

SOMA COMMUNITY STABILIZATION FUND CAPITAL PROJECTS

REQUEST FOR PROPOSALS

Fall 2020

RELEASED

November 12, 2020

PROPOSALS DUE

December 3, 2020

at 5:00 p.m.



TABLE OF CONTENTS

Introduction	03
SoMa Fund Overview	04
Mission & Objectives	05
Funding Guidelines	06
Request	08
Project Criteria	09
Proposal Instructions	11
Proposal Narrative	13
Scoring	15
Timeline	16
Appeal Procedure	17
References	18



INTRODUCTION

The Mayor's Office of Housing and Community Development (MOHCD) and the SoMa Community Stabilization Fund (SoMa Fund) are pleased to announce the availability of up to \$3 million for the acquisition and/or renovation of nonprofit-owned space in the South of Market neighborhood of San Francisco, with a focus on retaining and engaging historically-underserved communities.

This funding is intended for a facility or facilities that shall be owned by an organization that has demonstrated a deep and sustained commitment to serving SoMa. With this level of investment, an anchor institution can become a permanent foothold in the neighborhood where it provides essential services, while explicitly expanding its reach to address emergent community needs with the resulting space.

Our goal with this offering is to support SoMa nonprofit service providers in securing high-quality, stable facilities. MOHCD's Consolidated Plan¹ articulates its priority to target amenities development to communities impacted by increased housing density.

MOHCD recognizes how challenging the issue of affordability is for nonprofits. The expensive real estate market profoundly impacts nonprofits' ability to remain stably housed in the city that relies on them to provide essential services and access to arts and cultural programs for thousands of San Franciscans.² Now more than ever, as we face a moment of racial justice reckoning and a global pandemic that disproportionately affects people of color, the City must harness its resources to create more equity and inclusion in asset ownership while protecting its most vulnerable residents. This is an opportunity to support community asset-building through nonprofit acquisition of real property.

MOHCD is in alignment with the recent Central SoMa Plan³ which lists among its goals the need to preserve and celebrate the neighborhood's cultural heritage. MOHCD's Cultural Districts Program recognizes that SoMa is an important center for two cultural communities: Filipinos and the lesbian, gay, bisexual, transgender, and queer (LGBTQ) community. As such, nonprofit organizations that serve residents representing these districts, SoMa Pilipinas and/or the Leather & LGBTQ Cultural District, will be given priority for funding.

Sincerely,

Brian Cheu, Director, Community Development & Claudine M. del Rosario, SoMa Fund Director



SOMA FUND OVERVIEW

The Rincon Hill Area Plan was approved in 2005, effectively rezoning the area (generally bounded by Folsom Street to the north, the Embarcadero to the east, Bryant Street and the north side of the Bay Bridge to the south, and Essex Street to the west) for residential development. The San Francisco Board of Supervisors approved an amendment to the Planning Code establishing the SoMa Community Stabilization Fund (SoMa Fund). This legislation imposed a SoMa community stabilization impact fee on residential development in the Rincon Hill Area Plan to provide community stabilization benefits in SOMA including affordable housing, economic development and community cohesion and infrastructure.

Alongside this legislation, the Board of Supervisors approved a resolution, requiring the Mayor's Office of Community Development (MOCD), now the Mayor's Office of Housing and Community Development (MOHCD), to administer the Fund. The legislation also stipulates that there must be a SoMa Community Stabilization Fund Community Advisory Committee (the CAC), composed of seven members representing the SoMa community, to advise MOHCD and the Board of Supervisors on the administration and expenditure of the SoMa Fund.

Initial fees were received and procured by MOHCD, in partnership with the CAC, in 2010. Over the last ten years, the Fund has invested in various stabilization initiatives to prevent the displacement of SoMa residents, nonprofits, and small community-serving businesses, guided by a Strategic Plan which was adopted by the Board of Supervisors in 2008.

In December 2018, the Board of Supervisors adopted the Central SoMa Plan along with additional fees allocated to the Fund for social and cultural programming as well as community facilities. With the anticipated infusion of another \$45 million in development fees, the CAC will initiate a new strategic planning process to inform the resulting community benefit investments.

In adherence with the current strategic plan (outlined on page 5), the Fund invests in the rehabilitation, acquisition and/or development of community facilities in the South of Market.



MISSION AND OBJECTIVES

The mission of the SOMA Community Stabilization Fund Community Advisory Committee is to stabilize the community and promote equity through funding recommendations and priorities that mitigate the impact of development.

