

File No. 130471

Committee Item No. 10
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Sub-Committee Date: 06/05/2013

Board of Supervisors Meeting Date: _____

Cmte Board

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution |
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| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
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| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
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| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
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| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
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OTHER (Use back side if additional space is needed)

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Completed by: Victor Young Date May 31, 2013
Completed by: Victor Young Date _____

1 [SOMA Community Stabilization Fund - \$300,000]

2
3 **Resolution authorizing the 2013 South of Market Community Stabilization Fund**
4 **Program and authorizing the Mayor's Office of Housing to expend SOMA Community**
5 **Stabilization Fund dollars in the amount of \$300,000.**

6
7 WHEREAS, On August 19, 2005, the Board of Supervisors approved Ordinance No.
8 217-05 (the "Ordinance"), adding a new Section 318 to the San Francisco Planning Code,
9 which, among other things, established a new Rincon Hill Downtown Residential District; and,

10 WHEREAS, The Ordinance imposed a SOMA Community Stabilization Fee on
11 residential development within the new Residential District; and

12 WHEREAS, The money collected from the SOMA Community Stabilization Fee, along
13 with up to \$6 million transferred from the Rincon Hill Community Improvements Fund that was
14 also established under the Ordinance, is in a separate fund called the SOMA Community
15 Stabilization Fund maintained by the Controller (Fund), which will be used to address various
16 impacts of destabilization on residents and businesses in SOMA; and

17 WHEREAS, Under the Ordinance, the Board of Supervisors established the SOMA
18 Community Stabilization Fund Community Advisory Committee (SOMA CAC) to advise the
19 Mayor's Office of Community Development (MOCD), now the Mayor's Office of Housing
20 (MOH), and the Board of Supervisors on the uses of the Fund; and

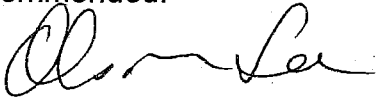
21 WHEREAS, Under Resolution 216-08, the Board of Supervisors approved the SOMA
22 Community Stabilization Fund Strategic Plan and authorized MOH to administer the Fund in
23 accordance with the Strategic Plan; and

1 WHEREAS, The SOMA CAC and MOH staff worked collaboratively to issue a request
2 for proposals (RFP) March 29, 2013, consistent with the Strategic Plan, for nonprofit
3 organizations and businesses seeking assistance from the Fund; and,

4 WHEREAS, A copy of the SOMA CAC Funding Recommendations resulting from the
5 RFP has been filed with the Clerk of the Board under File No. 130471, now, therefore, be
6 it

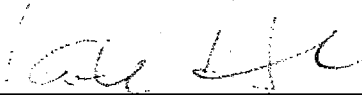
7 RESOLVED, That the Mayor's Office of Housing is hereby authorized to expend
8 \$300,000 from the SOMA Community Stabilization Fund, all in accordance with the purposes
9 and goals for the funding as generally set forth in the Strategic Plan and the Funding
10 Recommendations.

11
12 Recommended:

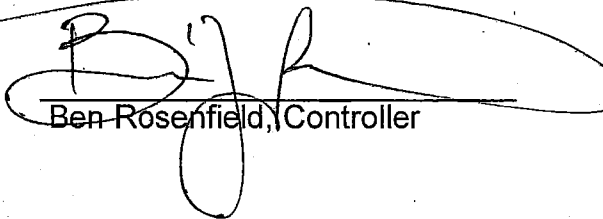
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14 Olson Lee, Director

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16 Approved:

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18 Edwin M. Lee, Mayor

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20 Ben Rosenfield, Controller

Funding Recommendations | **May 2013**

for South of Market Community Stabilization Fund

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>Rec.</u>
<i>Neighborhood and Business Coordination Program</i>		
Renaissance Entrepreneurship Center	Develop, impement and administer a program that connects Souht of Market residents, CBOs and small businesses located within the neighborhood to create employment opportunities and other connections to achieve neighborhood cohesion.	\$200,000
<i>School Site Coordinator</i>		
South of Market Child Care, Inc.	Hire and supervise a school/community partnerships coordinator for Bessie Carmichael School in the South of Market.	\$100,000
<i>Total grants</i>		\$300,000

Item 10
File 13-0471

Department(s):
Mayor's Office of Housing (MOH)

EXECUTIVE SUMMARY

Legislative Objective

- The proposed resolution would authorize an expenditure of \$300,000 from the South of Market Area (SOMA) Community Stabilization Fund to fund the (1) Neighborhood and Business Coordination Program, and (2) School Site Coordinator Program.

