Bay Area Regional Prosperity Plan
HOUSING THE WORKFORCE SUB-GRANTS 2012-2013

APPLICATION FORM

Please review the 2012-2013 Call for Projects document for additional information

Submitting Applications

Applications for the Housing the Workforce Sub-Grants should be submitted in ***electronic format only*** to Vikrant Sood, Regional Prosperity Plan Program Manager, at vsood@mtc.ca.gov by **4:00 pm, Thursday, December 13, 2012**. Applications received after this date and time will not be considered for funding. Applications that are not complete will not be considered for funding. Applicants are advised to submit their application as ONE file in Adobe PDF format.

Project Summary

Lead Applicant (organization)	Chinatown Community Development Center, Inc.
Lead Applicant Type of Organization (delete that do not apply)	▪ Community Organization
Lead Applicant Tax Exempt Status (delete that do not apply)	▪ Yes
Lead Applicant Signatory to Consortium Agreement (delete that do not apply)	▪ No
Lead Applicant Contact Information (project manager for lead applicant, mailing address, email and phone number)	Gen Fujioka 1525 Grant Avenue, San Francisco, CA 94133 gfujioka@chinatowncdc.org 415-984-2749
Partner Applicant(s) (list all, if applicable)	Bernal Heights Neighborhood Center People Organized to Demand Environmental & Economic Rights San Francisco Community Land Trust
Category of Eligible Activity (delete that do not apply)	▪ Acquisition and Rehabilitation Demonstration ▪ Implementation tools
Project Name	San Francisco Small Sites Acquisition and Stabilization Project
Brief Description (50 to 100 works maximum)	The proposed project seeks to accomplish two objectives simultaneously: first, to propose a sustainable and scalable model for the acquisition and preservation of existing affordable housing units on small sites and second, to lay the groundwork for implementing that model to

	identify opportunity sites within 4 Priority Development Areas in San Francisco where disadvantaged communities are at greatest risk of displacement.
Geographic Area of Proposed Project (city, county, sub-region in the Bay Area)	City and County of San Francisco
Amount Request from Housing the Workforce Sub-Grant 2012-2013 (no more than one-third of the total available funding for this round)	$ 58,290

Proposed Project

A. Describe the Project (1,000 words maximum)

At a minimum, describe the need for this project, key components and outcomes, target population and/or community, geographic location and coverage, key work elements and deliverables, partners, and outreach and engagement approach.

The Problem and Need:

As documented in *Development Without Displacement* published by ABAG, tens of thousands of very low and low income households in San Francisco have been displaced since the early 1990s particularly from "more central and transit-rich neighborhoods." Rates of displacement have far exceeded even San Francisco's relatively robust rates of affordable housing production. And displacement continues despite one of the region's strongest eviction control ordinances.

Implementation of FOCUS and the SCS is likely to create even greater displacement pressure particularly in Priority Development Areas PDAs. Unless we develop new tools to prevent gentrification, we will continue to lose affordability and diversity in transit rich neighborhoods faster than we can build affordable housing.

One critical gap in policies to prevent displacement is the lack of a mechanism to preserve affordability in privately owned smaller apartment buildings. In San Francisco, 30% of all rental housing is located in buildings with 5 to 20 units. In some gentrifying neighborhoods the *majority* of rental units are located in such buildings (including the North Beach census tract that UC Berkeley researcher Karen Chapple found to be the San Francisco neighborhood "most susceptible to gentrification"). However, a very small fraction of deed restricted affordable housing units are on such small sites.

Charting a path for preserving affordable housing in small sites.

The opportunity for a small site preservation program can be illustrated via an unfortunate and very real case.

As we write, twenty-eight residents of an eight-unit apartment building on Jackson Street in San Francisco are all being evicted. The building, sold to an investor last year, is two blocks away from the

planned Van Ness BRT (also not far from the census tract "most susceptible to gentrification" referenced above). All the households are very low or low income, including seniors and families with young children. The investor has stated once the building is cleared the units will be sold as tenancies in common.