Its vision is that populations most vulnerable to displacement in SoMa (individuals, families, businesses that serve and employ them, nonprofit organizations, community arts, and educational institutions) are able to live, work and prosper in a neighborhood that is safe and culturally and economically diverse.

Per the Fund's Strategic Plan, investments are directed toward the following four areas:

Housing – Increase access to perpetually affordable housing opportunities for existing residents of SoMa.

- resident engagement and leadership development
- services to provide information and preparation to successfully compete for affordable units
- invest in acquisition, rehabilitation and/or development of land and property

Jobs and Income – Support economic and workforce development for low income residents and community serving businesses.

- employer cultivation
- job preparation
- income support through micro business
- asset development
- leadership development and financial literacy programs for youth and families

Community Cohesion and Neighborhood

Communication – Strengthen community networks and infrastructure to build neighborhood unity, self-determination and equity in SoMa; Preserve the social heritage of the neighborhood.

- local nonprofit community infrastructure development
- neighborhood culture and arts that preserve existing social heritage of the neighborhood
- fostering resident connections across culture and income

Physical Infrastructure - Improve the infrastructure and physical environment of the neighborhood.

- Rehabilitation, acquisition and/or development of community facilities
- Improve public spaces and outdoor facilities to promote cohesion among diverse groups in the neighborhood



FUNDING GUIDELINES

Eligibility

Organizations are eligible to submit a grant proposal if they meet all the following criteria:

1. The organization is (or has a fiscal sponsor that is) a nonprofit, public benefit corporation tax exempt under Internal Revenue Code 501(c)(3) as a public charity. Note: MOHCD may make certain exceptions for 501(c)(4) and 501(c)(6) nonprofit organizations, as well as churches and religious organizations whose programming aligns with the charitable purposes designated for 501(c)(3) status and who welcome and serve all members of the community regardless of religious belief.
2. The organization's project site is located within the boundaries of the South of Market (SoMa) neighborhood in San Francisco (reference map below).
3. At least 75% of the organization's projected service participants are SoMa residents.
4. The organization has demonstrated a sustained commitment to serving SoMa's historically-underserved populations, particularly those represented by the neighborhood's cultural districts, for the last twenty years.

The following organizations are ineligible to apply for funding under this RFP:

- City departments and agencies;
- Organizations that require membership in a certain religion or advance a particular religious faith;
- Independent schools; and
- Organizations with an existing, ongoing capital project grant from MOHCD.

If organizations have questions or comments about these eligibility criteria, please email them to CommDevRFP@sfgov.org.



FUNDING GUIDELINES (cont.)

Racial Equity

In partnership with city and community leaders, MOHCD seeks to advance opportunities and improve programmatic outcomes for Black, Brown and low-income residents. As such, MOHCD is assessing programs, contracts, and procurements to ensure they advance the city's racial equity goals. MOHCD will be working closely with our partner organizations to monitor the impact of our investments. MOHCD will provide capacity building, clear information to partner organizations, and create channels to give and receive feedback to ensure that all parties are aligned in the expectation to create an inclusive and equitable city where all residents have the opportunity to thrive.

Mayor Breed recently established the Office of Racial Equity with the goal of transforming systems to support the collective liberation of Blacks, Indigenous/American Indians, and People of Color (BIPOC) in San Francisco. MOHCD and the SoMa Fund are aligned with this effort, outlining one of its key investment objectives to "strengthen community networks and infrastructure to build neighborhood unity, self-determination and equity in SoMa." MOHCD continues this commitment and will continue to center our work on culturally-responsive solutions developed by the people most impacted by social inequities.

COVID-19

This RFP was developed through a robust research process by working with City and community leaders to identify current challenges and new trends given the pandemic, diving deeply into www.racialequitytools.org with a focus on their "COVID-19 - Racial Equity & Social Justice Resources".

MOHCD understands that COVID-19 disproportionately impacts BIPOC. Even before the outbreak of the pandemic, many people in SoMa were struggling to make ends meet. Organizations that can and have responded to the emerging needs of vulnerable SoMa residents will need critical support and stability in order to continue their COVID-19 response.

MOHCD will continue to partner with the Department of Public Health (DPH) to protect San Francisco residents and the people who serve them during this unprecedented health crisis.