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 MOH 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 Requests for Proposal (RFP) process, the Community Stabilization Fund Community Advisory Committee and MOH are recommending allocation of SOMA Community Stabilization Fund revenues for the two-year period approximately from July 1, 2013 and ending June 30, 2015 as follows: (a) \$200,000 to the Renaissance Entrepreneurship Center, a non-profit agency, for the development, implementation, and administering of a program within the Neighborhood and Business Coordination Program, (b) \$100,000 to the South of Market Child Care, Inc. a non-profit agency, for the hiring and supervising of a school/community partnerships coordinator at the Bessie Carmichael School within the School Site Coordinator Program.

Fiscal Impact

- The SOMA Community Stabilization Fund currently has a net balance of \$4,120,617. If the proposed resolution is approved authorizing \$300,000 of expenditures from the SOMA Community Stabilization Fund, the SOMA Community Stabilization Fund balance would be reduced to \$3,820,617 (\$4,120,617 less \$300,000).

Recommendation

- Approve the proposed resolution.

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 due to development in the Rincon Hill Area, 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 consider any comments from the SOMA Community Stabilization Fund 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 District¹, (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 down to \$10.95 per square foot by the Board of Supervisors under Ordinance 270-10) 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 MOH 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 due to new residential development in the Rincon Hill Area. Under the Planning Code, the SOMA Community Stabilization Fund is to be used for housing, and economic and workforce development.

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 Requests for Proposals (RFPs) to approve grants through a competitive process to non-profit agencies for addressing the effects of destabilization on residents and businesses in SOMA, consistent with the Community Stabilization Fund Strategic Plan among other provisions. In 2011, the SOMA Stabilization Fund Community Advisory Committee revised the Community Stabilization Fund Strategic Plan to focus future investments with the

¹ The Rincon Hill Downtown Residential District is considered to be the area bounded by Folsom Street, The Embarcadero, Bryant Street, and Essex Street.
SAN FRANCISCO BOARD OF SUPERVISORS

consideration of the changing economic conditions and the rapid rate of development in the SOMA neighborhood.

The revised Community Stabilization Fund Strategic Plan identified three strategic directions for the SOMA Community Stabilization Fund, (1) Housing, (2) Jobs and Income, and (3) Community Cohesion and Neighborhood Communication.

On July 9, 2012 MOH issued a RFP that included the following program areas in the SOMA Community Stabilization Fund Area:

- 1) Development and Housing Coordination;
- 2) Neighborhood and Business Coordination;
- 3) Community Council; and
- 4) Community Action Grants Coordinator.

On December 11, 2012 the Board of Supervisors approved an expenditure of \$760,000 from the SOMA Community Stabilization Fund to fund grants for non-profit agencies for the (1) Development and Housing Coordination Program, \$160,000; (2) Community Council Program, \$100,000; (3) Community Action Grants Coordinator Program, \$100,000; and to also provide monies to the Mayor's Office of Housing (MOH) Funding Pool for future SOMA site acquisition, \$400,000 (File No. 12-1109). No funding was provided for the Neighborhood and Business Coordination program included in the July RFP.

According to Ms. Claudine Del Rosario of MOH, MOH received four proposals for the Neighborhood and Business Coordination program, but following a review of the proposals by the SOMA Community Advisory Committee and MOH, funding was not recommended because the proposals submitted by the non-profit agencies did not meet the criteria included in the RFP.

