

File No. 161202

Committee Item No. 8

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date November 30, 2016

Board of Supervisors Meeting

Date _____

Cmte Board

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

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Completed by: Linda Wong Date November 22, 2016

Completed by: Linda Wong Date _____

1 [Authorizing Expenditures - SoMa Community Stabilization Fund - \$595,000]

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 \$595,000 to**
5 **address various impacts of destabilization on residents and businesses in SoMa.**

6
7 WHEREAS, On August 19, 2005, the Board of Supervisors approved Ordinance No.
8 217-05 (the "Ordinance"), which, among other things, established a new Rincon Hill
9 Downtown Residential Mixed Use District; and

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

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

24 WHEREAS, The Ordinance established two separate funds: 1) a Rincon Hill
25 Community Improvements Fund for the deposit of the Rincon Hill Community Infrastructure

1 Impact Fees collected; and 2) a SoMa Community Stabilization Fund for the deposit of SoMa
2 Community Stabilization Fees collected; and

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

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

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

16 WHEREAS, The SoMa CAC and MOHCD staff worked collaboratively to issue a
17 request for proposals (RFP) that was released on December 4, 2015, consistent with the
18 Strategic Plan, for nonprofit organizations and businesses seeking assistance from the Fund;
19 and

20 WHEREAS, A copy of the SoMa CAC Funding Recommendations resulting from the
21 RFP has been filed with the Clerk of the Board under File No. 161202; now, therefore, be it
22
23
24
25

1 RESOLVED, That the Mayor's Office of Housing and Community Development is
2 hereby authorized to expend \$595,000 from the SoMa Community Stabilization Fund, all in
3 accordance with the purposes and goals for the funding as generally set forth in the Strategic
4 Plan and the Funding Recommendations approved by the CAC and filed with the Clerk of the
5 Board.

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Recommended:

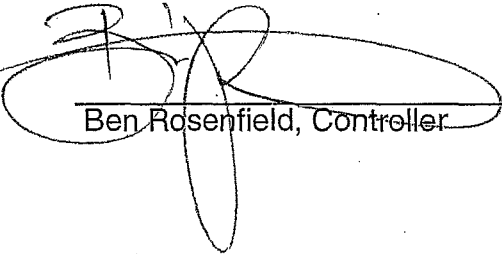


Olson Lee, Director, MOHCD

Approved:



Edwin M. Lee, Mayor



Ben Rosenfield, Controller

Item 8 File 16-1202	Department: Mayor's Office
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed legislation would authorize the Mayor’s Office of Housing and Community Development (MOHCD) to allocate \$595,000 from the South of Market (SOMA) Community Stabilization Fund. This allocation includes: (1) \$195,000 to Renaissance Entrepreneurship Center to upgrade the HVAC (Heating, Ventilation and Air Conditioning) system in their facility at 275 Fifth Street; and (2) \$400,000 to St. Vincent de Paul Society of San Francisco to rehabilitate administrative offices. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • 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. • After issuing a Request for Proposals, the SOMA Community Stabilization Fund Community Advisory Committee awarded grants of (1) \$195,000 to Renaissance Entrepreneurship Center to upgrade the HVAC (Heating, Ventilation and Air Conditioning) system in their facility at 275 Fifth Street; and (2) \$400,000 to St. Vincent de Paul Society of San Francisco to rehabilitate administrative offices. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • The SOMA Community Stabilization Fund currently has an available balance of \$21,859,416. If the Board of Supervisors approves the proposed \$595,000 in awards, the remaining balance in the SOMA Community Stabilization Fund will be \$21,264,416. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> • 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.

The SOMA Stabilization Fund Community Advisory Committee and MOHCD issued a Request for Proposals (RFP) on December 4, 2015, consistent with the Strategic Plan, for nonprofit organizations and businesses seeking assistance from the SOMA Community Stabilization Fund.

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

DETAILS OF PROPOSED LEGISLATION

The proposed resolution authorizes the Mayor's Office of Housing and Community Development to expend SOMA Community Stabilization Fund monies in the amount of \$595,000 to fund capital improvements for two non-profit organizations located in SOMA, the Renaissance Entrepreneurship Center and the St. Vincent de Paul Society of San Francisco, as shown in Table 1 below.

Table 1: Funding Recommendations for SOMA Stabilization Fund

Awardee	Project Description	Amount
Renaissance Entrepreneurship Center	HVAC (Heating, Ventilation and Air Conditioning) System	\$195,000
St. Vincent de Paul Society of San Francisco	Rehabilitation of Administrative Offices	400,000
Total		\$595,000

Renaissance Entrepreneurship Center

Renaissance Entrepreneurship Center is a nonprofit organization that increases the entrepreneurial capacity of socially and economically diverse women and men who want to start or grow their own small businesses in the San Francisco Bay Area. The proposed grant award of \$195,000 will upgrade the HVAC (Heating, Ventilation and Air Conditioning) system in their facility at 275 Fifth Street. The total budget of \$509,462 for the upgrading of the HVAC system is shown in Table 2 below.