The investor of the Jackson Street apartment paid $1.3 million or $163,000 per unit. If a small sites acquisition program had existed, a nonprofit housing organization could have purchased the building with a relatively modest subsidy in financing. Existing rents could have supported most of the acquisition. By comparison, the city estimates the costs of producing a new two bedroom unit now exceeds $420,000.

Recognizing the need to prevent displacement such as is now occurring on Jackson Street, the City of San Francisco adopted a policy in 2009 to set aside funds generated by its inclusionary housing program for acquiring existing housing on small sites. The fund may be augmented later next year by the resources generated by the passage of Proposition C. What remains to be completed is the development of the program's implementing rules and guidelines.

Project components and elements:

The proposed project seeks to accomplish two objectives simultaneously: first, to propose a sustainable and scalable model for the acquisition and preservation of existing affordable housing units on small sites and second, to lay the groundwork for implementing that model to identify opportunity sites within Priority Development Areas in San Francisco where disadvantaged communities are at greatest risk of displacement. In short, the purpose is to create a tool to get the greatest equity bang for a limited affordable housing buck.

The project will have four stages.

First, in the technical research stage, the collaborative will meet with the Mayor's Office of Housing to determine the broad parameters of the anticipated small sites program and seek feedback and comment on their initial concepts for a program. The collaborative will then conduct a feasibility study of small site acquisitions on a site level. Relying upon their own experience and knowledge from previous studies, they will evaluate costs and challenges of small site acquisition, rehabilitation, and long term management. A market analysis of recent sales and of opportunity sites within targeted neighborhoods will be completed. In addition a case study of select buildings will be conducted to provide data on rehabilitation costs. Property management options will also be evaluated within the context of options for different forms of tenure (e.g., traditional tenancies vs. limited equity co-ops). Based upon these analyses, the partners will create a set of templates or acquisition scenarios for varying building types, rent structures, financing requirements, and ultimate desired outcomes.

Second, utilizing the templates and scenarios, the collaborative will assess how a small site program could be implemented in four neighborhoods within San Francisco's PDAs: the Chinatown-North Beach area, South of Market, the Mission, and the Mission-San Jose Corridor. This process will include mapping eligible buildings within targeted neighborhoods, surveying residents of select buildings, and reviewing data on evictions and rents by neighborhood. In addition, because projects will necessarily

involve changes in terms of tenancy, upgrades and even temporary relocation, a discussion will be initiated with tenants, neighborhood organizations, and tenant advocates on acceptable ranges and parameters for these impacts.

Third, based upon the analyses and conclusions from the previous stages of work, the partners will jointly draft recommendations for a small site program. The recommendations will address broader goals such as prioritizing sites, income requirements, and rent increases, seekingto impact the largest number of units while also serving populations with the greatest (and most costly) needs. The collaborative will propose a more nimble acquisition process and options for greater feasibility, including underwriting and management guidelines, benchmarks for costs, and sustainable management strategies. The partners will seek feedback on the draft recommendations from neighborhood stakeholders, other housing development organizations, and the regional housing and equity working groups. The final draft will then be presented to the Mayor's Office of Housing to inform its development of its small sites program guidelines.

Fourth, in our knowledge sharing phase, we will present findings to the regional working groups in person and in writing. With the City of San Francisco's aiming to launch its program in the beginning of 2014 that presentation will be able to discuss the outcomes of the project in terms of real projects and results.

B. Sub-Grant Objectives Addressed by Proposed Project (delete that do not apply)

1. Meet the housing needs of low- and very low-income households in the region while also reducing their transportation costs and improving access to jobs and economic opportunities;
2. Support the production of new affordable housing units near transit, preserve existing affordable housing units, and/or minimize the impacts of gentrification on low- and very low-income households;
3. Explore new approaches remove barriers to the development and preservation of affordable housing units as well as neighborhood stabilizations;
4. Engage under-represented communities as well as non-profit partners, community leaders, local jurisdictions, regional agencies, and philanthropic entities in the planning, implementation and decision-making process;
5. Catalyze policy and systems change at the local, sub-regional and regional level to promote access to affordable housing; and
6. Build institutional and organizational capacity among partners and stakeholders at the local, sub-regional and regional level to sustain the work beyond the term of this grant program.

