

**HSN MEMBERSHIP MEETING
JANUARY 20, 2006
Meeting Minutes**

I. Guest Speaker – Pat Krackov, Director, Nonprofit Finance Fund

The Nonprofit Finance Fund (NFF) is a federally certified Community Development Financial Institution that provides advice, loans and other forms of financing. Founded in 1980, they have been working in the Bay Area for 12 years, making nearly \$7 million in loans here. Foundations support NFF's operations, and they receive their funds from banks and the Treasury. NFF holds workshops to help nonprofits plan for capital campaigns and new facilities. They also provide growth capital. NFF works closely with the philanthropic community to promote foundations' use of general, unrestricted support to help nonprofits meet their needs. This work is an important component of their mission.

NFF provides:

- lines of credit for slow-paying contracts (max is \$750,000. Rate is Prime + 1 or 2%);
- working capital loans (bridging capital campaign receipts);
- facilities project loans (acquisition, construction, and renovation); and
- equipment loans (computer hardware, software, telecommunications systems).

NFF assists organizations whose annual operating budget is between \$250,000 and \$20 million. Their loans range from \$20,000 to \$2 million, where the maximum amount is generally only for a seven year facility loan. NFF's business advice service costs \$7,500 and includes a review of five years of audited financial statements, written report and a three hour meeting to review the findings. NFF's final report is particularly helpful for Board members. Start-up nonprofits can receive some pro-bono financial advice. NFF can also provide nonprofits with referrals to accountants and attorneys to help obtain 501(c)3 status.

When making loans, NFF examines whether a nonprofit is credit-worthy, which includes current management expertise, repayment ability, financial history and projections. NFF will work with organizations to restructure loans when necessary. Only two organizations have defaulted on their loans in NFF's 25 year history. NFF does not make loans for affordable housing, nor do they invest funds for nonprofits. Calvert can help with investments.

For additional information, please see their website: www.nonprofitfinancefund.org, or contact Pat Krackov at 255-4849 or pat.krackov@nffusa.org. For a Powerpoint copy of Pat's presentation, please e-mail Merrill Buice at mbuice@sfnhsn.org.

II. Guest Speaker – Nani Coloretti, Mayor's Deputy Policy Director

Nani Coloretti has been in her current position since September and was very recently asked to assume responsibility for the DPH budget. She spent the previous 6 ½ years at DCYF in Community Planning and Budget.

Discussion with HSN about Caring for Vulnerable San Franciscans

Ms. Coloretti reported that the Mayor was very receptive to HSN's proposal for an overarching planning body for health and human services in the City. HSN needs to provide her office with more concrete details, such as how the entity will work with the nonprofit sector and City departments. HSN should convene a small meeting with the Mayor's Policy staff to discuss possibilities. Ms. Coloretti asked HSN to define the elements of success for this concept.

Steve Fields provided some background on the meeting with the Mayor. HSN's document, "Caring for Vulnerable San Franciscans" provided the basis for the discussion with the Mayor. The Mayor arrived from a meeting reviewing 350 policy issues that included health, violence and schools, and was particularly supportive and enthusiastic about HSN's proposal. He requested that HSN and his staff move quickly to refine and implement the proposal. Supervisor Peskin has also indicated his support for HSN's concept.

There are several models for this process. The State's Legislative Analysts Office, which began in the '70s, is now a well respected, nonpartisan, unbiased source for analysis. Chicago's 2020 plan, while focused on transportation and land use, provided a useful forum to bring together various sectors and interests. Once formed, the entity's staff should analyze the various "good ideas" in health and human service policy that were never implemented.

The next steps include further HSN member discussions at the Public Policy Committee next week, and then discussions with the Mayor's Policy staff. HSN must assure that this proposal is not buried by referral to an existing body or committee. We want to build on the commitment from Mayor Newsom and Supervisor Peskin, and quickly move the concept forward. We want to institutionalize a planning entity that will work beyond the next six years. HSN wants to change the balance of voices in the policy making process. We want the best ideas brought to the policymaking table at the outset to guide policy discussions. We do not want to continue the practice where community members are brought in at the end to react to a finalized policy. For example, the Prop 63 Plan was a missed opportunity because it was directed only by the City Departments, and the HMA report recommendations are being implemented within DPH, without any community input.