Table 2: Renaissance Entrepreneurship Center HVAC Upgrade Project Budget

Sources of Funds	Amount
Community Stabilization Fund (subject of this request)	\$195,000
Other Grant Awards	225,000
Reserves	65,000
Subtotal, Available Funds	485,000
Requested from Identified Funder	25,000
Total Sources	\$510,000
Uses of Funds	
Project Management	\$16,760
Materials, Equipment and Labor	382,750
Contractual Services	43,000
Bidding Materials and Indirect Costs	66,952
Total Uses	\$509,462

According to their proposal, Renaissance Entrepreneurship Center has already been awarded \$225,000 for the proposed project. An additional \$25,000 has been requested from another identified funder. Furthermore, the Center has \$65,000 on reserve for the project.

According to Ms. Claudine del Rosario, MOHCD SOMA Community Stabilization Fund Director, if the Renaissance Entrepreneurship Center is unable to secure an additional \$25,000 in funding, Renaissance Entrepreneurship Center will revise the project budget to match the available funds of \$485,000.

St. Vincent de Paul Society of San Francisco

St. Vincent de Paul Society of San Francisco is a nonprofit organization that provides direct assistance to people in need through homeless shelters, detox centers and domestic violence victim services. The proposed grant award of \$400,000 will be used for the rehabilitation of their administrative offices at 1175 Howard Street. The \$400,000 will all be used for direct renovation costs, which total \$940,538. The entire project is estimated to total \$1,725,000. A breakout of the total \$1,725,000 budget can be seen in Table 3 below.

Table 3: St. Vincent de Paul Society of San Francisco Rehabilitation of Administrative Offices Project Budget

Sources of Funds	Amount
Community Stabilization Fund (subject of this request)	\$400,000
St. Vincent de Paul's Capital Fund	1,000,000
Other Grant Awards	325,000
Total Sources	\$1,725,000
Uses of Funds	
Architecture	\$102,204
Engineering	57,865
Project Management	30,000
Permits	45,000
Soft Cost Contingency	15,000
Subtotal Soft Costs	\$250,069
Demo/Abatement/Updates	\$434,393
Renovation	940,538
Hard Cost Contingency	100,000
Subtotal Hard Costs	\$1,474,931
Total Uses	\$1,725,000

According to the St. Vincent de Paul Society of San Francisco proposal, St. Vincent de Paul Society has 330 percent in matching funds, as \$1,325,000 of the funds are available from other sources, including \$1,000,000 from St Vincent de Paul's capital funding, \$250,000 from a private foundation, \$50,000 from the Nonprofit Displacement Mitigation Fund, and \$25,000 from Twitter.

FISCAL IMPACT

According to Benjamin McCloskey, MOHCD Deputy Director of Finance and Administration, the current SOMA Community Stabilization Fund balance is \$23,856,769 of which \$1,997,353 is encumbered, resulting in available funds of \$21,859,416. If the Board of Supervisors approves the use of the requested \$595,000 in SOMA Community Stabilization Fund monies to fund the Renaissance Entrepreneurship Center and the St. Vincent de Paul Society capital projects, the SOMA Community Stabilization Fund will have a remaining balance of \$21,264,416.

RECOMMENDATION

Approve the proposed resolution.

Funding Recommendations | **October**
 for South of Market Community Stabilization Fund | **2016**

<u>Agency</u>	<u>Program Description</u>	<u>1 Year Funding</u>
<i>Capital Projects</i>		
Renaissance Entrepreneurship Center	HVAC (Heating, Ventilation and Air Conditioning) system	\$195,000
St. Vincent de Paul Society of San Francisco	Rehabilitation of administrative offices	\$400,000
		\$595,000
<i>TOTAL EXPENDITURE REQUEST</i>		<i>\$595,000</i>

1 [Approve SOMA Community Stabilization Fund Strategic Plan.]

2
3 **Resolution approving the SOMA Community Stabilization Fund 2008 Strategic Plan.**

4
5 WHEREAS, On August 19, 2005, the Board of Supervisors approved Ordinance 217-
6 05 (the "Ordinance") adding a new Section 318 to the San Francisco Planning Code which, in
7 addition to other planning code changes, established a new Rincon Hill Downtown Residential
8 District; and,

9 WHEREAS, The Ordinance imposed a new South of Market (SOMA) Community
10 Stabilization Fee of \$14 per square foot on residential development within the new Residential
11 District; and,

12 WHEREAS, The money collected from the SOMA Community Stabilization Fee will be
13 placed in a separate fund called the SOMA Community Stabilization Fund maintained by the
14 Controller (the "Fund"), and used to address the effects of destabilization on residents and
15 businesses in SOMA; and,