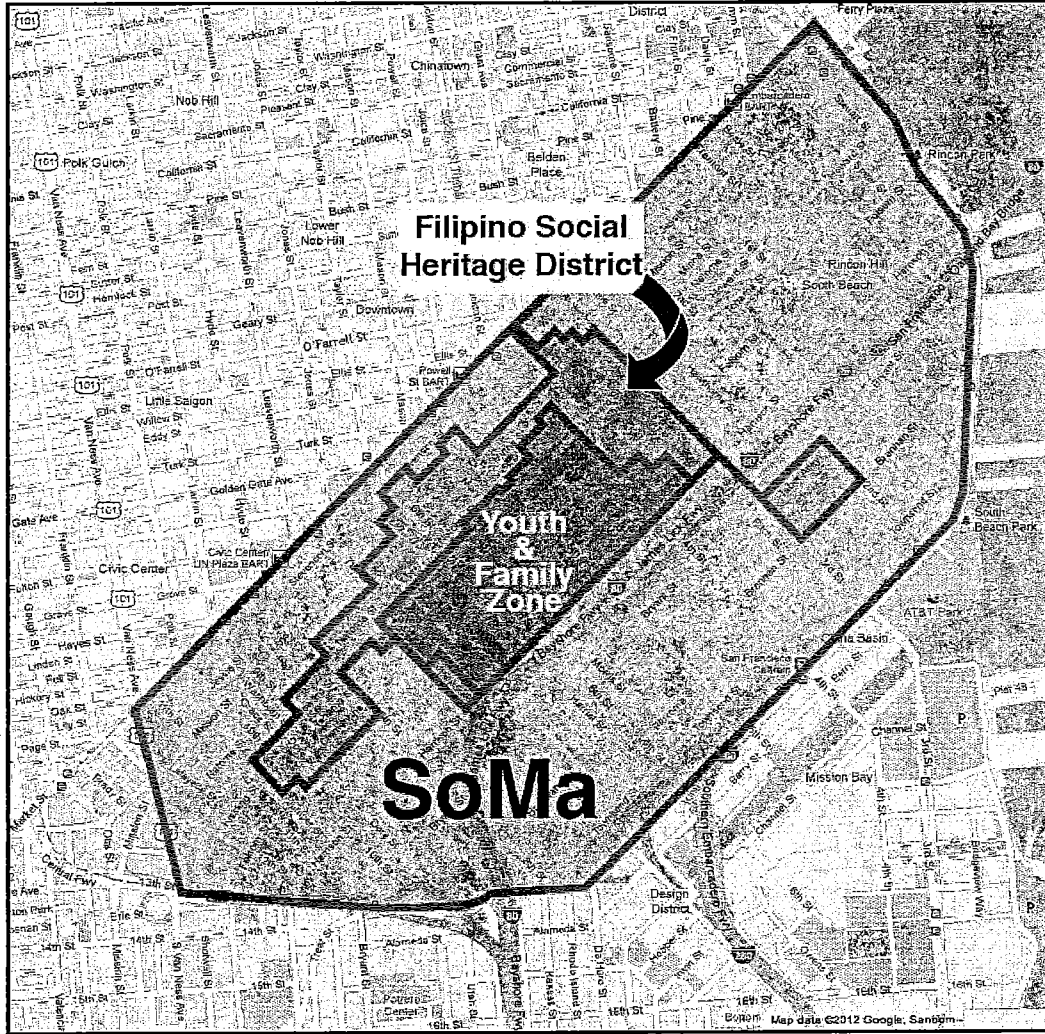
On March 1, 2013 MOH issued a subsequent RFP that included the following program areas in the SOMA Community Stabilization Fund Area:

- 1) Neighborhood and Business Coordination; and
- 2) School Site Coordinator.

Ms. Del Rosario states that the March 2013 RFP included the Neighborhood and Business Coordination and School Site Coordinator programs because (a) no SOMA Community Stabilization Fund monies were recommended for the Neighborhood and Business Coordination program in the prior RFP because MOH received no qualified proposals, and (b) the School Site Coordinator program is a new program.

According to the March 2013 RFP, priority would be given to programs serving low income residents and small community-serving businesses in South of Market and in the overlapping geographic areas identified as the Children and Families Zone and the Filipino Social Heritage District as shown in the map below (Figure 1). Ms. Del Rosario reports that MOH released the RFP on the MOH website and the MOH list serve, and published the RFP in local newspapers.

**Figure 1. Map of SOMA Community Stabilization Fund Area
With the RFP's Designated Priority Geographic Areas**



Neighborhood and Business Coordination Program: \$200,000

According to the RFP, the Neighborhood and Business Coordination Program is to develop, implement and administer a program that connects SOMA residents, community-based non-profit organizations, and small for-profit businesses located in the neighborhood to create employment opportunities and other relationships to achieve neighborhood cohesion.

MOH received two proposals from two non-profit organizations for the Neighborhood and Business Coordination program: Renaissance Entrepreneurship Center and Urban Solutions. The SOMA Community Advisory Committee and MOH reviewed the two proposals and recommended awarding a grant of \$200,000 to fund the Renaissance Entrepreneurship Center agency.

School Site Coordinator Program: \$100,000

According to the RFP, the School Site Coordinator Program will provide a coordinator position responsible for facilitating the process of transforming Bessie Carmichael School, located at 375 7th Street, into a full service community school.

Only South of Market Child Care, Inc., a non-profit agency, responded to the RFP for the School Site Coordinator Program. The SOMA Community Advisory Committee and MOH reviewed the proposal and recommended \$100,000 to fund the South of Market Child Care agency.

DETAILS OF PROPOSED LEGISLATION

Based on a competitive RFP process, the proposed resolution would authorize \$300,000 of expenditures from the SOMA Community Stabilization Fund to fund (1) Renaissance Entrepreneurship Center, a non-profit agency, to develop the Neighborhood and Business Coordination Program (\$200,000), and (2) South of Market Child Care, Inc., a non-profit agency, to develop the School Site Coordinator Program (\$100,000).

