



**Mayor's Office of Housing and Community Development
CITIZEN'S COMMITTEE ON COMMUNITY DEVELOPMENT**

FULL COMMITTEE MEETING

**Tuesday, March 24, 2015
1 South Van Ness Ave., Room 5080
5:00 pm – 7:00 pm**

MINUTES

1. **Call to Order** – Brian Cheu called the meeting to order at 5:21pm.
Committee Members Present – Eddie Ahn, Jamie Allison-Hope, Peter Cohen, Miquel Penn
City Staff- Brian Cheu, Vanessa Dandridge, Stephen Ford, Bruce Ito, Doris Lee, Holly Lung, Charles MacNulty, Randy Quezada, Hugo Ramirez, Julia Sabory, Dolly Sithounnolat, Pierre Stroud
Community Members – none
2. **Approval of minutes (Action Item)**
 - A. January 20, 2015 – Approved by the Committee.
3. **Director's Report (Discussion Only)**
 - Brian Cheu called the meeting to order at 5:15 pm.
 - Everyone in attendance introduced themselves and briefly described their responsibilities.
4. **Committee Member's Report (Discussion Only)** – none
5. **New Business (Discussion and Possible Action)**
 - A. **Review of MOHCD preliminary funding recommendations**
 - Brian was very pleased to announce that the Mayor chose to include, as part of his proposed budget, an amount to MOHCD that would replace the difference between the increasingly diminishing federal formula funding levels and the historically higher local investment levels. The overall amount is approximately \$1,357,485 for HOPWA activities and approximately \$1,026,228 for all others. As a result of the Mayor's commitment to continuing the level of investment via a budget augmentation for MOHCD, there was no need for Brian to present dual funding scenarios (i.e., based on current funding levels and severely cut funding levels). Brian presented funding recommendations one Program Area at a time, providing an overview of each that focuses on significant changes and addressed specific questions for each Program Area.
 - Capital

- Due to significant balances yet to be expended for existing FY13 and FY14 projects, less funding was made available for architectural and design (A&D) activities
- Most all proposed currently receive or are positioned to receive substantial MOHCD/OEWD investment
- Questions
 - Re: Community Design Center expenditure of past funds – Much of past funding has yet to be expended, but it will rollover (not be recaptured)
 - Re: Brava! past funding awards – Brava! is a cornerstone of what the City would like to do in the neighborhood/commercial corridor and this particular project, storefront expansion, much be fully funded before being carried out. Brava! was awarded approximately \$190,000 in CDBG funds three or four years ago for this project.
 - Re: Percentage of new grantees in Capital Program Area – Only new proposed grantee that had never received MOHCD funding of any kind is Epiphany Center.
- Brian outlined the new open application funding process that allows MOHCD to be more responsive to the needs of our development partners and to reach out to those potential partners that are perhaps smaller and less familiar with managing capital projects than our existing partners. These awards will be awarded on a rolling basis as projects become viable.
- Economic Development (Holly Lung) – Commercial Corridor Improvement/Beautification (façade and tenant improvement program and marketing development), Commercial Corridor Revitalization (vacant site listing, ADA improvements, strengthening existing businesses), and Technical Assistance (TA) to Small Businesses and Corridor Businesses
 - A&D funding is awarded as needed (see “significant balances” in Capital Program Area above).
 - Pipeline Project is underway
 - OEWD is seeking mayoral enhancements for increased façade improvement funding
 - Due to unknown General Fund (GF) funding levels, this RFP was used as a mechanism to award CDBG funds only for these projects and based on existing (limited) OWED capacity.
 - Japantown Taskforce proposal is ineligible under CDBG federal guidelines but will be funded with GF.
 - MEDA proposal for advocacy also is not eligible under CDBG guidelines but will be funded under another funding program
 - Recommendation to fund new proposal by Lawyer’s Committee to provide leasing review and assistance around evictions to entrepreneurs.

- OEWD has opted to take a different direction for the Lower 24th commercial corridor by enhancing the Invest in Neighborhoods Liaison program to have a dedicated (1 full-time equivalent (FTE)) liaison for Mission.
- Recommended increased funding for expansion of Small Business Development Center (SBDC). Prior to 2013, the SBDC was administered by City College and is now administered by OEWD. Its director was hired this year. The SBDC deploys 10-15 highly qualified consultants with various areas of expertise throughout the city.
- Renaissance, a high-performing organization, will receive additional funding to advance the work on the now-defunct Women's Initiative by supporting women entrepreneurs.
- Questions
 - Re: OEWD strategy to expand capacity rather than fund a community-based organization (CBO) – OEWD achieves greater value by expanding the SBDC's capacity to provide 1-on-1 (four- to six-hour sessions) TA to more businesses than a CBO could provide. Peter Cohen asked if there has been a shift in hiring a pool of consultants rather than building CBO capacity. Holly indicated that OEWD opted to go with the option that serves more businesses. Holly added that over the years there has been cuts to OEWD's budget and increased demand for its services; therefore, having access to a pool of experts with various skill sets helps meet this demand.
 - LGBT Center's recommended funding level – the funding to hire a second staff was not awarded so approximately half of what was requested was recommended.
- Housing Development Grant
 - This Program Area provides funding to cover administrative costs for rehab projects; however, federal regulations require that these funds be tied to specific projects. Furthermore, Rental Assistance Demonstration (RAD) program covers administrative costs and virtually all City-sponsored rehab projects are RAD projects; therefore, RAD projects were not considered for funding; only non-RAD projects. Brian and his staff have sat down with RAD project partners to help them understand the rationale.
 - The new funding strategy is to shift the available pot of approximately \$370,000 to a rolling funding cycle to fund projects (again, non-RAD projects) in the pipeline. There are logistical challenges that result from the need to budget in the beginning of the fiscal year. The primary challenge is that many do not have non-RAD projects. They still have access to these funds, but only for non-San Francisco Housing Authority (SFHA) projects.

- Planning – Community Building/Neighborhood Planning
 - This Program Area is primarily funded by GF; therefore, not much funding was made available in this RFP. Direct service activities were prioritized in this RFP. Furthermore, CDBG because of its regulatory limitations is not a good fit for these types of activities.
- Planning – TA/Capacity Building
 - Existing grantees working on existing investments that have been performing well were prioritized.
 - CompassPoint will receive additional, one-time funding to expand the capacity building work, (particularly, one-on-one).
 - West Bay proposal was not responsive to Program Area. Proposal sought to fund its own capacity building, whereas Program Area was intended to fund providers of TA/capacity building services. However, Brian's staff will connect them to SOMA resources.
- Access to Housing
 - Existing grantees working on existing investments that have been performing well were prioritized. Homeless Prenatal, made a compelling case to expand capacity to serve this population and will be a new grantee.
 - Vietnamese Community Center was not recommended for funding and will no longer be funded by MOHCD. MOHCD trusts VCC will continue its excellent work organizing the Tet Festival; VCC's capacity to carry out information and referral services is unknown.
- Eviction Prevention
 - One of MOHCD's priority areas. Maintained ability to investment level; in some cases, awards have been increased (Catholic Charities CYO and Causa Justa :: Just Cause).
- Financial Counseling Integration Project
 - Funded by HSA, Treasurer's Office, OEWD, and MOHCD.
 - Approximately \$550,000 in Year 1 and \$480,000 in Year 2.
 - Sought one organization to be the lead; six applied; interviewed top two: Consumer Credit Counseling and San Francisco Housing Development Corporation (SFHDC).
 - Consumer Credit Counseling was determined to be the better fit as a result of its staffing model that more easily scales up and down for the different funding sources; whereas the other had a smaller staff. Lots of co-location; program will be where people are.
 - Applicants were encouraged to develop a collaborative application, but they opted to compete instead.
- Financial Education
 - Existing grantees working on existing investments that have been performing well were prioritized. Added \$50,000 for SFHDC (better fit because it focuses on their target population, not citywide).
- Foundational Competencies