Other HSN members contributed the following points:

- We need to carefully consider how we bring together the various stakeholders and how we use the previously developed plans. We need to develop steps to implement the plans.
- We need to determine the City's needed services outside of the annual budget process, and make a policy statement of the City's values, priorities and service arrangements.
- The entity should be staffed, but driven by a larger Task Force body.
- There should be a specific time line with deliverables to keep the process moving.
- Do not lose sight of large system change.

HSN will refine these ideas at our next Public Policy Committee on Thursday, January 26th at 10 am at Progress Foundation. Please join us for further discussion.

Supervisor Ammiano's Worker Health Care Security Ordinance

Ms. Coloretti reported on the Mayor's position on Supervisor Ammiano's legislation on Worker Health Care Security. The Mayor, who has worked to increase health care coverage for children, praised the goal of the Supervisor's proposed Ordinance to increase health coverage for uninsured working San Franciscans. However, the Mayor is concerned with the details in Supervisor Ammiano's proposal that have not been finalized, such as total cost, how it is paid for, and the appropriate government role. These key issues need to be discussed in a broad group of stakeholders. The Mayor understands that asking to study an issue often appears as a stalling tactic, but this is an important proposal that should be developed carefully, so it works properly. Supervisor Ammiano has indicated he is open to discussions about the specifics of his proposal. Wade Crowfoot is taking the lead on this issue for the Mayor's Office, and he would welcome additional input from HSN members.

HSN members related the similarities of the passage of Supervisor Gonzalez' Health Care Accountability Ordinance. HSN presented our logistical concerns with the HCAO to the Supervisor, who acknowledged them and promised to incorporate them a year later, because the Ordinance needed to move forward quickly. However, the HCAO has been in place for several years, HSN's changes have not been incorporated, and the Ordinance is not working properly.

City Budget

The City is facing an \$80 million deficit. DPH is working to cut \$15 million, of which half can be in one-time expenditures. DPH had hoped to cover the cuts with increased revenue, but that will not be possible. The Health Commission will address the budget at their February 21st meeting and the following one.

Other Issues

- Mayor's recent State of the Homeless Address: Care Not Cash will be fully implemented. Housing First is building five new supportive housing buildings. The Mayor is committed to opening a medical respite center.
- Mayor's State of the City address last Fall highlighted the importance of hiring a Long-Term Care Coordinator and a COO (which are in progress), and the Controller's audit of the health care system.
- The Transitional Youth Task Force is moving forward quickly. They are recruiting members, 1/3 of whom will be youth. The Task Force will look at a system wide approach and the drop-off in services when youth turn 18.
- There will be a year-long focus on fitness that brings together Rec and Parks and DCYF. The Mayor is encouraging active living and healthy eating.
- HSN members thanked Ms. Coloretti.

III. Guest Speaker on Homicide Prevention Charter Amendment – John Avalos, Aide to Supervisor Daly

There were 96 homicides in San Francisco in 2005, the greatest number since the mid-1990s. Mr. Avalos stated that the City needs a bold move to address the root causes of violence in our community. The violence and resulting despair are causing people of color to leave San Francisco. Supervisor Daly wants to push this big, broad initiative that does not include the police. The Police Department has stated that the problem is in the community. The Charter Amendment is focused on anti-poverty programs such as neighborhood development, job creation and greater educational opportunity. The measure will create a \$20 million budget set aside for these programs and a Planning Council. The Council will have 11 public voting members and other Department members. The measure will take effect in FY 2007-08. Six Supervisors are needed to place the measure on the June ballot. Supervisors Daly, Maxwell, Mirkirimi, and Ammiano are supporting it. Supervisor Sandoval has indicated he is inclined to support it. One more Supervisor's support is needed. The Rules Committee heard two hours of public testimony at yesterday's hearing. The next Rules Committee hearing is January 25th at 1 pm.