C. How will the proposed project impact broad policy and systems change at the local, sub-regional and/or regional level? (200 words maximum)

The local policy and systems impact of this project is well described in the accompanying letter from San Francisco's Mayor's Office of Housing:

"With the creation of San Francisco's Housing Trust Fund, approved by voters this November, we are preparing to launch a small site acquisition and rehabilitation program in early 2014. In order to ensure that this program is successful, it is crucial that we have informed input from the community-based organizations that will be accessing this financing.

"The four organizations that make up this collaboration are all well known to the Mayor's Office; among them, they represent strong and effective leadership in community-based housing development, land use planning and advocacy, and community organizing.

"We enthusiastically support this proposal and look forward to reviewing their analyses and recommendations and to working with them to implement this important tool in preservation of affordable housing and diverse communities."

D. Who is most likely to benefit from the proposed project? What is the target population or community? Outline characteristics of the community? (500 words maximum)

The city's small site acquisition and preservation program will be designed to serve lower income renter households. This project will focus on how that anticipated program can particularly address the needs of at risk households in four neighborhoods and corridors, representing a significant part of San Francisco's PDAs:

The Mission District: Despite having been severely impacted by gentrification and displacement over the past decades the Mission continues to be a regional center for the Latino community and retains a critical mass of Latino residents a majority of whom are tenants. With two BART stations, extensive bus lines, and the nearby CalTrain terminal, it is the archetypal transit oriented neighborhood and a prime development opportunity location. Excluding residential hotels, it is estimated that over a third of the rental housing in the Mission are in buildings with between 5 and 20 units.

The Mission-San Jose Corridor: The Mission-San Jose Corridor PDA includes the primary commercial and transit corridors in the Outer Mission and Excelsior Districts. It adjoins the Balboa Park BART station and its TOD planning area. It is a very diverse area with a majority of residents of Asian, Latino, or African American descent. While single family homes predominate, there are a significant number of small site apartment buildings along Mission Street.

Chinatown-North Beach: The Chinatown-North Beach area has the highest concentration of low income Asian residents in San Francisco. For over a century, much of the population has resided in residential hotels. But the lifting of discriminatory housing practices in the 1950s and through the 1990s, the housing surrounding Chinatown's core increasingly became occupied by working class Asian immigrants. But beginning with the Dot Com boom, the district has experienced one of the highest rates of Ellis Act evictions in the city. Since the 2000 Census, the Asian population has declined by 20%. It is anticipated that the Central Subway, now under construction, will increase displacement pressure. Aside from the residential hotels in the core, a majority of the housing units in the neighborhood are in small site

buildings.

South of Market: SOMA has historically been one of the city's most blue collar and diverse neighborhoods but today is the locus of much of San Francisco's 'tech' real estate development boom. Some of the city's most expensive new housing towers are located in SOMA and it adjoins the planned Transbay TOD centers. But SOMA also serves as the center for the City's Filipino community and has a poverty population that is well above the city's average. Aside from the area's residential hotels, small site buildings are an important part of the rent controlled housing stock and is particularly important for family housing.

E. Can the proposed project serve as a model and/or best practice for other communities in the region? Describe how and why? Which other communities? (200 words maximum)

The research and recommendations of the collaborative will have broader relevance for others in the region for several reasons:

First, the dynamics of gentrification associated with TOD are not unique to San Francisco. Although the pace and particular form of gentrification may vary, national and regional research shows a strong correlation between such investment and the displacement of existing households. For cities without strong eviction controls or restrictions on condominium conversions, the need for a small sites acquisition program to preserve affordability in small sites may be even greater than in San Francisco.

Second, the challenges of managing smaller properties are common to nonprofit affordable housing developers throughout the region. The proposed project's analyses will evaluate different asset and resource pooling strategies as well as the cost effectiveness of scattered site property management and alternatives such as co-ops and shared management. The recommendations based upon that research will have broader relevance beyond SF.

Finally, as the first of its kind in the region, the San Francisco small sites program will likely influence the standards and practices adopted by financial institutions and intermediaries. The collaboration will seek to directly engage those institutions in developing underwriting standards that support small site acquisitions.

