

RESOLUTION NO. 103-2008

Adopted September 16, 2008

AMENDING THE FILLMORE JAZZ PRESERVATION DISTRICT COMMUNITY BENEFITS FUND GRANT PROGRAM TO AUTHORIZE THE EXECUTIVE DIRECTOR TO SELECT MEMBERS OF THE GRANT SELECTION COMMITTEE; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2

BASIS FOR RESOLUTION

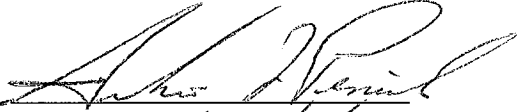
1. The Redevelopment Agency of the City and County of San Francisco ("Agency") established the Fillmore Jazz Preservation District - the area bound by McAllister, Post, Steiner and Webster Streets ("District") to revitalize Fillmore Street in the Western Addition Redevelopment Project Area A-2 ("Project Area"). The primary focus of the District is to highlight the significant role that jazz music played in the District and to continue the legacy of jazz by creating an entertainment district comprised of dining, jazz music and shopping venues and activities.
2. The Agency and Fillmore Center Developers, a California corporation ("Developer"), entered into an Agreement for Disposition of Land for Private Development ("LDA") dated December 16, 1985 which authorized the purchase and development of land located in the District.
3. On December 14, 2004, by Resolution No. 151-2004, the Agency Commission approved an eleventh amendment to the LDA ("Eleventh Amendment") which, among other things, required the Developer to pay the Agency a one-time lump sum amount of \$312,424, related to additional commercial space in the complex.
4. The Eleventh Amendment requires the funds be used exclusively for expenditures and programs that support the District. Pursuant to the terms of the Eleventh Amendment, the funds must be spent by January 9, 2009. The Agency placed these funds in an interest bearing account which now totals \$360,000 ("Grant Funds").
5. In early 2005, the Agency Commission directed staff to begin discussions with the Western Addition Citizens Advisory Committee ("CAC") on establishing a policy recommendation for use of the Grant Funds. In 2006, the full CAC voted to refer the item to its Budget and Finance Subcommittee ("Subcommittee"). After hosting several meetings on this issue, the Subcommittee created an ad-hoc committee consisting of some of its members and other community members. On January 22, 2008, the ad-hoc committee presented a one page proposal to the Subcommittee which was not supported by its members. There has been no resolution on this issue at the CAC level.

6. In February 2008, the Agency Commission's President and Vice President, taking a special interest in moving the proposed Grant Program forward, convened a committee with staff to develop a program for the use and disbursement of the Grant Fund. The committee presented the proposed Fillmore Jazz Preservation District Community Benefits Fund Grant Program ("Grant Program") at an Agency Commission workshop on June 17, 2008.
7. The purpose of the Grant Program is to expand business opportunities and employment in the Project Area. The Grant Funds will be used to fund individual grants, not to exceed \$25,000. In addition, the Agency Commission directed staff to make certain changes to the Grant Program eligibility criteria to make it easier for Project Area residents and businesses to apply. In addition, the Agency Commission requested that the timeline of the Grant Program be extended to provide for at least two application cycles and to make job creation for Western Addition residents a priority.
8. On July 10, 2008, by Agency Resolution No. 74-2008, the Agency Commission adopted and approved the Grant Program. The Grant Program provided for the Agency Commission to select and appoint members of the grant selection committee ("Grant Selection Committee").
9. Agency staff now desires that the Grant Program be amended (as attached hereto as Exhibit A) to authorize the Executive Director to select and appoint members of the Grant Selection Committee to facilitate the timely implementation of the Grant Program.
10. The Grant Selection Committee will be comprised of seven members; two Agency Commissioners; two CAC members; two Western Addition business owners/operators, and one Agency staffer.
11. Upon Agency Commission approval of the Grant Program amendment, the Executive Director will be authorized to select and appoint members to the Grant Selection Committee.
12. Except as otherwise stated, the terms and conditions of the Grant Program will remain in full force and effect.
13. Formation of the Grant Selection Committee and its subsequent activities are not Projects as defined by the California Environmental Quality Act Guidelines Section 15378(b)(5). Authorizing the Executive Director to form the Grant Selection Committee and the subsequent activities of the committee are administrative activities that will not independently result in a significant physical effect on the environment.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Fillmore Jazz Preservation District Community Benefits Fund Grant Program is amended (as attached hereto as Exhibit A) to authorize the Executive Director to select and appoint members of the Grant Selection Committee to review completed grant applications and select grant recipients.