16 WHEREAS, The Ordinance also contemplates the transfer of up to \$6 million of Mello-
17 Roos bond revenue and/or cash deposits from the Rincon Hill Community Improvements
18 Fund to the Fund; and,

19 WHEREAS, Under the Ordinance, the Board of Supervisors established the SOMA
20 Community Stabilization Fund Community Advisory Committee (the "SOMA CAC") to advise
21 the Mayor's Office of Community Development ("MOCD") and the Board of Supervisors on
22 uses of the Fund and Mello-Roos bond revenue; and,

23 WHEREAS, Under Resolution 76-06, the Board of Supervisors appointed the original
24 seven members of the SOMA CAC; and,

3000 Y68 17 04/11/08

OFFICE OF COMMUNITY DEVELOPMENT
RECEIVED

1 WHEREAS, Under Resolution 162-06, the Board of Supervisors authorized MOCD to
2 administer and monitor use of the Fund; and,

3 WHEREAS, MOCD and the SOMA CAC wish to create efficient and fair procedures for
4 the use of the Fund to maximize community benefits; and,

5 WHEREAS, The SOMA CAC and MOCD staff worked collaboratively to create a
6 Community Stabilization Fund Strategic Plan (the "Strategic Plan") to effectively address the
7 projected impacts of development on SOMA residents and businesses; and,

8 WHEREAS, The purpose of the Strategic Plan is to stabilize the community and
9 promote equity through funding recommendations and priorities that mitigate the impact of
10 development in the Residential District; and,

11 WHEREAS, The Strategic Plan articulates four primary goals, as follows: 1) strengthen
12 community cohesion; 2) support economic and workforce development for low-income
13 residents and businesses that serve the SOMA community; 3) increase access to perpetually
14 affordable housing opportunities for existing SOMA residents; and 4) improve the
15 infrastructure and physical environment; and,

16 WHEREAS, The Strategic Plan includes Strategies, Objectives, Sample Activities and
17 Priority Populations to provide direction for the development of a Request for Proposals and
18 subsequent expenditure recommendations for review by the Board of Supervisors; and,

19 WHEREAS, The SOMA CAC conducted neighborhood meetings to solicit community
20 input on the Strategic Plan, and translated the draft Strategic Plan into four languages to
21 increase resident engagement; and,

22 WHEREAS, A copy of the Strategic Plan has been filed with the Clerk of the Board
23 under File No. 080544 ; and,

1 WHEREAS, The Fund is expected to receive significant deposits by August 2008,
2 including an estimated \$5 million from the completion of the residential development at 425
3 First Street; and,

4 WHEREAS, The SOMA CAC will also provide recommendations on the allocation of
5 resources generated by Mello-Roos bond revenue and/or cash deposits from the Rincon Hill
6 Community Improvements Fund; now, therefore, be it

7 RESOLVED, That the Board of Supervisors hereby approves the Strategic Plan, and
8 authorizes MOCD to administer the Fund in accordance with the Strategic Plan; and, be it

9 FURTHER RESOLVED, That MOCD, working in conjunction with the SOMA CAC,
10 shall issue an initial request for proposals, consistent with the Strategic Plan, for organizations
11 and/or businesses seeking assistance from the Fund, and may thereafter issue requests for
12 proposals or consider solicitations on a rolling basis; and, be it

13 FURTHER RESOLVED, That the SOMA CAC will provide preliminary
14 recommendations to the Board of Supervisors for review and approval; and, be it

15 FURTHER RESOLVED, That MOCD is hereby authorized to expend non-Mello-Roos
16 resources from the Rincon Hill Community Improvements Fund that are transferred to the
17 Fund in order to pay \$110,000 to the San Francisco Planning Department for work performed
18 on the inclusionary housing study, as provided for in the Ordinance.



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails
Resolution

File Number: 080544

Date Passed:

Resolution approving the SOMA Community Stabilization Fund 2008 Strategic Plan.

May 6, 2008 Board of Supervisors — ADOPTED

Ayes: 11 - Alioto-Pier, Ammiano, Chu, Daly, Duffy, Elsbernd, Maxwell,
McGoldrick, Mirkarimi, Peskin, Sandoval

File No. 080544

I hereby certify that the foregoing Resolution
was ADOPTED on May 6, 2008 by the Board
of Supervisors of the City and County of San
Francisco.

Angela Calvillo
Clerk of the Board

5.13.08

Date Approved

Mayor Gavin Newsom

Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2016 NOV Time stamp 4:47
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:

Expend Resolution for SoMa Community Stabilization Funds October 2016 - \$595,000

The text is listed below or attached:

See attached.

Signature of Sponsoring Supervisor: 

For Clerk's Use Only:

