

SOUTH OF MARKET PROJECT AREA COMMITTEE

SOMPAC

Plan Amendment Endorsement

On April 24, 2003, the South of Market PAC endorsed revisions to the SOM Redevelopment Plan Amendment, following an extensive review of the changes by the PAC's Committee for Plan Amendment. Agency staff expects to complete work on the final supporting documents to the Plan Amendment this summer. These documents include:

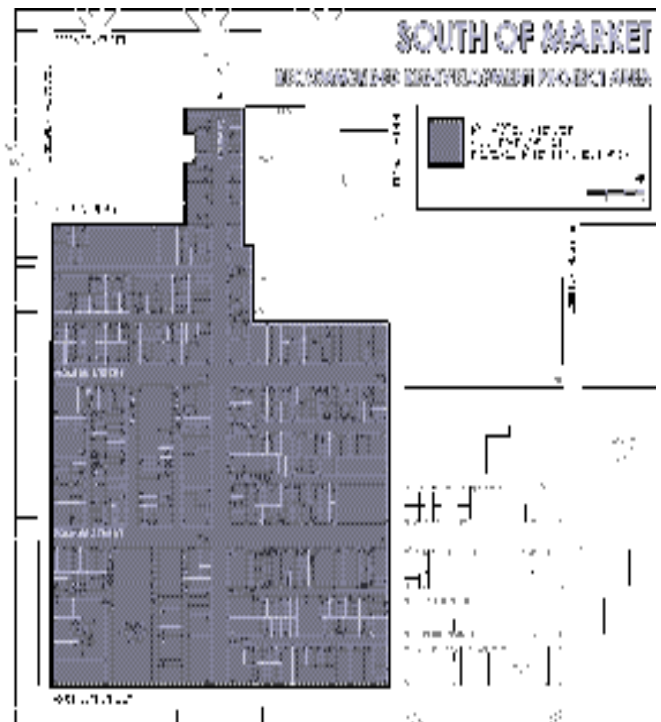
- Implementation Plan
- Relocation Plan
- Owner Participation and Business Re-entry Rules
- Preliminary Report

Copies of the proposed Plan Amendment are available at

the PAC office, along with copies of the supporting documents as they become available.

The Agency plans to begin formal public hearings and approvals this summer or early fall. These will include hearings at the Redevelopment Commission, the Planning Department and the Board of Supervisors.

The amended Redevelopment Plan is intended to increase the effectiveness of the Agency and the community in addressing persistent conditions of blight in the Project Area.



South of Market Recommended Redevelopment Project Area.



Six on Sixth Update by John Conley

Since first marketing the program in January, Urban Solutions has received 14 applications for Six on Sixth. In addition, pilot facade improvement and pilot tenant improvement projects have resulted in executed loan agreements. Of the other 14 applications on file to date, 12 are for facade improvement projects and 2 are for tenant improvement

projects. While each project is at a different point along the timeline, most are in the design services process, meeting with architects to determine project scope, timing and costs. Upon design services completion, clients will solicit bids from contractors and make contractor selections. One facade project has completed the design services component, selected its contractor, and is

in the contracting phase with SFRA for a forgivable facade improvement loan.

Urban Solutions encourages other businesses and property owners along Sixth Street and those wishing to relocate or expand onto Sixth Street to call John Conley at (415) 553-4433 x14.



SINGLE ROOM OCCUPANCY HOTEL REHABILITATION LOAN PROGRAM UPDATE

The Redevelopment Agency's primary means of addressing blight and encouraging redevelopment in the South of Market Project Area is to create a stable, decent and affordable residential neighborhood. The goal of the Single Room Occupancy Hotel Rehabilitation Loan Program is to improve the quality of tenants' lives by improving and maintaining afforda-

bility of housing on Sixth Street. By physically improving SRO hotels, the livability of the hotels will be extended and affordability preserved while avoiding displacement. On February 25, 2003, the Redevelopment Commission approved the SRO Hotel Rehabilitation Loan Program, which provides low interest loans to SRO hotel owners to improve properties on the Sixth