F. Who are the potential partners on this project? How will they be engaged? (200 words maximum)

With full funding, the proposal will bring together the following four organizations into one collaborative: Chinatown Community Development Center (CCDC) serving as the lead agency, Bernal Heights Neighborhood Center (BHNC), People Organizing to Demand Environmental & Economic Rights (PODER), and San Francisco Community Land Trust (SFCLT). Each collaborative member brings different experiences and perspectives to the project. Each organization will have equal voice in decisions.

In addition, we will partner with San Francisco's Mayor's Office of Housing (MOH) to support an

inclusive and publicly engaged process to shape the policies for the small sites program. We will work with MOH from the start to set the framework for the public conversations and to involve community input throughout the process to the issuance of the program guidelines and beyond.

This proposed collaboration between nonprofit community serving organizations and the Mayor's Office would be ground breaking and unique. Absent the support of the regional grant we would be unable to participate in the policy formation process except in an ad hoc fashion, we would lack the resources to fully assess needs or alternative strategies, and we would not be able to fully engage our communities.

G. How will the project engage the community and stakeholders, partners, and working groups? Highlight process for engaging under-represented communities. (500 words maximum)

The formation of this collaborative itself is an act of community engagement as it brings together organizations with deep roots in diverse neighborhoods across San Francisco's PDA areas to work in common purpose with a public agency to help shape policy. The primary mission of each collaborative member is to engage and serve those who are unrepresented and this project will be infused with that intention. As PODER describes its approach: we will be 'people powered.'

Specifically, community engagement in this project will be multilayered across different sectors, and occur in both fact finding and decision making.

First, the technical research phase will bring together staff from each organization to share knowledge regarding small site housing development and management with particular attention to the special needs of the diverse and multilingual communities we serve. We will gather additional wisdom and data from MOH and through our existing relationships with SF's Coalition of Community Housing Organizations (CCHO), East Bay Housing Organizations (EBHO), and the Local Initiatives Support Corporation (LISC).

Second, in the neighborhood planning phase we will not merely 'map' opportunity sites in our communities viewed from above, we will utilize community based research techniques to understanding conditions on-the-ground. Our organizers will survey tenants in small site buildings in each of our four target neighborhoods to gather information about rents, incomes, eligibility concerns, and interest in participating in the program. We will interview housing counseling organizations to assess eviction patterns and intervention priorities. And we will meet with our neighborhood partners (identified below) to discuss where housing sites might offer the greatest opportunities for residents.

Third, as we draft our recommendations for the small site program we will consult with our neighborhood partners and prior to submitting our conclusions to MOH we will present our drafts for discussion at a minimum of three (3) neighborhood convenings: in Chinatown-North Beach, SoMa, and the Mission reach a minimum of two hundred (200) residents. We will also seek the input and suggestions of the regional housing and equity working groups.

The neighborhood organizations we will consult and engage with including: In Chinatown – North

Beach: the Community Tenants Association, Chinese Progressive Associations, Self Help for the Elderly, Telegraph Hill Neighborhood Center. In the Mission, Outer Mission, and Excelsior: Dolores Street Community Services, Mission Economic Development Association, and members of the Excelsior Planning Collaborative, including Filipino Community Center, and Coleman Advocates for Children and Youth. In the South of Market: South of Market Community Action Network, Filipino American Development Foundation, Asian Neighborhood Design. We will also consult with organizations that serve citywide constituencies including the Asian Law Caucus, SF Housing Rights Committee, and the SF Tenants Union.

H. How will the project be managed and implemented? What is the role of each partner on the project? What is their expertise and experience? (500 words maximum)

H. Management and qualifications

CCDC will provide overall management for a project combining the expertise of four collaborative members and coordinating with our public partner, the Mayor's Office of Housing.

As outlined in Section A, the project will proceed in stages. Collaborative members will contribute staff based upon expertise relevant to each stage and will dedicate a lead staff person for coordination, development of recommendations, and regular meetings with the Mayor's Office of Housing.