- Expansion of transitional age youth (TAY) portfolio to serve additional populations and connect them to OEWD sector academies – rather than focus on a wide range of activities for single populations. New model designed to develop personal, workplace, and academic competencies
- Episcopal Community Services (ECS) submitted an excellent proposal that services persons experiencing homelessness. (ESC' proposal for college-bound youth not a good fit for CDBG).
- Urban Services YMCA cut slightly to maximize funding awards. (MOHCD also invests GF in the Urban Services Y.)
- Vietnamese Youth Development Center awarded funding.
- Homies Organizing the Mission to Empower Youth (HOMEY) will be a new grantee; will serve reentry population.
- HIV/AIDS Services
 - This Program Area would have been most dramatically impacted by federal formula funding levels, had it not been for the Mayor's commitment to increase local funding.
 - Some funds transferred to HOPWA pool for capital projects.
 - Administration of the HOPWA housing subsidy has been shifted from Catholic Charities CYO to Human Services Agency (HSA).
- Homeless Services
 - Increased funding for Friendship House, Dolores Street Community Services, and Episcopal Community Services.
 - Added Homeless Children's Network to the portfolio due to its excellent relationship with shelter providers.
- Homeownership
 - Added Housing and Economic Rights Advocates (HERA) to portfolio to provide foreclosure intervention services through legal counseling and representation.
 - Mission Economic Development Agency (MEDA) funding for this Program Area was reduced significantly (\$105,000) in an effort to more equitably fund all projects in this portfolio. (Please note that MEDA will receive increased funding for Financial Education and Housing Counseling Program Areas totaling \$65,000.)
- Housing Place-Based
 - Funding recommendations remained flat for existing grantees. Pierre Stroud clarified that original funding amount reflected blended funding.
- Legal Services
 - Funding recommendations remained mostly flat for existing grantees.
 - Added Positive Resource Center to this portfolio.
 - Increased Dolores Street Community Services' project that serves African immigrants to \$50,000.

- Slightly decreased Bay Area Legal Aid's existing project by \$5,000 and did not recommend its new project for funding so as to maintain funding levels for existing grantees.
 - Questions
 - Re: San Francisco Bay Area Labor Foundation's new proposal – Labor organizing for union members who are recent immigrants, like other forms of organizing, is not a good fit for CDBG.
 - Service Connection
 - Pierre Stroud described this new Program Area as a shift from population-based activities to emphasizing an enhanced case management model.
 - Transitional Housing
 - Gum Moon Residence Hall will continue to be funded at \$55,000.
 - Workforce Development (Randy Quezada) – as a result of local unemployment rates trending downward, Randy expects formula funding to decrease (only Marin and San Mateo Counties have lower unemployment rates).
 - Funding levels for existing grantees will remain flat (for those sources of funding in this RFP). OEWD will do its best to use its GF to soften the blow of anticipated federal cuts.
- These are preliminary recommendations presented to the Citizen's Committee to inform the final recommendations that will be presented to the Citizen's Committee during the public hearing scheduled for March 31, 2015. CCCD forwarded these preliminary funding recommendations to the public hearing.
 - Comments
 - Miquel commented that he had anticipated dramatic shifts as a result of dramatic cuts to available funding and had not anticipated flat funding for most all existing grantees. Brian reminded committee members that in addition to continuing to invest in the work of the grantees, 13 new grantees will be created.
 - Miquel expressed interest in the possibility of MOHCD working with the San Francisco Bay Area Labor Foundation. Brian indicated that while its proposal is not recommended for funding, that he intends to reach out to them.
 - CCCD asked that a letter be drafted urging the Mayor to maintain the existing level of investment via budget augmentation. Even though the Mayor has committed to doing so, CCCD members would like to send this letter to have it on the record, since the Board of Supervisors ultimately approve the Mayor's budget. Letter to be reviewed for approval following approval of final funding recommendations.
 - Miquel expressed the importance of façade improvement investment in commercial corridors.

6. Public Comments – none

7. Adjournment

Brian Cheu adjourned the meeting at 7:05pm. Next meeting (public hearing) will be March 31, 2015 at 6 pm in the second-floor atrium of the building. (Please note that meeting is scheduled for 6 pm, not 5 pm.)

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