SAN FRANCISCO NONPROFIT SPACE STABLIZATION PROGRAM
FINANCIAL ASSISTANCE PROGRAM GUIDELINES
Amended January 2018

The Northern California Community Loan Fund (NCCLF) announces the availability of technical and financial assistance to stabilize the real estate of San Francisco nonprofits. **Applications must be received by 7:00 PM, February 8, 2018 to be considered for the Financial Assistance awards**. **The online application system will shut down at 7:00 PM and applications will not be received. Applications submitted after 7:00 PM or deemed incomplete will not be accepted.** NCCLF encourages applicants to submit their applications before the February 8th deadline so that any technical problems that arise can be resolved before the deadline.

Launched in 2015 by Mayor Lee, the Nonprofit Sustainability Initiative (NSI) is funded by the Office of Economic and Workforce Development (OEWD), implemented in partnership with the Mayor's Office of Housing and Community Development, the San Francisco Arts Commission and other key partners, and administered by NCCLF. The underlying objective of the NSI is to ensure access to quality of life resources as well as education, health and human services for residents of San Francisco. In addition, it is intended to support and stabilize nonprofit businesses, which are a vital economic force in San Francisco, by helping them activate underutilized space, evaluate real estate opportunities and secure permanent affordable space.

The Nonprofit Space Stabilization Program (NSSP), a program of the Nonprofit Sustainability Initiative (NSI), has been allocated $1.455 million over two years for technical and financial assistance to support nonprofits adversely impacted by the real estate market. Financial assistance is available to organizations that are facing permanent displacement[1], or have been previously displaced with lease renewals at significantly higher rates, or are facing barriers to growth due to real estate constraints. Organizations expanding into new sites may be eligible to apply. Financial assistance may be used for professional services (architectural, engineering, legal); rent stipend[2]; moving expenses; holding costs, tenant improvements[3]; furnishings, fixtures, and equipment[4], and staffing expenses related to the real estate project[5]. In Fiscal Year 2017 – 18, $500,000 in grant funding will be available.

Priority will be given to nonprofit organizations that

[1] "Nonprofits facing permanent displacement" occurs, when leases held by nonprofits are terminated, not renewed, or offered at market rate lease pricing, which is substantially more than what their current rent has been. Nonprofits that may be temporarily displaced due to building renovations and have a right to return at their current/affordable lease rate are ineligible to apply.

[2] Rent stipends of up to six months are available to pay the difference between an organization's prior and current rent. The stipend is only available to organizations that were previously displaced and have renewed or signed a new lease since September 1, 2016.

[3] "Tenant improvements" are customized alterations made to the property for the specific needs of the tenant. These include walls, floors, ceilings, and lighting, among others. Tenant improvements tend to be fixed to the property and tenant cannot remove them when vacating the premises.

[4] "Furnishings, fixtures, and equipment" (FF&E) are movable furniture, fixtures, or other equipment that have no permanent connection to the structure of a building or utilities. Examples of FF&E include desks, chairs, computers, electronic equipment, tables, bookcases and partitions.

[5] Reimbursable staff expenses are one-time staffing costs incurred to coordinate and implement a move to a new location, purchasing furnishings, fixtures, and equipment; project management/overseeing contractors for tenant improvements (as applicable).

- Are deeply rooted in low-income and historically underserved community(ies)[6] in San Francisco,
- Are facing significant financial constraints[7] within the nonprofit sector but have secured recent public or philanthropic investment,
- Can demonstrate support for their efforts from multiple sectors,
- Clearly identifies how new clients and/or audiences will be acquired and existing beneficiaries served effectively by the proposed space including administrative or office space, and
- Can demonstrate evidence of planning to identify and mitigate financial risk[8].

Grants will be made on a competitive basis based on the overall program priorities described above and the particular program criteria outlined below. Applications will be reviewed by a selection committee comprised of public and private sector leaders in the arts, social services, and philanthropy. We advise you to consider carefully and be realistic in your request amount to this initiative. The selection committee reserves the right to make exceptions to grant award amounts.