Member qualifications:

CCDC is a neighborhood based community development organization that plans, develops, manages, and preserves affordable housing with a focus on the needs of low income families and seniors in North Eastern San Francisco. Over its thirty-five years, CCDC has developed over 2200 units of affordable housing in San Francisco including projects both large and small. CCDC has received and maintain the highest national rating for performance by Neighborhood Works America and other awards for excellence from HUD and other institutions. We have staff fluent in Cantonese, Mandarin, and Russian. In order to support this project, CCDC will assign some of its most senior and experienced staff.

Bernal Heights Neighborhood Center is a community-based, member-led multiservice organization that develops and operates affordable housing throughout the city, provides services to seniors, and youth at our Bernal and Excelsior sites, and organizes and empowers our tenants, clients, members and allies to advocate for their needs. BHNC has developed 441 units of affordable housing at 18 developments, many of them in smaller buildings. Our work has been honored with Fannie Mae Foundation Maxwell Awards of Excellence, Met Life Award for Excellence in Affordable Housing, and Bank of America Neighborhood Builders Award. We serve diverse communities with staff language capacity that includes Spanish, Cantonese, Mandarin, and Tagalog.

Founded in 1991, People Organizing to Demand Environmental & Economic Rights (PODER) is a grassroots, membership-based organization that creates people-powered solutions to environmental and economic inequities, particularly gentrification, by organizing with low-income Latino immigrant

families in San Francisco's Mission, Excelsior and other San Francisco neighborhoods. From organizing to support the development of Juan Pifarre Plaza in the 1990's, to advocating for the Municipal Transportation Agency to transfer the Balboa Park Upper Yard for a mixed use affordable housing development, PODER has organized with Latino immigrant families for affordable housing in the Mission and Excelsior neighborhoods.

The San Francisco Community Land Trust (SFCLT) is a member-based organization that creates permanently affordable housing for low-income residents by acquiring rent-controlled apartment buildings at risk of losing their affordability, and converting them into resident-controlled, housing cooperatives leased by the land trust. SFCLT currently owns two small properties with a total of 31 affordable units of cooperative housing, SFCLT is currently in the process of acquiring two additional small sites. Since 2010 SFCLT has been the lead agency of a coalition contracted by the SoMa Stabilization Fund to identify strategies and sites for acquisition and preservation. SFCLT has conducted an initial survey and has mapped small site opportunity sites in the SOMA area.

I. How will the proposed project build capacity at the local, sub-regional and/or regional level? (200 words maximum)

We are participating in building something new for San Francisco and, to the best of our knowledge, new for the region. While small apartments have been acquired and managed as affordable housing before, this project uniquely aims to develop such an effort at scale and with the purpose of preventing or blunting gentrification. Moreover, we are building the elements of this program by engaging impacted communities early in the design phase of the process. The result will be not merely the launch of a new but unfamiliar program, it will be a program with early buy-in from tenants, neighborhoods, and community based organizations. Building the community networks to identify priority acquisition sites will increase its impact and lay the groundwork for discussions for other anti-gentrification strategies.

In addition, working cooperatively with the Mayor's Office of Housing we will also be engaging financial institutions and intermediaries to establish new criteria and standards that can be adapted for other locations and jurisdictions. Our aim will be to build knowledge and capacity not only for nonprofit housing developers but also for the financial partners as well. Building that groundwork sets the stage for small site programs in other cities served by those same institutions.

Bay Area Regional Prosperity Plan
HOUSING THE WORKFORCE SUB-GRANTS 2012-2013

SCOPE OF WORK AND BUDGET TEMPLATE

Please review the 2012-2013 Call for Projects document for additional information

Proposed Scope of Work and Budget (complete using the following template)

All applicants must submit a scope of work and budget using the template below. Applications that do not include a scope of work and budget in this format will be considered incomplete. MTC will use this scope of work and budget to develop the grant agreement if the proposed project is approved for funding. Any request to make changes to the scope of work and budget after the application is submitted will be subject to approval by MTC.

