarcadero to the east, King
19 Street to the south, and South Van Ness and Division to the west); and

20 WHEREAS, Both the Rincon Hill Community Infrastructure Impact Fee and the SoMa
21 Community Stabilization Fee are imposed on new residential development within the Rincon
22 Hill Downtown Residential Mixed Use District, as defined in San Francisco Planning Code,
23 Section 827 (the area generally bounded by Folsom Street, the Bay Bridge, the Embarcadero,
24 and Essex Street); and

25 WHEREAS, The Ordinance established two separate funds: 1) a Rincon Hill

1 Community Improvements Fund for the deposit of the Rincon Hill Community Infrastructure
2 Impact Fees collected; and 2) a SoMA Community Stabilization Fund for the deposit of SoMa
3 Community Stabilization Fees collected; and

4 WHEREAS, The money collected from the SoMa Community Stabilization Fee, along
5 with up to \$6,000,000 transferred from the Rincon Hill Community Improvements Impact
6 Fund, is to be deposited in the SoMa Community Stabilization Fund maintained by the
7 Controller, which will be used to address various impacts of destabilization on residents and
8 businesses in SoMa; and

9 WHEREAS, Under the Ordinance, the Board of Supervisors established the SoMa
10 Community Stabilization Fund Community Advisory Committee (SoMa CAC) to advise the
11 Mayor's Office of Community Development (MOCD), now the Mayor's Office of Housing and
12 Community Development (MOHCD), and the Board of Supervisors on the uses of the Fund;
13 and

14 WHEREAS, On March 21, 2006, the Board of Supervisors approved Resolution
15 No. 162-06, which was further clarified on April 13, 2010, by Resolution No. 151-10,
16 authorizing MOHCD to spend funds to support general administrative costs and staffing costs
17 associated with the Fund, with total annual costs not to exceed the salary and fringe costs of
18 one 9775 and one 9772; and

19 WHEREAS, A copy of the SoMa Community Stabilization Fund Administrative Plan has
20 been filed with the Clerk of the Board of Supervisors under File No. 160598; and

21 WHEREAS, On May 6, 2008, the Board of Supervisors approved Resolution
22 No. 216-08, creating the SoMa Community Stabilization Fund Strategic Plan and authorized
23 MOHCD to administer the Fund in accordance with the Strategic Plan; and

24 WHEREAS, The SoMa CAC and MOHCD staff worked collaboratively to issue a
; request for proposals (RFP) that was released on December 4, 2015, consistent with the

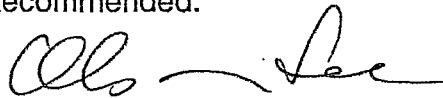
1 Strategic Plan, for nonprofit organizations and businesses seeking assistance from the Fund;
2 and

3 WHEREAS, A copy of the SOMA CAC Funding Recommendations resulting from the
4 RFP has been filed with the Clerk of the Board under File No. 160598, now, therefore, be
5 it

6 RESOLVED, That the SOMA Community Stabilization Fund Administrative Plan is
7 hereby approved; and, be it

8 FURTHER RESOLVED, That the Mayor's Office of Housing and Community
9 Development is hereby authorized to expend \$635,000 from the SOMA Community
10 Stabilization Fund, all in accordance with the purposes and goals for the funding as generally
11 set forth in the Strategic Plan and the Funding Recommendations approved by the CAC and
12 filed with the Clerk of the Board.

13
14 Recommended:

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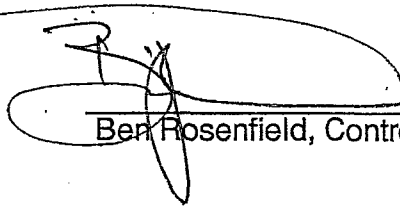
16 Olson Lee, Director, MOHCD

17
18 Approved:

19 

20 Edwin M. Lee, Mayor

21 For



22 Ben Rosenfield, Controller

Item 7
File 16-0598

Department:
Mayor's Office of Housing and Community Development

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would (1) authorize the Mayor's Office of Housing and Community Development (MOHCD) to expend \$635,000 from the SOMA Community Stabilization Fund; and (2) reaffirm an Administrative Support Plan for the Fund. Expenditure of these funds will include: (1) \$400,000 to South of Market Child Care, Inc. to construct its Transbay Child Development Center; (2) \$25,000 Arc San Francisco to plan for construction of new housing units; and (3) \$210,000 to the San Francisco Municipal Transportation Agency for a pedestrian cross light.