Timeline
The anticipated schedule for awarding FA grants is as follows:

Application Workshops	December 13, 2017 at 4:30 PM Bayview Branch Library 5075 Third Street, SF 94124 January 18, 2018 at 2:30 PM San Francisco City Hall 1 Dr. Carlton B. Goodlett Place, Room 305, SF 94102 January 23, 2018 at 2:00 PM San Francisco Main Library 100 Larkin Street
Last Day for Submitting Questions	12:00 P.M. 02/05/2018
Applications Due	7:00 P.M. 02/08/2018

[6] Using both the Cultural Equity Endowment Legislation and the Grantmakers in the Arts "Racial Equity: Statement of Purpose," historically underserved communities include: African, Latino(a), Asian, Arab, Native American, Pacific Islander, LGBTQ, People with Disabilities, and Women. Using the Community Development Block Grant eligibility guidelines, a low- and moderate-income person as a member of a family that has an income equal to or less than the Section 8 low-income limit established by HUD. Organizations that exclusively serve the following groups, presumed to be low-income, may also qualify: Abused Children, Elderly Persons, Battered Spouses, Homeless Persons, Severely Disabled Adults as defined by the Census Bureau, Illiterate Persons, Persons living with AIDS, and Migrant Farm Workers. HUD income limits are available at: https://www.huduser.gov/portal/datasets/il.html
[7] Business models that constrain organizations ability to generate unrestricted operating revenue.
[8] These documents can include: multi-year operating projections that include contributions to a capital reserve, Executive Director succession plan, Board approved governance polices, and a Board approved policy for making contributions and withdrawing funds from organizational reserves.

Awards Announced	03/30/2018
Grant Disbursement Deadline	10/31/2018

Program Eligibility Requirements

1) In order to be eligible for financial assistance, the applicant or sponsoring agency must meet all of the following criteria:

   a) Be facing permanent displacement, or barriers to growth due to real estate constraints, or have been displaced and relocated, renewed leases at substantially higher rates, or expanded into a new site since September 1, 2016.

   b) Be incorporated and in good standing as a Section 501(c)(3) corporation or a fiscally sponsored project of a tax-exempt corporation that is operating for purposes consistent with Section 501(c)(3) status.

   c) Must demonstrate 100% Board giving.

   d) Demonstrate financial accountability by submitting the organization's audit or IRS Form 990 for the most recent three fiscal years (if unavailable, balance sheet and income statement), budget for the current year, and year-to-date income statement and balance sheet. Arts and Cultural organizations may submit financial data from DataArts (formerly Cultural Data Project).

      i) City contractors participating in the City's joint monitoring process must submit copies of their Fiscal and Compliance Monitoring Reports for the past three years.

   e) Demonstrate financial stability (except for the impact of the real estate market forces) for the previous three consecutive years as reflected by the absence of any significant unplanned operating deficit, a positive fund balance and/or a meaningful cash reserve.

   f) The property must be located in San Francisco County

   g) Have an established track record of providing direct or indirect[9] services to members of low-income and historically underserved community(ies) in the City and County of San Francisco for at least the past three years. Organizations will be asked to provide:

      i) Evidence that the organization's mission and/or programs clearly identifies and prioritizes low-income and historically underserved community(ies).

      ii) Documentation that the organization has a mechanism for program beneficiaries (primary and/or secondary[10]) to provide input that informs the organization's governance.

[9]Within the context of the Nonprofit Space Stabilization Program, indirect service refers to the provision of skills, knowledge, advocacy, and services with the intention of supporting a community or an organization(s) ability to fulfill its mission.

[10] Primary clients receive the bulk of services or resources. Secondary clients receive minor services or are impacted through the ripple effect of the organization's work. (For example, a Counseling Agency's primary clients could be youth receiving counseling services and its secondary clients could be family members that receive minor support

iii) Description of primary and/or secondary beneficiaries (clients, audiences, participants)

h) List of clients and neighborhoods served annually. Clients served should include primary and secondary clients.

i) Provide a clear plan for community engagement to retain and/or recruit new participants as needed due to relocation

j) Provide evidence or documentation (a memorandum of understanding or service contract) of community partnerships and collaborations across multiple sectors (public/private partnerships, strong volunteer base, diverse revenue sources, use of pro bono resources). Documentation should not include reimbursement contracts or grants. **Letters of support are not considered documentation of a partnership.**

2) In order to be eligible for **financial assistance grants**, the project for which funding is requested must meet all of the following criteria:

a) Organizations must have been adversely impacted by the real estate market and must provide evidence of site control.

i). Evidence of site control includes a fully executed Letter of Intent with lease terms, lease, or an accepted purchase offer.