APPROVED AS TO FORM:


for James B. Morales 5/10/08
Agency General Counsel

**FILLMORE JAZZ PRESERVATION DISTRICT
COMMUNITY BENEFITS FUND GRANT PROGRAM
AS AMENDED**

FILLMORE JAZZ PRESERVATION DISTRICT

The Redevelopment Agency of the City and County of San Francisco ("**Agency**") established the Fillmore Jazz Preservation District - the area bound by McAllister, Post, Steiner and Webster Streets (the "**District**") to revitalize Fillmore Street in the Western Addition Redevelopment Project Area A-2 ("**Project Area**"). The primary focus of the District is to highlight the significant role that jazz music played in the District and to continue the legacy of jazz by creating an entertainment district comprised of dining, jazz music and shopping venues and activities.

OBJECTIVES OF THE GRANT PROGRAM

The objective of the Grant Program is to provide start-up or expansion capital in the form of "micro grants" not to exceed \$15,000 to existing nonprofit organizations, for profit businesses (including kiosks) and startup businesses that will benefit the District. Grant applicants must be able to show how the proposed activity will benefit the District.

The goal of the Grant Program is to attract new businesses and to encourage retail activity that provides a needed/desired service within the District in order to increase foot traffic within the District and to create a viable commercial core by providing retail services, jobs and a safe environment.

FUNDING THE GRANT PROGRAM

The Agency and Fillmore Center Developers, a California corporation ("**Developer**") entered into an Agreement for Disposition of Land for Private Development ("**LDA**") dated December 16, 1985 which authorized the purchase and development of land located in the District. On December 14, 2004 by Resolution No. 151-2004, the Agency Commission approved an eleventh amendment to the LDA ("**Eleventh Amendment**") which, among other things, required the Developer to pay to the Agency a one-time lump sum amount of \$312,424, related to additional commercial space in the complex. The Eleventh Amendment requires the funds be used exclusively for expenditures and programs that support the District. Pursuant to the terms of the Eleventh Amendment, the funds must be spent by January 9, 2009. The Agency placed these funds in an interest bearing account which now totals \$360,000 (the "**Grant Funds**"). The Grant Funds will be used to fund individual grants, not to exceed \$15,000, pursuant to this Grant Program.

GRANT PROGRAM ELIGIBILITY PERIOD

The Grant Program shall be effective from the date adopted by the Agency Commission and shall remain in effect until all of the Grant Funds are disbursed, at which time the Grant Program shall automatically terminate ("**Grant Program Eligibility Period**").

AUTHORITY OF THE GRANT SELECTION COMMITTEE

The Agency Executive Director will appoint members to a grant selection committee (“Grant Selection Committee”) which will review grant applications. The Grant Selection Committee will be comprised of seven members: two Agency Commissioners; two CAC members; two Western Addition business owners/operators, and one Agency staffer. The Grant Selection Committee shall have the authority to approve, disapprove or approve in part a grant application. The decision of the Grant Selection Committee on a grant application shall be final.

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AUTHORITY OF THE EXECUTIVE DIRECTOR

Pursuant to this Grant Program, the Agency Executive Director or his/her designee shall have the authority, without any further need for Agency Commission action, to execute individual grant agreements with a grantee whose application was approved by the Grant Selection Committee. The Executive Director shall also have the authority to enter into any and all ancillary documents or take any additional actions necessary to administer this Grant Program consistent with its terms.

GRANT APPLICATION PROCESS

- Prospective applicants will attend one of two orientation workshops which will explain the grant application process to prospective applicants.
- Prospective applicants will attend a business planning workshop held by a consultant (“Consultant”) hired by the Agency to assist prospective applicants with the preparation of a two-three page business plan.
- Prospective applicants will then attend at least three (3) of the following business education workshops:
 - Understanding Financials
 - Operating Your Business
 - How to Market Your Small Business
 - How to set up a 501(c) (3) nonprofit organization
 - Recordkeeping Management for Financial Profitability
 - Time Management/Organizational Skills
 - Accessing Capital
 - Presentation Skills
- The Consultant will promote the Grant Program locally; assist and facilitate the proper completion of the grant application; advise prospective applicants on permits and licenses.
- Prospective applicants will then submit a Grant Application form (Attachment 1) to the Consultant along with their business plan, businesses registration and proof of any required permits and/or licenses.
- The Consultant will screen the applications for timeliness and completeness; and forward completed applications to the Grant Selection Committee with its

recommendations. The Grant Selection Committee is not bound by the recommendation of the Consultant.