Key Points

- Under the City's Planning Code, developers constructing new residential development in the Rincon Hill Downtown Residential District pay development impact fees (South of Market Community Stabilization Fee) of \$10.95 per square foot. Fee revenues are deposited into the SOMA Community Stabilization Fund to be used for housing and economic and workforce development. The MOHCD administers the SOMA Community Stabilization Fund, and the Community Stabilization Fund Community Advisory Committee advises on the use of fees allocated to the SOMA Community Stabilization Fund revenues, subject to Board of Supervisors approval.
- Based on a competitive process, the SOMA Community Stabilization Fund Community Advisory Committee awarded grants of (1) \$400,000 to South of Market Child Care, Inc. to construct its Transbay Child Development Center; and (2) \$25,000 Arc San Francisco to plan for construction of new housing units.
- The proposed resolution also approves an Administrative Support Plan for the SOMA Community Stabilization Fund. The total cost of the Administrative Support Plan is \$278,673, which includes staff costs, City Attorney fees for legal costs, and advertising.

Fiscal Impact

- The SOMA Community Stabilization Fund currently has an available balance of \$25,239,137. If the Board of Supervisors approves the proposed \$635,000 in awards, the remaining balance in the SOMA Community Stabilization Fund will be \$23,945,992.

Recommendation

- Approve the proposed resolution.

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 to address the effects of destabilization on residents and businesses in SOMA due to new residential development in the Rincon Hill Area. SOMA Community Stabilization Fund expenditures are administered by the Mayor's Office of Housing and Community Development (MOHCD), subject to approval by resolution of the Board of Supervisors.

BACKGROUND

The Board of Supervisors approved a new Section 418 in the City's Planning Code in 2005, which among other provisions, (a) established the Rincon Hill Downtown Residential District¹, (b) created a Rincon Hill Community Improvement Fund, (c) imposed a South of Market Area (SOMA) Community Stabilization Fee of \$14 per square foot (subsequently amended down to \$10.95 per square foot by the Board of Supervisors under Ordinance 270-10) on developers who build 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 MOHCD and the Board of Supervisors on the uses of the SOMA Community Stabilization Fund (Ordinance 217-05).

The Planning Code stipulates that monies from the Rincon Hill Community Improvement Fund be expended for streetscape improvements, open space acquisition, public library resources and other public uses. Monies from the SOMA Community Stabilization Fund are to be expended to provide assistance to SOMA residents including affordable housing, community asset building, employment development, job growth and job placement, and other services to address impacts of destabilization.

The Board of Supervisors approved a resolution in 2008 (Resolution 0216-08) (a) approving the SOMA Community Stabilization Fund Strategic Plan, (b) authorizing MOHCD to administer the SOMA Community Stabilization Fund ("Fund") in accordance with this Strategic Plan, and (c) authorizing MOHCD to work with the SOMA Stabilization Fund Community Advisory Committee to issue Requests for Proposals (RFPs) for non-profit agencies to provide services addressing the effects of destabilization on residents and businesses in SOMA, consistent with the Community Stabilization Fund Strategic Plan.

In 2010, the Board of Supervisors authorized MOHCD to spend funds to support general administrative costs associated with the Fund, with annual costs not to exceed the salary and fringe costs of one 1.0 FTE 9775 Senior Community Development Specialist II and 1.0 FTE 9772 Community Development Specialist. The total cost for these positions in FY 2015-16 is \$284,655.

¹ The Rincon Hill Downtown Residential District is the area bounded by Folsom Street, The Embarcadero, Bryant Street, and Essex Street.

Request for Proposals Process

In December 2015, MOHCD issued two RFPs to further the goals of the Fund; one for public space improvement planning projects, and one for capital projects. The RFPs were written to align with MOHCD’s 2015-2019 Consolidated Plan, which identified three objectives that include: (1) families are stably housed; (2) communities have healthy, physical, social and business infrastructure; and (3) families and individuals are resilient and economically self-sufficient. To evaluate proposals, MOHCD staff and the SOMA Community Advisory Committee used specific evaluation metrics, as shown in Table 1 below.