REQUEST

MOHCD is seeking grant proposals to support a commercial real estate acquisition project or projects that create new, nonprofit-owned space in the South of Market neighborhood of San Francisco.

This RFP will provide up to \$3,000,000 in total grant funding. The award will be setup as a one-time allocation through a two-year contract, starting as early as November 1, 2020. The final terms and conditions of the grant are subject to negotiation.

Grant proposals that include tenant improvements/renovations must request funding for the monthly reimbursement of expenses related to the project eligibility criteria in the Project Criteria section of this RFP.

For both new construction and renovation projects, applicants must also demonstrate that designs will be implemented in accordance with DPH guidelines related to minimizing public exposure to COVID-19.

MOHCD will prioritize eligible projects from nonprofit organizations that:

- Serve and are deeply rooted in low-income and historically-underserved communities in the South of Market neighborhood, particularly those

represented by the neighborhood's Cultural Districts: SoMa Pilipinas, and the Leather and LGBTQ Cultural District;

- Clearly identify how new clients and/or audiences will be acquired and existing beneficiaries served effectively by the proposed space. This includes administrative or office space, with a focus on retaining or engaging historically-underserved communities;
- Demonstrate a capacity to provide services according to the Department of Public Health's COVID-19 safety guidelines;
- Demonstrate support for their efforts from multiple sectors (e.g., partnerships with education, local businesses, excellence in volunteer engagement);
- Have an existing real estate option, and can ensure alignment with pending requests; and
- Demonstrate evidence of planning to identify and mitigate financial risk.

If you have any questions or comments about this request and/or the goals of this RFP, please email them to CommDevRFP@sfgov.org.



PROJECT CRITERIA

Grant proposals must request funding for the monthly reimbursement of expenses related to the following project eligibility criteria:

SoMa Property Acquisition and Rehabilitation Project

We have a total of \$3,000,000 in SoMa Community Stabilization funds available to support the acquisition or rehab construction of a community facility or facilities that:

- Serves low and moderate-income SoMa residents through established, ongoing and sustainable nonprofit service programs;
- Is or will be owned by a nonprofit organization;
- Has programs sustained through diverse, dependable funding streams;
- Has programs open to the general public during normal hours of operation; and
- Can demonstrate its ability and commitment to make a significant measurable impact through serving large numbers of people over a sustained period of time.

In addition to property acquisition and rehabilitation costs, eligible expenses also include certain non-construction costs, such as architectural, design and engineering services, permit fees, project management, environmental review, and legal and special inspection services. MOHCD will not fund any projects seeking only pre-development funding.

All MOHCD-funded properties are deed restricted for nonprofit use. A deed of trust and use restriction will be recorded as a lien on the property to ensure projects maintain nonprofit services at the project site for at least 30 years (“tenure period”). MOHCD has approval rights for any lease executed during the 30-year tenure period.

Grantees will be expected to comply with the grant terms throughout the 30-year tenure period. Compliance will be determined by MOHCD at its sole discretion. MOHCD alone will determine remedies for non-compliance, up to and including full recovery of the grant.

Grantees are required to submit annual audited financial statements for the property, as well as annual rent rolls if the organization leases space in the building.



PROJECT CRITERIA (cont.)

If your grant award is supplementing other City funding, the award must not result in total City funding exceeding 75% of the total costs of the project (up to \$2 million), and 50% of the portion of the project that is in excess of \$2 million.

If an organization is selling a property in San Francisco and using the proceeds to purchase a new property in San Francisco, the grant will be prorated based on the increased square footage. If the acquisition results in a reduction in square footage, the organization is ineligible to apply for funding.

Expenses considered ineligible for these funds include:

- General administration
- General maintenance
- Painting
- Telecommunication systems
- Furnishings
- Sidewalk repair
- Tree pruning
- Drain cleaning
- Moveable equipment
- Inspection and re-certification of alarm systems

Once a grant agreement has been executed, all grant requirements must be met, and the grant must be closed and spent down within seven (7) months.

To receive funds, grantees must meet all of the following criteria:

- The project's proposed development budget must conform to real estate industry standards for acquisition and development costs per square feet and include a contingency;
- Provide a sources and uses budget inclusive of all project costs, including a detailed construction budget (if applicable) and a viable financing plan to complete the project;
- Provide evidence of sufficient funding to complete the acquisition;
- Provide an operating budget that includes reserves sufficient to ensure the long-term viability of the project;
- Provide evidence of completion of relevant due diligence (e.g., appraisal, environmental reports, physical needs assessment); and
- Demonstrate 100% Board giving as a pre-disbursement requirement.