According to Ms. Del Rosario, MOH does not yet have detailed budgets for the agreements with the recommended non-profit agencies because such budgets are still subject to MOH negotiations. The recommended funding, as seen in Table 1, would provide for:

1. Award of a \$200,000 grant for a two-year period from approximately July 1, 2013 through June 30, 2015 to the Renaissance Entrepreneurship Center, a non-profit agency, to develop, implement and administer the Neighborhood and Business Coordination Program that connects residents, community based organizations, and small businesses in SOMA, and create employment opportunities and other connections to facilitate neighborhood cohesion. The grant would partially fund a Program Coordinator and a Program Associate, as well as a subcontractor non-profit agency (United Playaz), and outreach and business consultants.
2. Award of a \$100,000 grant for a two-year period from approximately July 1, 2013 through June 30, 2015 to South of Market Child Care, Inc., a non-profit agency, for the School Site Coordinator Program for hiring and supervising a school/community partnerships coordinator for the Bessie Carmichael School. The grant would partially fund a School Site Coordinator. The RFP requires additional leveraging of resources by South of Market Child Care, Inc. to fund the program beyond the two-year term of the subject grant.

Ms. Del Rosario states that the grants allow for modifications, which include extensions that must be executed and approved by MOH, and the City Attorney. However, additional funding would require Board of Supervisor approval.

FISCAL IMPACT

As detailed in Table 1 below, the proposed resolution would authorize \$300,000 of expenditures from the SOMA Community Stabilization Fund.

Table 1. SOMA Community Stabilization Fund Proposed Funding	
Non-Profit Agencies	Awards by Program Area
Neighborhood and Business Coordination Program	\$200,000
Renaissance Entrepreneurship Center	
School Site Coordinator Program	<u>100,000</u>
South of Market Child Care, Inc.	
TOTAL	\$300,000

Based on information provided by Mr. Benjamin McCloskey, MOH, and as shown in Tables 2 and 3 below, from FY 2005-06 to FY 2012-13, the SOMA Community Stabilization Fund has generated \$9,391,705 in revenues from the \$10.95 fee per square foot for the SOMA Community Stabilization Fund paid by the developers of new residential development within the Rincon Hill Downtown Residential District, and expended \$5,271,088 paid to non-profit agencies and for MOH and City Attorney costs from the SOMA Community Stabilization Fund, resulting in a remaining Fund balance of \$4,120,617.

	Revenue from Fees	Transfers from Community Improvement Funds (Rincon Hill Community Improvement Fund and SOMA Community Stabilization Fund)	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
FY 2011-2012	(81,761)*	0	(81,761)
FY 2012-2013	185,874	0	185,874
Subtotal	\$8,039,969	\$1,142,918	\$9,182,887
Interest Earnings			\$208,818
Total			\$9,391,705

* Return of fees collected erroneously in the prior fiscal year for 333 Harrison project.

Source: Mayor's Office of Housing

	Salaries and Benefits and Other Costs	Inclusionary Housing Study	Grant Expenditures	Total Expenditures
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	135,719*	0	3,613,462	3,749,181
FY 2011-2012	160,709*	0	404,411	565,120
FY 2012-2013	115,997*	0	275,038	391,035
Total	\$828,177	\$150,000	\$4,292,911	\$5,271,088

* Includes advertising for public hearing and City Attorney costs.

Source: Mayor's Office of Housing

If the proposed resolution authorizing \$300,000 of expenditures from the SOMA Community Stabilization Fund is approved, the remaining Fund balance would be \$3,820,617 (\$4,120,617 less \$300,000).

RECOMMENDATION

Approve the proposed resolution.

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. Request for Closed Session (attach written motion).
- 10. Board to Sit as A Committee of the Whole.
- 11. 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

Sponsor(s):

Supervisor Jane Kim

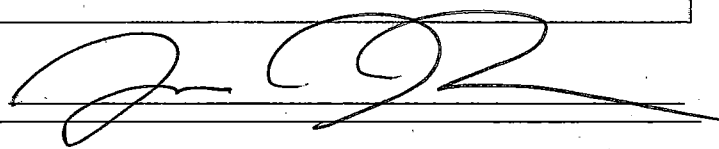
Subject:

Authorizing Expenditures from SOMA Community Stabilization Fund

The text is listed below or attached:

Resolution authorizing the 2013 South of Market Community Stabilization Fund Program and authorizing the Mayor's Office of Housing to expend SOMA Community Stabilization Fund dollars in the amount of \$300,000.

Signature of Sponsoring Supervisor:



For Clerk's Use Only:

130471

