

# Community Cornerstones Financial Assistance Guidelines December 2019



Community Vision (formerly the Northern California Community Loan Fund) announces the availability of financial assistance for San Francisco nonprofits that are relocating or expanding commercial space within new, 100% affordable housing developments. In addition to technical assistance, \$2 million is available for grants to mitigate the high costs of new construction by supporting tenant improvements<sup>1</sup>. Based on available funding, we anticipate awarding funds to 10-15 organizations or until funding is exhausted.

**Applications must be received by noon (12pm Pacific) on Tuesday February 4th, 2020 to be considered for the Financial Assistance awards. The online application system will shut down at noon (12pm Pacific) on Tuesday February 4th, 2020. Hard copy, postal mail, emailed, and faxed applications will not be accepted.** In fairness to others we cannot accept late or incomplete applications. An application may be deemed incomplete and ineligible if the individual does not provide the complete set of information in the appropriate format by the deadline.

Community Vision encourages applicants to submit their applications before the February 4<sup>th</sup> deadline so that any technical problems that arise can be resolved before the deadline. No deadline extensions will be granted.

All applicants are required to complete a consultation call prior to submitting the application. The consultation calls are available **between December 12, 2019 – January 17, 2020**. The last day to schedule a consultation call is January 13<sup>th</sup>. An LOI or lease agreement is not required to schedule a consultation call. It is the responsibility of the applicant to schedule the consultation call by the January 13<sup>th</sup> deadline, requests made after January 13<sup>th</sup> may not be accommodated. Information on how to register for a consultation call is available on the application [website](#).

This initiative, Community Cornerstones, is aligned with San Francisco's Nonprofit Sustainability Initiative (NSI). The NSI deploys financial assistance, professional services, assessment tools and other resources to help stabilize nonprofits and overcome barriers to growth. The

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<sup>1</sup> "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.

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underlying objective of all NSI programs is to ensure access to quality of life resources as well as education, health and human services for residents of San Francisco. Community Vision administers real estate and financial sustainability initiative programs within the NSI as a multi-agency partnership between the Office of Economic and Workforce Development, the Mayor's Office of Housing and Community Development, and the San Francisco Arts Commission. Since 2017, the NSI has supported acquisition and long-term leases for 307,435 square feet in San Francisco.

#### **Priority Criteria**

Priority will be given to nonprofit organizations that

- Are deeply rooted in low-income and historically underserved community(ies)<sup>2</sup> in San Francisco,
- Are facing significant financial constraints<sup>3</sup> 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, with a focus on retaining or engaging historically underserved communities, and
- Can demonstrate evidence of planning to identify and mitigate financial risk<sup>4</sup>.

Award recommendations will be based on the priorities as well as the review criteria described below. Applications will be reviewed by a racially and ethnically diverse panel comprised of public and private sector leaders in the arts, social services, and philanthropy.

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<sup>2</sup> 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>

<sup>3</sup> Business models that constrain organizations ability to generate unrestricted operating revenue.

<sup>4</sup> 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.

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## Timeline

The anticipated schedule is as follows:

Application Workshops – Click <a href="#">here</a> for registration links.	December 11, 2019 3:00 PM – 4:00 PM Webinar  January 8, 2020 5:30 – 6:30 PM Bayview Branch Library 5075 Third Street, San Francisco, CA 94124
Consultation Calls	12/12/2019 – 01/17/2020
Last Day to Schedule Consultation Calls	01/13/2020
Last Day for Submitting Questions	01/17/2020
Applications Due	Noon (12pm Pacific) on Tuesday February 4th, 2020
Target Date for Award Notification	03/26/2020
Grant Disbursement Deadline	02/28/2021

## 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 incorporated and in good standing as a tax-exempt, 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.
  - b) 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 culture organizations may submit financial data from DataArts (formerly Cultural Data Project).
  - c) 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.
  - d) Have an established track record of providing direct or indirect<sup>5</sup> 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).

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<sup>5</sup>Within the context of Community Cornerstones, 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.

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- ii) Documentation that the organization has a mechanism for program beneficiaries (primary and/or secondary<sup>6</sup>) to provide input that informs the organization's governance.
  - iii) Description of primary and/or secondary beneficiaries (clients, audiences, participants).
  - e) Number of clients and zip codes served annually. Clients served should include primary and secondary clients.
  - f) Provide a clear plan for community engagement to retain and/or recruit new participants as needed due to relocation with a focus on historically underserved communities.
  - g) 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, use of pro bono resources). **Letters of support are not considered documentation of a partnership.**
- 2) In order to be eligible for financial assistance, the project for which funding is requested must meet all of the following criteria:
- a) Organizations must provide evidence of site control.
    - i). Evidence of site control includes a fully executed Letter of Intent (LOI) with lease terms or lease with a nonprofit sponsor for commercial space located in a 100% affordable housing development. The proposed property must be in predevelopment or under construction and have received a funding commitment from the City and County of San Francisco.
  - b) The property must be located in San Francisco County.
  - c) If co-location is a component of the project, provide letters of intent for 60% of the leasable square footage.
  - d) Provide evidence of lease terms for a minimum of 5 years<sup>7</sup>.
  - e) Awards are available in the following amounts:
    - i). Organizations with leases for 5 - 10 years may apply for grants up to \$350,000

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<sup>6</sup> 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 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.)