The measure sunsets in 2011, so its effectiveness can be reviewed. Amendments were introduced at the Rules Committee hearing yesterday to incorporate any new violence prevention funds in the 2006-'07 budget into the measure's \$20 million requirement for subsequent years. A ballot campaign is not yet organized, and cannot be organized by the Supervisor's Office.

Several HSN members raised concerns that setting budgets at the ballot is not the best way to make policy, and that budget carve outs can hurt other worthy programs. The Charter Amendment will not increase the City's total available funds. Increased revenue is greatly needed. Mr. Avalos replied that the measure was developed in response to their dissatisfaction with the City's actions to stem the homicides. He hopes that the homicide rate will decrease without this funding, and before this funding goes into effect. He cited the Children's Fund, which is also a set-aside in the budget, as being responsible for many effective programs that would not have otherwise been funded. Several HSN members questioned whether all interests would have to use the ballot to obtain their own budget carve outs.

Members commented that we need the entity proposed in HSN's paper, "Caring for Vulnerable San Franciscans", to be in place now to form a coordinated effort with all the necessary, but competing health and human service initiatives. HSN will notify members of the upcoming Rules Committee hearings and encourage our members to attend and take their own organizational position on the measure. HSN's procedures for supporting ballot measures will begin with the discussion at the next Public Policy Committee, followed by a Steering Committee recommendation, and then the membership will vote.

In response to a comment about the possible need for disability programs for violence survivors, Mr. Avalos responded that perhaps the Council should include a representative who has been disabled by violence, as well as one from the schools who works with children with mental health issues that stem from the surrounding violence.

Mr. Avalos was questioned about the mechanisms to assure that the funded agencies are accountable and that the funded programs are effective. He responded that these are important issues that the Council will address when they update the plan every year. He agreed to consider adding such language to the Ordinance. He also stated that the Mayor is looking at available resources to fund existing violence prevention programs. In addition, Community Resource Networks are working in the Mission and coming together in the BayView. Supervisor Daly specifically did not include community policing or any funds for the Police Department in this measure. He hopes that the community policing plan will be incorporated into the Council's plan.

For additional information and updated versions of the measure, please contact John Avalos at john.avalos@sfgov.org.

IV. Update on possible revenue measures for the local November ballot– *Steve Fields*

The Revenue Coalition continues to meet to develop an appropriate proposal to place on the local November ballot. The group has decided to propose a tax on businesses, but has not determined whether it should be a gross receipts or other tax and how it would be structured.

V. Next Meeting and Adjournment

- HSN's next membership meeting will be held on **Friday, February 17 from 9:30 a.m. – 11:30 a.m. at LightHouse for the Blind and Visually Impaired, 214 Van Ness Ave. (between Grove and Hayes). Guest speaker: DPH's Barbara Garcia.**
- HSN's Public Policy Committee Meeting: Thursday, January 26 and Wednesday, February 22 at 10 am at Progress Foundation, 368 Fell Street (between Gough and Octavia).
- The meeting adjourned at 11:30 a.m.

ATTENDEES AT HSN GENERAL MEMBERSHIP MEETING, JANUARY 20, 2006

Margy Baran, IHSS Consortium
Bob Bennett, Family Service Agency
Nancy Brundy, Institute on Aging
Merrill Buice, HSN
Debberra Burrell, BVHP Foundation
George Clark, LightHouse for the Blind
Carole Corbett, Compass Community Services
Meg Cooch, Planning for Elders
Steve Crabiel, Toolworks
Steve Fields, Progress Foundation
Nick Footracer, Children's Council of SF
Don Frazier, Walden House
Bill Hirsh, ALRP
Patrick Hoctel, IHSS PA
Jackie Jenks, Central City Hospitality House
Debbi Lerman, HSN
Herb Levine, ILRCSF
David Mauroff, Goodwill
Eve Meyer, SF Suicide Prevention
Tony Michelini, CCCYO
Jacob Moody, BVHPF
LaNetha Oliver, ECS
John Osaki, JCYC
Anaal Patel, Walden House
Chester Palesoo, APA
Don Soto, Lutheran Social Services
Judith Stevenson, Baker Places
Jonathan Vernick, Baker Places