PROPOSAL INSTRUCTIONS

If you meet the Eligibility criteria (see page 6), you are welcome to submit a grant proposal. If you have any questions, please email them to CommDevRFP@sfgov.org.

Here are the instructions for submitting a proposal:

1. You must email your proposal to MOHCD. Send your complete proposal packet to CommDevRFP@sfgov.org. Emailed proposals will be determined as undelivered and non-responsive if the email is time-stamped at 5:01 p.m. (or after) on the submission deadline date. It is the responsibility of applicants to ensure email delivery prior to the submission deadline.
2. Your proposal packet must consist of the following information:
 - Proposal Cover Sheet
 - Board of Directors and Management Team Roster
 - Proposal Narrative (see page 13)
 - Project Budget Worksheet
 - Three-Year Organizational Operating Budget
 - Fully-Executed Purchase and Sale Agreement, or Letter of Intent
 - Memorandums of Understanding (MOUs), or Service Contracts
 - Audited Financial Statements, or IRS Form 990s, for each of your most recent three fiscal years
 - City contractors participating in the City's joint monitoring process must submit copies of their Fiscal and Compliance Monitoring Reports for the past three years.



PROPOSAL INSTRUCTIONS (cont.)

3. The Proposal Cover Sheet and Project Budget Worksheet are posted in Word and Excel formats, respectively, on <https://sfmohcd.org/community-development-funding-opportunities> for your convenience.
4. The Board of Directors and Management Team Roster must include brief bios that highlight each member's programmatic, financial and management expertise.
5. For your Project Budget Worksheet, include budget items for both your grant proposal and your full project. This sources and uses budget should include estimates for any planned predevelopment and renovation expenses. If the property acquisition is part of a larger project and another entity is the developer, a budget for the entire development is also required. Developer fees, if applicable, must be consistent with the maximum allowed by other funding sources in the budget. The budget must include a contingency. Contingencies vary from 10% to 20% depending on the type and scale of the renovation. The industry standard is 15%.
6. For your Three-Year Organizational Operating Budget, include ongoing operating expenses related to the acquisition, capital reserve contributions, and debt service payments (if applicable).
7. For your MOUs, provide up to three community partnerships and collaborations across multiple sectors (e.g., public/private partnerships, strong volunteer base, use of pro bono resources). Letters of support will not be considered documentation of a partnership.



PROPOSAL NARRATIVE

8. For your Proposal Narrative, please answer the following questions. Your answers should not exceed 12 total pages, or 6 double-sided sheets of paper. We will not accept any handwritten narratives. Font size must be at least 12 point. Pages must be standard 8-1/2" by 11".

- Describe your project, including which service programs will benefit from it, when the sponsor acquired the parcel(s), any previous requests for City financing, and any attempts to secure other financing.
- Describe your organization's mission, service programs and impact, including how long you have been serving the SoMa neighborhood. How have you prioritized service to low-income and historically-underserved communities of SoMa, including representation of and engagement with SoMa's Cultural Districts?
- How will this project help your organization expand its reach in SoMa by serving new clients and/or audiences and ensure that existing beneficiaries will be better served by the proposed space?
- How has your organization contributed to racial equity and inclusion for historically-underserved populations? What is your plan to ensure that all residents, particularly Black and Brown SoMa community members have access to essential services and resources?
- What impact will a successful project have on your existing beneficiaries, new clients and the SoMa neighborhood as a whole? How will the project stabilize SoMa residents?
- What makes your organization uniquely qualified to operate a space that can serve as a neighborhood hub for delivering services to youth, families and seniors in SoMa?
- What changes has your organization made to shift its service provision in light of the pandemic? Are you able to provide services according to the Department of Public Health's COVID-19 safety guidelines? If a renovation project, applicants must also demonstrate that designs will be implemented in accordance with DPH guidelines for social distancing and safety.



PROPOSAL NARRATIVE (cont.)