<sup>7</sup> The initial lease term must be a minimum of 5 years before factoring in renewal options. For example, a 4 year lease with a 1 year option would not meet the eligibility requirements.

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- ii). Organizations with leases for 10 years or more may apply for grants up to \$500,000
- iii). If this award is supplementing other City funding, the award may not cause the total City funding to exceed 90% of the costs of the Project up to \$2 million and 50% of the portion of the Project that is in excess of \$2 million.
- iv). The Selection Committee reserves the right to make exceptions to these amounts, and it is anticipated most awards will be less than these amounts. Awards are not likely to exceed 50% of the organization's average operating expenses 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.
- f) Demonstrate how the proposed project will contribute to improved financial and programmatic performance. The organization should address the urgency/need for the proposed relocation or expansion.
- g) Organizations must demonstrate a high degree of project readiness, including identified funding sources (that do not have to be fully committed), a preliminary budget, identified project team (as applicable), and a proposed operating budget for the new facility that demonstrates the organization's ability to finance the ongoing operating costs. Project timelines must demonstrate that all grant funds will be disbursed by February 28, 2021.
- h) The proposed project does not result in a decline in employees or program activity within San Francisco.

#### **Review Criteria:**

- 1) In addition to the priority criteria referenced on page 2, 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 project financing), and the impact of the project on service delivery and financial performance.
  - c) Applicant 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 fundraising plan to raise uncommitted project funding sources (priority will be given to organizations with project funding that reflects the breadth and diversity of their financial resources), and completed multi-year projections that show the organization's ability to support the ongoing costs.
  - d) Developer project readiness. What is the project timeline, and what are the milestones that need to be met to start construction.
  - e) 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

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affordable space for other community benefit organizations, or improves programmatic efficiencies/collaboration.

#### **Reimbursement Requirements**

- 1) If awarded funding, grantees will be required to provide the following documentation for grant requests:
  - a) Prior to a disbursement Grantees must provide evidence that funding commitments have been secured totaling 50% or more of the tenant improvement budget (excluding City funding sources). The Selection Committee will also recommend project specific pre-disbursement requirements. These can include evidence of project readiness (entitlements, permits secured, and evidence of other due diligence reports), and fundraising (additional pledges or commitments secured).
  - b) 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 Community Vision to discuss the program requirements and implications.
  - c) Organizations must submit documentation showing execution of a lease in order to request reimbursement.

#### **Grant Fund Policies**

- 1) Only one financial assistance grant may be awarded per project for the duration of this program. A prior Community Cornerstones grantee is eligible to apply for a new grant for a different project if the prior Community Cornerstones grant award is fully disbursed.
- 2) Organizations that received a Nonprofit Space Stabilization Program financial assistance grant for the proposed project are eligible to apply for Community Cornerstones financial assistance.
- 3) Organizations that receive a grant from the Nonprofit Space Investment Fund are ineligible for funding from Community Cornerstones.
- 4) Eligible leases must provide the organization with full access to the premises. Agreements that stipulate hourly usage of the space on specific days are ineligible.
- 5) Grantees must demonstrate 100% Board giving as a pre-disbursement requirement.

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- 6) Grant conditions must be met and the grant must be closed and expended by February 28, 2021.
- 7) Eligible nonprofit tenants in HOPE SF developments may apply.
- 8) Grant funds will be disbursed on a reimbursement basis. Grantees must provide receipts/paid invoices to request grant funds.
- 9) 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.
- 10) Grant funds may not be used for residential or live/work units.
- 11) Financial assistance award disbursements are contingent on a legally binding lease agreement.
- 12) Organizations that require membership in a certain religion or advance a particular religious faith are ineligible to apply. Faith-based organizations may be eligible if they welcome and serve all members of the community regardless of religious belief.
- 13) Independent schools are ineligible to apply.

Applications are available at:

<https://communityvisionca.org/sfsustainability/>

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**Applications received after noon (12pm Pacific) on Tuesday February 4th, 2020 or deemed to be incomplete will not be accepted.**

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