Task	*Description and Timeframe*	*Deliverable*	*Budget**
Task 1: Grant Administration and Project Coordination	Project management, convening collaborative meetings, coordinating with Mayor's Office of Housing, communications with working groups, preparation of reports. Months 1-12	Invoices, quarterly progress reports, final reporting	$9,000
Task 2: Research and analysis of housing markets and model development	Evaluation of small site acquisition, asset management, and property management best practices, research of financing barriers and opportunities, market research, consideration of alternative models. Months 1-3	Invoices, initial report of findings	$18000
Task 3: Neighborhood housing mapping, priority setting, and community based research of housing opportunity sites	Identify community priorities for neighborhood stabilization and selection of small site acquisitions through assessment of displacement trends, surveys of tenants and community based organizations, Months 2-6	Invoices, list of participating organizations	$15000
Task 4: Engage community and develop recommendations for San Francisco' small site acquisition and	Develop and present analysis and recommendations for small site preservation program to Mayor's Officeof Housing following convenings of residents and stakeholders in three PDA neighborhoods and participation of 200 residents. Months 7-10	Invoices, Copy of recommendations to the City of San Francisco, sign in sheets for	$13290

		participants in convenings	
Task 5: Knowledge sharing with regional working groups	Presentation to regional working group or alternative setting TBA, written report and findings. Months 11-12	Invoices, report and findings	3000
TOTAL			$ 58290

* Estimate budget using total labor cost including indirect and overhead.

Staff Name / Role	*Billing Rate**	*Total Hours on Proposed Project*
Gen Fujioka, CCDC/Policy Manager/ Project Manager	48.18	186.8
M. Yeung, CCDC/Deputy director/Analyst and field coordinator	68.62	51
W. Jones, CCDC/Director of housing development/Analyst	69.58	43.1
G. Kellerer, CCDC/Asset manager/Analyst	52.24	47.9
V. Chang, CCDC/Senior planner/Researcher	34.73	57.6
J. Ladd, CCDC/Development assistant/Researcher	26.18	57.3
A.Diaz, PODER/Director/Analyst	88.50	96
C.Sciammas,PODER/Community organizer/Outreach	59	66
A.Beinart,BHNC/Housing director/Analyst	100	96
S. Imamoto, BHNC Dir of Asset Mgmt	100	24
T.Parent, SFCLT/Director/Analyst	75	144
E.White, SFCLT/Program manager/Analyst	50	12

TBD, SFCLT/Stewardship coordinator/Organizer	50	20

* Including indirect and overhead cost.

MAYOR'S OFFICE OF HOUSING
CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE
MAYOR

OLSON LEE
DIRECTOR

December 10, 2012

Vikrant Sood
Regional Prosperity Plan Program Manager
Metropolitan Transportation Commission
Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700

Re: 2012-2013 Call for Projects, Housing the Workforce: Chinatown Community Development Center

Dear Mr. Sood:

The San Francisco Mayor's Office of Housing is pleased to support the proposal by Chinatown Community Development Center and its collaborative partners Bernal Heights Neighborhood Center, PODER, and San Francisco Community Land Trust for a Housing the Workforce Subgrant to assess opportunities and develop strategies for feasibility of a program to acquire, rehabilitate, and operate small sites as affordable rental or limited-equity ownership housing.

The City and County of San Francisco passed legislation in 2009 to allow use of a portion of City's Inclusionary Program's affordable housing fees for small site acquisition and rehabilitation, a source of financing to preserve existing buildings with fewer than 25 units as affordable housing. Due to economic constraints, the program has been unfunded for the initial years, and program procedures and guidelines have not yet been established. With the creation of San Francisco's Housing Trust Fund, approved by voters this November, we are preparing to launch a small site acquisition and rehabilitation program in early 2014. In order to ensure that this program is successful, it is crucial that we have informed input from the community-based organizations that will be accessing this financing.

The four organizations that make up this collaboration are all well known to the Mayor's Office; among them, they represent strong and effective leadership in community-based housing development, land use planning and advocacy, and community organizing.

1 South Van Ness Avenue, Fifth Floor, San Francisco, CA 94103
Phone: (415) 701-5500 Fax: (415) 701-5501 TDD: (415) 701-5503 http://sf-moh.org

We enthusiastically support this proposal and look forward to reviewing their analyses and recommendations and to working with them to implement this important tool in preservation of affordable housing and diverse communities.

Sincerely,

Olson Lee
Director