- List the neighborhoods (by zip code) served by the programs(s) benefitting from your project, and provide the number and percentage of clients served annually from each neighborhood. Please provide any demographic client data that can demonstrate your organization's commitment to racial equity.
- Describe how your organization receives feedback from program beneficiaries to inform its operations and governance. How does your organization incorporate feedback from the broader SoMa community into its programming?
- Describe how the proposed acquisition and any anticipated renovations will contribute to improved financial and programmatic performance, including the need to complete the proposed acquisition within the next 6 to 9 months.
- Provide a development timeline that demonstrates your ability to complete the acquisition by March 2022 and supports the proposed construction start date. If planning approvals are needed for the intended use, the estimated dates for approval should be incorporated into the timeline.
- Provide a fundraising plan or strategy to raise any uncommitted funds included in the project budget. The fundraising plan should include the following components: fundraising team, feasibility analysis showing the ability to raise the funds, timeline for raising funds, and status of pledges/commitments to-date. If the applicant plans to lease space to a nonprofit tenant, a financing plan showing the tenant's strategy to raise funds to complete the tenant improvements will be required.
- List the current members of the project team along with a description of their relevant experience and credentials.
- Describe the financial stability of your organization and project by highlighting the absence of any significant unplanned operating deficit, a positive fund balance, and/or meaningful cash reserves over the last three consecutive years.



SCORING

Grant proposals that meet our Eligibility criteria (see page 6) will be scored, ranked and receive a funding recommendation based on their ranking. Proposals that do not satisfy the Eligibility criteria will be determined as non-responsive to this RFP and will not be further reviewed.

Eligible proposals will be read and scored by reviewers with relevant programmatic expertise. Each reviewer will use a scoring rubric to assign a preliminary score between 0 and 100 points to each proposal they read. The point value of each section in the scoring rubric is below.

MOHCD will average the preliminary scores for each proposal to generate a final score. Proposals with a final score of 70 points or higher will be considered fundable.

Proposal Section	Point Value
Project Design	50
Organizational Capacity	30
Project Budget	20



TIMELINE

We are committed to providing as much clarity as possible during this RFP process. Submit your questions about the RFP in writing to CommDevRFP@sfgov.org, or at the optional Pre-Submission Workshop. We will publish all questions and answers by Wednesday, November 25, 2020. The following dates are estimates and may be subject to change.

RFP Issued	Thursday, November 12, 2020
Pre-Submission Workshop (optional) <i>(via Microsoft Teams)</i>	Wednesday, November 18, 2020 3:30 p.m. to 5:00 p.m.
Question Submission Period Ends	Monday, November 23, 2020 at 5:00 p.m.
Answers to Questions Posted	Wednesday, November 25, 2020
Proposals Due	Thursday, December 3, 2020 at 5:00 p.m.
Non-Responsive Proposals Notified	Monday, December 7, 2020
Grant Award Letters Sent	Late February or early March 2021
Appeal Period Ends	5 business days after grant letters sent



APPEAL PROCEDURE

Proposals will be determined as non-responsive if they are incomplete, undelivered, or do not meet the Eligibility Criteria (see page 6). If MOHCD determines a proposal to be non-responsive, applicants will be informed. Applicants may appeal a determination of non-responsiveness to this RFP by submitting written notice to MOHCD setting forth the grounds for the appeal by no later than five (5) business days after receiving MOHCD's determination.

If your proposal was not selected for an award after the scoring process, MOHCD will inform you. If you disagree with our decision, you may file a formal appeal within five (5) business days of the award announcement. We must receive the appeal on or before the fifth business day.

We will only accept appeals of non-responsiveness or an award decision via email. The appeal must include a written statement of each of the grounds for appeal. An individual authorized to represent the respondent must sign the appeal.

The appeal must cite all applicable laws, rules, procedures or provisions that we did not follow faithfully, as documented in this RFP. The appeal must specify facts and evidence enough for us to determine its validity. Disagreements about program quality or value do not constitute grounds for appeal.

You must submit your appeal to CommDevRFP@sfgov.org. You bear the risk of non-delivery within the deadlines specified.

A panel selected by MOHCD will review all eligible appeals, and the panel decisions will be final. If necessary, MOHCD will schedule a meeting with the respondent within ten (10) calendar days of receiving the appeal. We will attempt to resolve the appeal during this meeting.

Failure to object or appeal in the manner and within the times set forth above will constitute a complete and irrevocable waiver of any appeal of MOHCD's decision.



REFERENCES

- ¹ MOHCD 2020-2024 Consolidated Plan
- ² Nonprofit Displacement Report, issued by MOHCD, May 2014
- ³ Central SoMa Plan, SF Planning Department, December 2018



Mayor's Office of Housing &
Community Development (MOHCD)
www.sfmohcd.org