Table 1: RFP Evaluation Criteria

Criterion	Capital Projects	Planning Projects
Alignment with Consolidated Plan objectives	x	x
Project eligibility	x	
Connection to priority populations	x	x
Serves the SOMA neighborhood	x	x
Project has matching funds	x	
Agency capacity	x	x
Project readiness and feasibility	x	x
Capital needs assessment	x	

The Capital Projects RFP received three proposals for funding, and the Public Space Improvement Planning RFP received one proposal for funding. Ms. Claudine del Rosario, Program Manager for the SOMA Community Stabilization Fund, states that numeric scoring was not used to evaluate proposals against these criteria. MOHCD staff made recommendations on the proposals at a public meeting and discussed the relative strengths and weaknesses of each proposal. After deliberating at the meeting, the SOMA Community Advisory Committee voted unanimously to award funds to South of Market Child Care, Inc. for its capital project, and Arc San Francisco for its planning proposal.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would (1) authorize MOHCD to expend \$635,000 from the SOMA Community Stabilization Fund; and (2) reaffirm an administrative support plan for the Fund. Recommendations for funding are shown in Table 2 below.

Table 2: Funding Recommendations for SOMA Stabilization Fund Awards

Awardee	Project Type	Amount
South of Market Child Care, Inc.	Capital	\$400,000
Arc San Francisco	Capital	25,000
San Francisco Municipal Transportation Agency (SFMTA)	Infrastructure	210,000
Total		\$635,000

South of Market Child Care, Inc.

South of Market Child Care, Inc. (SOMACC) is a non-profit organization that provides child care and education services to low-income families living in SOMA. The grant award will provide \$400,000 to construct the Transbay Child Development Center, a new child care facility located in an affordable housing development in the Transbay Redevelopment Area. The budget for the proposed project is \$2,157,350, as shown in Table 2 below.

Table 2: SOMACC Project Budget

Budget Item	Amount
Construction	\$1,752,911
Design, Engineering, and other Soft Costs	202,029
Program startup and other costs	202,410
Total Project Expenses	\$2,157,350

According to their proposal, SOMACC has raised \$1,134,695 to date for the proposed project. If the Board of Supervisors approves the grant award of \$400,000, SOMACC will need to raise an additional \$622,655. SOMACC's proposal states that their capital campaign publicly commenced in January 2016 and expects to complete its fundraising goal in December 2016. According to Ms. del Rosario, the grant agreement between MOHCD and SOMACC states that if SOMACC is unable to successfully raise the remaining funds for the project they will repay the \$400,000 to MOHCD. Table 3 below shows remaining fundraising goal for SOMACC.

Table 3: Amount Remaining to be Raised by SOMACC

Item	Amount
Project Cost	\$2,157,350
Funds raised to date	(1,134,695)
Subject Grant Award	(400,000)
Amount remaining to be raised	\$622,655

Arc San Francisco

Arc San Francisco (Arc) is a non-profit organization that provides services to people with intellectual and developmental disabilities. The grant award of \$25,000 will provide funds to plan for constructing new housing units in SOMA and a new facility for Arc at 1500 Howard Street, the location of Arc's current headquarters. In order to implement this project, Arc has partnered with Mercy Housing, a non-profit affordable housing developer. According to Arc's proposal, the \$25,000 grant award will be spent on architect and design fees for the project.

SFMTA Infrastructure Allocation

MOHCD proposes to allocate \$210,000 to the San Francisco Municipal Transportation Agency (SFMTA) to install a pedestrian cross light at the intersection of 7th Street and Minna Street in SOMA. This intersection has been listed as a priority by the SFMTA and was a high priority of community members who have attended meetings of the SOMA Community Advisory Committee. The Community Advisory Committee voted unanimously to approve the allocation. The total cost of the project is \$347,164, as shown in Table 4 below. Of the total \$347,164 project cost, \$210,000 will come from the SOMA Community Stabilization Fund allocation, and the remaining \$137,164 will be provided by the SFMTA.

Table 4: Cost for Pedestrian Cross Light

Cost Category	Amount
Construction	\$167,000
Construction Contingency	16,700
Planning & Design	59,851
Engineering & Inspection	27,281
Other costs	76,332
Total	\$347,164

Administrative Support Plan

As stated above, the Board of Supervisors previously authorized MOHCD to spend funds to support the administrative cost associated with the SOMA Community Stabilization Fund. These funds may not exceed \$284,655. According to the Administrative Support Plan, the funding required to administer the SOMA Community Stabilization Fund is \$278,673 in FY 2016-17, which includes staffing costs, City Attorney fees for legal costs, and advertising, as shown in Table 5 below.

Table 5: Annual Cost for SOMA Fund's Administrative Support

Administrative Support Plan	Amount
Staffing	
1.0 FTE 9775 Senior Community Development Specialist II	\$164,677
.2 FTE 0904 Mayoral Staff	42,870
.1 FTE 1657 Accountant IV	17,128
.1 FTE 9772 Community Development Specialist	11,999
Staffing Subtotal	\$236,673
City Attorney	\$40,000
Advertising	2,000
Total	\$278,673

MOHCD's FY 2016-17 budget, pending before the Board of Supervisors, includes funds of \$278,673 to pay for the Administrative Support Plan.