Street corridor in exchange for maintaining the affordability of units. The Program is offered to owners of SRO hotels along Sixth Street whose properties are clear of judgments or liens associated with building, health or fire code violations. The Program identifies as eligible loan uses two categories of improvements: *quality of life* and *code compliance*. con't next page

South of Market Health Center/Mercy Housing

South of Market Health Center and Mercy Housing California are collaborating on a project to construct affordable family housing and a new health center facility. The project team has successfully negotiated an agreement to purchase a site on 7th Street. The

development team is now focused on the pre-development phase of the project. A top priority for the development team is to initiate the community plan process. Look for the next announcement for specific information about the first community meeting.

Any questions can be directed to Marilyn Griffin at South of Market Health Center (415/436-0111) or Rosalba Navarro at Mercy Housing California (415/335-7110).

SOMPAC NEWSLETTER
1035 Folsom Street
San Francisco, CA 94103

Newsletter Advisory Board

PAC Executive Committee
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SFRA

SOMPAC Newsletter is published quarterly. Send inquires, address changes, and all other correspondence to SOMPAC
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Southern District Preliminary Crime Report for SOM Project Area Month Ending: April 2003

	April 2003	YEAR TO DATE
Homicide	0	3
Rape	0	3
Robbery	7	55
Aggravated Assault	10	41
Burglary	13	43
Auto Burglary	43	196
Other Thefts	78	311
Motor Vehicle Theft	12	60
Recovered Vehicle	8	51

SINGLE ROOM OCCUPANCY HOTEL REHABILITATION LOAN PROGRAM UPDATE *continued*

To realize the goal of improving the tenants' quality of life, all Program loans require that quality of life improvements be made. Examples of quality of life improvements are:

Electrical upgrades not required by code ▪ Elevator upgrades not required by code ▪ Common areas ▪ Security systems
 Exterior power washing ▪ Windows ▪ Temporary relocation assistance (for tenants only) ▪ Permits ▪ Accessibility
 upgrades beyond those upgrades required by city, state or federal law.

In addition, 40% of the Program loan amount may be used for code compliance improvements required by law, as long as the building owner has not yet been cited for a code violation. An example of such an improvement would be sprinkler upgrades required to comply with the City's Sprinkler Ordinance. Other permitted improvements include upgrading elevators, electrical systems, and garbage storage areas to bring them to current code requirements.

Because the Program prioritizes quality of life building improvements, loan terms for such improvements are more fa-

SINGLE ROOM OCCUPANCY REHABILITATION LOAN TERMS

	Quality of Life:	Code Compliance:
Loan Amount	60% to 100% of total	0% to 40% of total
Interest Rate	Interest Free	Interest Free
Loan Term (Compliance Term)	15 to 25 years	15 to 25 years
Repayment	Forgivable at end of compliance term	Loan amount due in full at end of compliance term
Repayment prior to expiration of Term	Permitted after 5 years, subject to Release Fee* and Prepayment Penalty	Permitted after 5 years, subject to Prepayment Penalty
Prepayment Penalty	6% of original loan amount	6% of original loan amount
Repayment upon expiration of Affordability Restrictions	Forgivable	Loan amount due in full
Required Match from Owner	No match required	Dollar for dollar

* The Release Fee is calculated based on a formula described in Attachment 3 of the Program Description and Guidelines.

The minimum loan amount is \$25,000, and the maximum loan amount is \$100,000. In conjunction with building owners and the SOMPAC, the Agency developed these limits assuming a typical loan will cover improvement costs of approximately \$1,000 per unit, with the average SRO hotel on Sixth Street containing 65 units (only 2 hotels have fewer than 25 units). Hotel owners would be required to provide a certain number of units affordable to tenants earning no more than 40% of area median income ("AMI") (the "Affordable Units") for 15 to 25 years, based on the loan amount. At 40% of AMI, the maximum rent would be \$452 for a one-person household adjusted for SRO occupancy using 2002 figures (the "Affordable Rent").