b) Demonstrate how the proposed project will contribute to improved financial and programmatic performance. The organization should address the urgency/need for the proposed relocation, lease renewal, or expansion.

c) Provide evidence of lease terms for a minimum of 3 years with awards available for the following expenses:

i). Organizations with leases for 3-4 years may apply for grants up to $50,000 for professional services (architectural, engineering, legal); rent stipend[11]; moving expenses; holding costs; staff expenses related to the real estate project[12], or furnishings, fixtures, and equipment. Tenant improvements are ineligible.

ii). Organizations with leases for five or more years may apply for grants up to $75,000 for professional services (architectural, engineering, legal); rent stipend; moving expenses; holding costs; staff expenses related to the real estate project[12], tenant improvements; and furnishings, fixtures, and equipment.

services. For a Capacity Building Agency, primary clients could include nonprofit staff & board members registered for workshops and secondary clients could be clients served through the nonprofits that are supported.)

[11] Rent stipends are only applicable to organizations that were previously displaced and have renewed or signed a new lease. The rent stipend can only cover the gap related to displaced square feet.

[12] Reimbursable staff expenses are one-time staffing costs incurred to coordinate and implement a move to a new location, purchasing furnishings, fixtures, and equipment; project management/overseeing contractors for tenant improvements (as applicable),

iii). The Selection Committee reserves the right to make exceptions to these amounts, and it is anticipated most awards will be less than this amount. Awards are not likely to exceed 50% of the organization's average operating budget for the last 3-years. Applicants can request more (not to exceed the allowable grant amounts for a given lease term) and provide a rationale to support the need for the full grant request.

d) Provide required documentation for grant requests including:

i). Rent Stipend: Organizations who have signed a new lease or renewed their leases at a significantly higher rate since September 1, 2016 may apply for up to six months of a rent stipend to pay the difference between their prior and current rent. Organizations must provide a three-year financial plan indicating how they will continue paying the higher rent when after the stipend has been fully disbursed. The financial plan should demonstrate or provide a plan for achieving operating feasibility over the three-year period.

ii). Staff Expenses: Organizations seeking reimbursement for staffing expenses related to the real estate project must provide descriptions of tasks, dates, number of hours, and salary costs. Payroll verification may be required.

iii). Expense Reimbursement: Organizations who have been displaced or expanded since September 1, 2016 must submit documentation of the expenses for which they are requesting reimbursement (see Section C above for eligible expenses).

e) Organizations who were displaced must submit documentation showing lease termination and a new lease at a significantly higher rate.

f) Organizations must demonstrate a high degree of project readiness, including identified funding sources (that do not have to be fully committed), a preliminary budget, and identified project team (as applicable) and a proposed operating budget for the new facility that demonstrates the organization's ability to finance the new ongoing operating costs. Project timeline must demonstrate that all grant funds will be disbursed by October 31, 2018.

g) NSSP grant funds used for public work must follow the State's prevailing wage requirements. Under the Labor Code, public work in general refers to construction, alteration, demolition, installation, maintenance, or repair work, done under contract and paid for in whole or in part with public funds. This requires workers on the capital project (contractors and subcontractors) to be paid no less than the prevailing wage rate and, depending on the project budget, for all workers to be registered as public works contractors with the Department of Industrial Relations. Click here for information on prevailing wage requirements and related costs. Projects that are subject to prevailing wage requirements should include any related costs in the construction budget estimates. If you think your project may be subject to prevailing wage requirements, please contact NCCLF to discuss the program requirements and implications.

h) If co-location is a component of the project, a list of the potential partners/stakeholders[13]. Applicants will also be asked to address how co-location meets any or all of the following goals:

   i). Below market or stabilized rents.

   ii). Reduced cost and/or higher quality shared services & amenities.

   iii). A level of intentional collaboration between organizations.

   iv). Centralized services or program offerings.

i) The proposed project does not result in a decline in employees or program activity within San Francisco.

Review Criteria:

1) Applications will be assigned an initial ranking based on the alignment of the organization and project with the five program priorities:
   a) Are deeply rooted in low-income and historically underserved community(ies)[14] in San Francisco,

   b) Are facing significant financial constraints[15] within the nonprofit sector but have secured recent public or philanthropic investment,

   c) Can demonstrate support for their efforts from multiple sectors,

   d) Clearly identifies how new clients and/or audiences will be acquired and existing beneficiaries served effectively by the proposed space including administrative or office space, and

   e) Can demonstrate evidence of planning to identify and mitigate financial risk[16].