- The Grant Selection Committee will review the grant applications in two batches: the first batch will be reviewed in December 2008 and the second batch will be reviewed prior to the Summer of 2009. The Grant Selection Committee will send a letter to each applicant, with a copy to the Agency Executive Director, informing the applicant of the Grant Selection Committee's decision.
- Those applications which are approved or approved in part by the Grant Selection Committee will be forwarded to the Consultant. The grantee will execute a grant agreement ("Grant Agreement") in the form of Attachment 4.
- The grantee shall submit invoices to the Consultant showing that the grantee has paid for or incurred costs for products, services or activities which are eligible for reimbursement. The Agency Executive Director upon receipt of the invoices and supporting documentation will disburse the funds.

ELIGIBLE USES FOR GRANT FUNDS

The Grant Funds may be used for any of the following:

- Start up expenses
- Operating expenses (this may include up to three months of payroll expenses)
- Marketing activities including: design and printing of marketing materials, fees for listings, advertising and promotional activities
- Purchase of inventory
- Purchase of equipment/furniture
- Tenant improvements/Façade improvements
- Lease deposit
- Fiscal agent fees
- Uses similar in character or nature as those listed above as determined by the Grant Selection Committee

INELIGIBLE USES FOR GRANT FUNDS

The Grant Funds may not be used for any of the following:

- Refinance existing debt
- Pay off existing debt
- Pay off delinquent taxes
- Purchase of real estate
- Purchase of vehicles
- Events designed as benefits or fundraising events

- Uses similar in character or nature as those listed above as determined by the Grant Selection Committee

LIMITATION ON GRANTS DISBURSEMENTS

Grants will be made available to eligible participants in amounts ranging from \$2,000 up to \$15,000. The application process will be managed by the Consultant pursuant to a personal services contract with the Agency.

Grants are limited to one award per individual regardless of the number of businesses owned and operated by the individual or the number of partnerships in which the individual is a member. If one business, owned or operated by an individual, receives a grant, then all other businesses owned or operated by that same individual would be ineligible to apply for or receive grant funds.

Current Agency Commissioners, Agency employees, Project Area Committee members, Citizens Advisory Committee members and members of the Grant Selection Committee are ineligible to apply for or receive Grant Funds.

APPLICANTS ELIGIBLE TO RECEIVE GRANT FUNDS

Individuals, businesses and nonprofit organizations are eligible to receive Grant Funds (subject to the availability of funds) if they submit an application during the Grant Program Eligibility Period, attend the required workshops and meet all of the following criteria:

For Individual Applicants (Startup Businesses)

- Must be a resident of the Project Area
- Must desire to create a startup business that will benefit the District (See *Benefits to the District Section* below)
- Must submit a complete Grant Application (Attachment 1)
- Must submit a 2 – 3 page business plan with the application
- Must have attended workshops as required by the Grant Program
- Applicant must have applied for and received all necessary licenses and permits to legally open and run the startup business (However, this requirement may be waived by the Grant Selection Committee if the Grant Funds are needed to apply for said licenses and permits.)

For Business and Nonprofit Applicants

- The business or nonprofit must be located in the Project Area
- The business or nonprofit must plan to offer a new product or service that will benefit the District (See *Benefits to the District Section* below)
- Must submit a complete Grant Application (Attachment 1)

- Must submit a 2 – 3 page business plan with the application which: (i) demonstrates a growing market opportunity; and (ii) introduces a new product, idea, event or service that has the potential to foster economic growth through revenue generation and/or job creation or retention.
- Must have attended workshops as required by the Grant Program
- Business must be registered with City & County of San Francisco's Tax Collector for a Business Tax Registration Certificate and have appropriate permits in place
- Grant Agreement must be executed by a company founder, CEO, President or other appropriate executive of the business or nonprofit organization

For Kiosk Applicants

Kiosk applicants must meet all of the criteria listed above for business and nonprofit applicants. In addition, kiosk applicants are subject to the following additional criteria:

- No more than two (2) kiosk applicants will receive Grant Funds under the Grant Program
- The kiosks must be located within the District
- The kiosks can not be located within a 600 foot radius of an existing business that sells the same items or provides the same services as those offered by the kiosk
- Kiosk applicants must first file a notice of intent to operate with the San Francisco Police Department, Northern Station ("SFPD") to get approval for the placement (location) of the kiosk
- With approval from SFPD in hand, the kiosk applicant must then file for a Permit to Operate with the Public Health Department
- The kiosk applicant must have both the SFPD approval and the Permit to Operate before being eligible to apply for a grant.