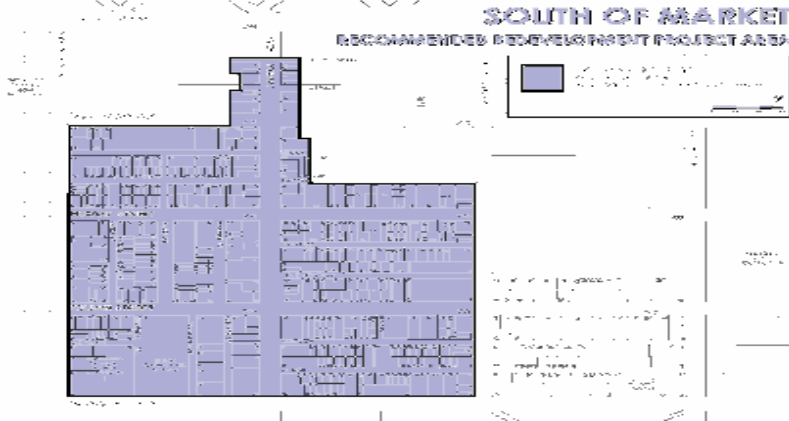
The number of Affordable Units required is based on a formula, which uses the average Agency subsidy for one year of affordability for one unit. Examples based on varying loan sizes are included the Program Description and Guidelines. Upon initial occupancy of the Affordable Units, rents will be set at the Affordable Rent, and future increases for an existing tenant will be based on permitted increases under the City Rent Ordinance. At the time a tenant vacates an Affordable Unit, the rent will continue to be set at the Affordable Rent. The Affordable Units will be integrated within the building and comparable to the non-restricted units in all respects, including finishes and other amenities.

A Notice of Funding Availability was issued April 9, 2003. On Wednesday, May 14, 2003, Agency staff met with SRO hotel owners to present the application process. If you are interested in participating in the program, please contact Jeff White at (415) 749-2429.

SOUTH OF MARKET PROJECT AREA COMMITTEE

1035 Folsom Street
 San Francisco, CA 94103
 Phone: 415.487.2166
 Fax: 415.487.2169

SOMPAC Minutes & Agendas
 Available online via
www.sompac.com



SOMPAC MEMBERS

Non-SRO Residential Tenant/ Sasha Becker	SRO Residential Tenant/ Joanna Hagerty	CBO: Mercy Housing California/ Shadow Morton	Non-SRO Residential Tenant/ Mark Swenson
SRO Residential Tenant/ Diane Burke	CBO: West Bay Multi-Services Inc. Edwin Jocson	6th Street Merchant/Retail/ Matt Musa	CBO: SF Tenants Union/ David Wilbur
Business Owner/Service/ Marty Cerles	Business Owner or Representative/ Wholesale Henry Karnilowicz	Residential Owner/Occupant/ Wilma Parker	SRO Residential Tenant/ <i>Vacant</i>
Residential Owner/Occupant/ Leonard Creed	CBO: South of Market Employment Center/ Don Marcos	SRO Hotel Owner/ Dipak Patel	<u>PAC STAFF:</u> Marcia Ban PAC Coordinator
SRO Hotel Owner/ Dr. Mahendra J. Dave	Residential Owner/Non- Occupant/ Angus McCarthy	CBO: SF Medical Outreach Program/ Charles Range	Karen Nolan Assistant Coordinator
Non-SRO Residential Tenant/ Jim Garrison	CBO: Urban Solutions/ Jenny McNulty	SRO Residential Tenant/ Antoinetta Stadlman	Tel 487.2166 Fax 487.2169

Monthly SOMPAC Committee Meetings

(held at the SOMPAC office) 1035 Folsom Street, San Francisco, CA 94103

HOUSING COMMITTEE

First Monday of the Month
6:00 PM

ECONOMICS COMMITTEE

First Thursday of the Month
12:00 Noon

EXECUTIVE COMMITTEE

Second Monday of the Month
8:30 AM

CRIME & SAFETY COMMITTEE

First Wednesday of the Month
 After the First Monday
6:00 PM

HUMAN SERVICES COMMITTEE

First Friday of the Month
12:00 Noon

GENERAL PAC

Third Monday of the Month
6:00 PM