2) In addition, the review panel will evaluate applications based on:

   a) Length of lease term and options.

   b) The extent to which the project will address an urgent need. Urgency is evaluated based on the project timeline, need for funding (is the grant a critical component of

[13] Applicants will need to provide Letters of Intent for 60% of the leasable square footage.
[14] Using both the Cultural Equity Endowment Legislation and the Grantmakers in the Arts "Racial Equity: Statement of Purpose," historically underserved communities include: African, Latino(a), Asian, Arab, Native American, Pacific Islander, LGBTQ, People with Disabilities, and Women. Using the Community Development Block Grant eligibility guidelines, a low- and moderate-income person as a member of a family that has an income equal to or less than the Section 8 low-income limit established by HUD. Organizations that exclusively serve the following groups, presumed to be low-income, may also qualify: Abused Children, Elderly Persons, Battered Spouses, Homeless Persons, Severely Disabled Adults as defined by the Census Bureau, Illiterate Persons, Persons living with AIDS, and Migrant Farm Workers. HUD income limits are available at: https://www.huduser.gov/portal/datasets/il.html
[15] Business models that constrain organizations ability to generate unrestricted operating revenue.
[16] These documents can include: multi-year operating projections that include contributions to a capital reserve, Executive Director succession plan, Board approved governance polices, and a Board approved policy for making contributions and withdrawing funds from organizational reserves.

project financing), and the impact of the project on service delivery and financial performance.

c) Overall project readiness. Has the applicant identified a project team with the experience to successfully complete the project, quantified the project costs (inclusive of soft and hard cost contingencies), developed a financing plan to finance one-time project costs (including committed sources), and completed multi-year projections that show the organization's ability to support the ongoing costs.

d) If the applicant will offer co-location opportunities, the extent to which sub-leasing improves the financial performance of the applicant, increases access to long-term affordable space for other community benefit organizations, or improves programmatic efficiencies/collaboration.

Grant Fund Policies

1) Only one financial assistance grant may be awarded per project/organization for the duration of this program.

2) Organizations leasing space from awardees of the Nonprofit Space Investment Fund (NSIF) are ineligible to apply for NSSP financial assistance.

3) Organizations that are awarded NSSP grants are ineligible to apply for NSIF grants for the same site.

4) Grant conditions must be met and the grant must be closed and expended by October 31, 2018.

5) Grant funds will be disbursed on a reimbursement basis. Grantees must provide receipts/paid invoices to request grant funds.

6) All purchases of furniture, fixtures, and equipment, and professional service expenses will be subject to the City's bidding requirements if the monthly expense reimbursement request for a vendor exceeds $999.00. Planned purchases may not be broken up to avoid this requirement. NCCLF will need to approve an equipment request form prior to the purchase of equipment or services in order for the disbursement request to be approved, and additional informal or formal bidding requirements will apply for purchases and services over $9,999 and $99,999, respectively. NCCLF will provide detailed bidding and purchasing guidelines and the equipment request form. Please contact NCCLF if you have any questions about the City bidding requirements.

7) Grant terms and conditions will be determined on a case-by-case basis by the Selection Committee. In the event of non-compliance, the Selection Committee will also outline and decide on appropriate remedies with the understanding that recovery of the grant is a potential remedy.

8) Grant funds may not be used for any of the following:

   a) Ongoing mortgage payments

b) More than six months of a rental stipend (difference between prior and current rent for displaced square feet)

c) Expenses due to temporary displacement

9) Organizations that may be temporarily displaced, due to building renovations and have the right to return at their current/affordable lease rate are ineligible to apply.

10) Financial assistance award disbursements are contingent on a legally binding lease agreement or purchase and sale agreement.

Applications are available at:
https://www.ncclf.org/sfsustainability/

Applications must be received by Thursday, February 8, 2018 at 7:00 PM to be considered. The online application system will shut down at 7:00 PM. Applications received after 7:00 PM or deemed to be incomplete will not be accepted.

For more information, please contact:
Karen Sullivan, Managing Real Estate Consultant
Northern California Community Loan Fund
870 Market Street, Suite 677
San Francisco, CA 94102
415-392-8215
ksullivan@ncclf.org