APPLICANTS INELIGIBLE TO APPLY FOR OR RECEIVE GRANT FUNDS

Individuals, businesses and nonprofit organizations are ineligible to apply for or receive Grant Funds if they meet one or more of the following criteria:

- Applicant is currently in default on any local, state or federal loans
- Applicant is currently in default on any Agency contracts
- Applicant has already received Grant Funds
- Applicant is owned or operated by an individual who has another business that has already received Grant Funds
- Products or services to be offered are illegal
- Products or services to be offered are not new (i.e. are already being offered by applicant)
- Receipt of Grant Funds by applicant would constitute a violation of the conflict of interest rules contained in California Government Code Sections 1090 *et seq.*, or

87100 *et seq.* or would violate the Agency's Personnel Policy, Section IX. H. Prohibited Activities of Present and Former Employees, Commissioners and Consultants

- Applicant is a current Agency Commissioner, employee, Project Area Committee member, Citizens Advisory Committee member or a member of the Grant Selection Committee

SERVICES, PRODUCTS AND ACTIVITIES THAT BENEFIT THE DISTRICT

The following services, products and activities are deemed to benefit the District and are eligible for Grant Funds:

- A new retail activity that provides a needed/desired service within the District.
- A new activity that increases foot traffic in the District
- A new service or product which supports programs or businesses within the District
- A new service or product that promotes the District as a destination venue for local and global patrons
- An activity that provides economic stimulus within the District i.e. creates or retains jobs
- Services, products or activities similar in character or nature as those listed above as determined by the Grant Selection Committee

WORKSHOPS

All workshops offered or required to be completed under the Grant Program shall be:

- Taught by the Consultant
- Offered at no costs
- Open to the public
- Be no more than three hours in duration
- Provided on a regular rotation (to include AM & PM times)
- Be offered at a location in the District or at the Agency's offices
- Scheduled at times that accommodates business owners operating schedules.

BREACH OF CONTRACT

If a grantee is in breach of any covenant, agreement, provision or warranty contained in this Grant Program or in the Grant Agreement signed by the grantee, then the Agency shall provide written notice to the grantee and the grantee shall have fifteen (15) days to cure the default, or if such default cannot be reasonably cured within fifteen (15) days, the grantee shall commence to cure within fifteen (15) days and thereafter shall diligently complete such cure.

In the event the grantee has not cured the default (or commenced the cure) within the time period noted above, the Agency Executive Director may:

- (a) Terminate the Grant Agreement and the Agency's obligations to disburse any additional funds thereunder.
- (b) Demand repayment of all amounts disbursed plus interest at a rate of 3.25% as liquidated damages.
- (c) Seek any other remedies as may be available at law or equity.

The remedies of the Agency are cumulative, and the exercise of one or more of such remedies shall not preclude the exercise by the Agency of any one or more of its other remedies.

WAIVER OF AGENCY'S EQUAL OPPORTUNITY PROGRAM

Given the small amount of the individual grants to be disbursed under this Grant Program and so as not to create an impediment or disincentive to applicants to apply for, receive and use Grant Funds, the Agency Commission waives the application of the programs and policies under the Agency's Equal Opportunity Program to grants approved under this Grant Program.

APPLICATION OF LABOR CODE SECTION 1720 (PREVAILING WAGES)

As required by California Labor Code Section 1720 *et seq.*, any construction, alteration, demolition, installation or repair work done under contract and paid for in whole or in part by Grant Funds must be performed by workers paid the then prevailing wage rate established by the California Department of Industrial Relations.

FINAL REPORT

When all the Grant Funds have been disbursed via the Grant Program, the Consultant will prepare a final report detailing the accomplishments of grantees' businesses or organizations. This report will allow the Agency to effectively measure the benefits and outcomes of the Grant Program.

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| Attachment 1: | Grant Application |
| Attachment 2: | Form of Scoring Sheet |
| Attachment 3A: | Form of Acceptance Letter |
| Attachment 3B: | Form of Rejection Letter |
| Attachment 4: | Grant Agreement |
| Attachment 5: | Final Report Form |