RESOLUTION NO. 12-2004

Adopted February 3, 2004

AUTHORIZING A FIRST AMENDMENT TO THE LETTER AGREEMENT WITH THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT FOR BUSINESS DEVELOPMENT CONTRACTS WITH SOUTH OF MARKET FOUNDATION DBA URBAN SOLUTIONS TO INCORPORATE THE SIX ON SIXTH ECONOMIC REVITALIZATION PROGRAM, AND TO INCREASE THE MAXIMUM AMOUNT PAYABLE BY $489,426, WHICH INCLUDES A CARRY-OVER OF $457,926; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. For over ten years, the Redevelopment Agency of the City and County of San Francisco ("Agency") contracted with two community-based organizations ("CBOs") to provide technical assistance and loan packaging services to Project Area businesses, entrepreneurial training services to low and moderate income residents, and small business incubator services.

2. In February 1999, Mayor Willie L. Brown, Jr. requested the Agency focus its resources on the Agency's mission of alleviating physical and economic blight and, therefore, to utilize, where possible, other agencies and City departments.

3. The Mayor's Office of Community Development ("MOCD") has targeted funds for small business assistance and loan packaging services and has agreements with the same organizations to provide such services. Staff recommended that the administration of the CBO contracts be transferred to MOCD consistent with the Mayor's request.

4. On June 27, 2000, the Commission approved a three-year Letter Agreement ("Agreement") with MOCD to enter into and administer business development contracts with South of Market Foundation dba Urban Solutions and San Francisco Renaissance to provide small business assistance and loan packaging.

5. On March 13, 2001, the Agency approved a First Amendment to the Agreement which increased the maximum amount of Agreement services to be provided by San Francisco Renaissance by $25,000 for Fiscal Year (FY) 2000-01, by $125,000 for FY 2001-02, and by $150,000 for FY 2002-03; and also increased the maximum amount payable to MOCD for administering the contracts with San Francisco Renaissance, Yerba Buena Center and the South of Market Foundation by $1,888 for the Fiscal Year 2000-01, by $7,780 for Fiscal Year 2001-02, and by $8,013 for Fiscal Year 2002-03.
6. On July 17, 2001, the Agency authorized a Second Amendment to the Agreement, which increased the maximum amount payable under the Agreement by $21,000 for FY 2001-02 to enable the extended operation of the Agency's Sixth Street Basement and Sidewalk Enhancement Program from June 30, 2001 to June 30, 2002.

7. On November 26, 2002, the Agency authorized a Third Amendment to the Agreement ("Six on Sixth Agreement"), which provided for the following: a) extended the term of the Agreement to December 31, 2003; b) added the implementation of the Six on Sixth economic revitalization program ("Six on Sixth") as an additional service to be administered by MOCD and provided program funding in the amount of $562,000, which included $100,000 for façade improvement loans, $342,000 for business assistance loans, $52,000 for design services, an a $68,000 increase in the maximum expenditures for services to be provided by Urban Solutions; c) increased the administrative fee payable to MOCD by $30,000; and d) increased the aggregate amount of expenditures authorized over the three-year term of the Agreement to $2,085,713.

8. On July 8, 2003, the Commission approved a new Agreement with MOCD ("Business Development Agreement") for a three-year period, in an amount not to exceed $628,233 for FY 2003-04, plus 3% cost of living increases for fiscal years 2004-05 and 2005-06, to enter into and administer business development contracts with Urban Solutions in the amount of $329,422 (all Redevelopment Project and Survey Areas) and San Francisco Renaissance in the amount of $268,895 (all Redevelopment Project Areas and Bayview Hunters Point Survey Area). MOCD received an administrative fee in the amount of $29,916, plus 3% cost of living increases for FY 2004-05 and FY 2005-06. The expenditure of funds under the Agreement is subject to approval by the Board of Supervisors of the Agency's fiscal year budget for each contract year and the satisfactory performance by MOCD and the CBOs.

9. The Six on Sixth Agreement, which added the implementation of the Six on Sixth program as an additional service to be administered by MOCD, expired on December 31, 2003. The Business Development Agreement did not include the Six on Sixth program in the Scope of Work for Urban Solutions. Agency staff now wishes to include the Six on Sixth program into the Scope of Work under the new Agreement, and to increase the maximum amount payable by $489,426, which includes a carry-over of $442,926 in loan funds, an additional $30,000 for operational costs for Urban Solutions, a carry-over of $15,000 for MOCD's administration fee from the Six on Sixth Agreement, and an increase in the administrative fee payable to MOCD by $1,500 to administer the business development contract with Urban Solutions.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute a First Amendment to the Letter Agreement with the Mayor's Office of Community Development, to include the Six on
Sixth Economic Revitalization Program ("Six on Sixth"), and to increase the maximum amount payable by $489,426, which includes a carry-over of $457,926 from a previous Letter Agreement, for an aggregate amount not to exceed $2,431,232 through June 30, 2006, for administrative costs associated with the Six on Sixth Program.

APPROVED AS TO FORM:

[Signature]
James B. Morales
Agency General Counsel