FISCAL IMPACT

The SOMA Community Stabilization Fund currently has an available balance of \$25,239,137. If the Board of Supervisors approves the proposed \$635,000 in awards, as shown in Table 2 above, the remaining balance in the SOMA Community Stabilization Fund will be \$23,945,992, as shown in Table 5 below.

Table 5: SOMA Community Stabilization Fund Balance

Item	Amount
Current Balance	\$25,239,137
Encumbered Funds	(\$2,748,595)
Projected Fees FY 2015-16	2,090,451
<i>FY 2015-16 Year End Total</i>	<i>\$24,580,993</i>
Awards from Subject Resolution	(\$635,000)
Balance after Proposed Awards	\$23,945,993

RECOMMENDATION

Approve the proposed resolution.

SOMA Community Stabilization Fund Administrative Plan

The primary administrative needs of the SOMA Community Stabilization Fund are staff. One staff person is dedicated full-time to the Fund, and further management level support totals approximately .2 FTE across three managers. No more than .1 FTE from each of an Accountant and a Senior Accountant is needed to manage the disbursement of funds as approved by the Community Advisory Committee and the Board of Supervisors.

The Fund also incurs legal costs from time to time (which can be up to \$40,000 in one year) and minimal advertising costs. The Fund is not charge any other administrative overhead; the Fund's share of overhead and indirect is covered by other departmental fund sources.

At the beginning of each fiscal year, MOHCD will submit a journal entry for Controller's Office approval in order to appropriate the maximum allowed administrative uses, less any carryforward from the previous fiscal year.

Sample Annual Budget as of April 2016

Maximum Administrative Uses Allowed per Resolution 162-06:

Job Classification	Salary	Fringe	Total
9772	\$ 85,098	\$ 34,890	\$ 119,988
9775	\$ 116,792	\$ 47,885	\$ 164,677
TOTAL			\$ 284,665

Sample Administrative Support Schedule, as of April 2016

Staffing	
1.0 FTE 9775	\$ 164,677
0.2 FTE 0904	\$ 42,870
0.1 FTE 1657	\$ 17,128
0.1 FTE 9772	\$ 11,999
<i>subtotal</i>	\$ 236,673
City Attorney	\$ 40,000
Advertising	\$ 2,000
TOTAL	\$ 278,673

Funding Recommendations | May 2016

for South of Market Community Stabilization Fund

<u>Agency</u>	<u>Program Description</u>	<u>1 Year Funding</u>
<i>Capital Projects</i>		
South of Market Child Care, Inc.	New construction of Transbay Child Development Center (Transbay Block 7)	\$400,000
The Arc San Francisco	Planning for onsite construction of affordable housing units for low income and disabled individuals	\$25,000
	<i>Rincon Hill Community Improvements Fund (non-Mello Roos)</i>	\$425,000
<i>Infrastructure Projects</i>		
MTA	Pedestrian crosslight at 7th and Minna Streets (partial funding)	\$210,000
	<i>Rincon Hill Community Improvements Fund Expenditure (Mello Roos)</i>	\$210,000
	TOTAL EXPENDITURE REQUEST	\$635,000

Mayor's Office of Housing and Community Development
City and County of San Francisco



Edwin M. Lee
Mayor

Olson Lee
Director

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: Benjamin McCloskey, Deputy Director Mayor's Office of Housing and Community Development

DATE: May 6, 2016

SUBJECT: Expend Resolution for SOMA Community Stabilization Funds – \$635,000

Attached please find the original and 2 copies of each of the following:

- Proposed resolution; original signed by Department, Mayor, Controller
- Expenditure budget

Departmental representative to receive a copy of the adopted resolution:

Name: Benjamin McCloskey

Phone: 701-5575

Interoffice Mail Address: Benjamin.McCloskey@sfgov.org

Certified copy required

Yes

No

(Note: certified copies have the seal of the City/County affixed and are occasionally required by funding agencies. In most cases ordinary copies without the seal are sufficient).

Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.

Sponsor(s):

Supervisor Kim

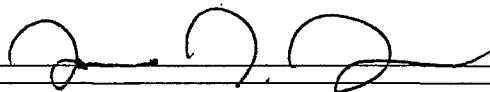
Subject:

Authorizing Expenditures -- SOMA Community Stabilization Fund -- Projects \$635,000

The text is listed below or attached:

See attached.

Signature of Sponsoring Supervisor: _____



For Clerk's Use Only: