Tenderloin Development \textit{without} Displacement

\textbf{Action Plan}

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Executive Summary

The Tenderloin Development without Displacement Initiative (TLDWDI) is a community planning effort lead by seven Tenderloin anchor institutions, Tenderloin residents, and the San Francisco Planning Department. TLDWDI formed in response to the displacement of low income people from the Tenderloin neighborhood. The group met for almost a year to discuss, research, and prioritize methods for combatting residential displacement, and concluded by prioritizing three strategies which we believe will help ensure that the Tenderloin remains a welcoming place for low-income people, people of color, the LGBTQ community, and immigrants.

This document will summarize the process, key research findings, and targeted strategies developed by the Initiative. Over the next few years, a broader coalition, in collaboration with the City, will work to implement these strategies in order to preserve one of the last affordable neighborhoods remaining in San Francisco.

The Issue

San Francisco is in the midst of a wave of population growth and real estate development that is driving up housing prices and creating changes to the demographic and social fabric of the city. For the first time in decades, hundreds of market-rate residential units are planned for the Tenderloin, spurred in part by the presence of many high-tech companies who have recently moved to nearby Market Street. Both this wave of development and the sudden influx of well-paid workers near the Tenderloin have shifted the economics of commercial and residential rentals in the neighborhood, and landlords are displacing local residents and businesses as the possibility of charging higher rents becomes increasingly viable.

Purpose of the Initiative

The purpose of the Tenderloin Development without Displacement initiative is to use community wisdom to develop a set of actionable strategies that will help stem displacement in the Tenderloin. Market Street for the Masses and the Implementation Committee will work to implement these strategies beginning in late 2016.
Guiding Principle

We will ensure that the strategies and action plans we recommend aid in building community power and leadership in order to ensure sustainable change.

Goal 1

Increase the percentage of permanently affordable housing in the Tenderloin from 25% in 2016 to 40% by 2025.

Goal 2


Tenderloin Data

Type of Housing in The Tenderloin

<table>
<thead>
<tr>
<th>Type of Housing</th>
<th>Percentage</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanently Affordable Units</td>
<td>25%</td>
<td>3,932</td>
</tr>
<tr>
<td>Market Rate Units (not rent controlled)</td>
<td>19%</td>
<td>2,943</td>
</tr>
<tr>
<td>Other Privately Owned Units* (rent controlled)</td>
<td>41%</td>
<td>6,562</td>
</tr>
<tr>
<td>Privately Owned SRO Units* (rent controlled)</td>
<td>15%</td>
<td>2,333</td>
</tr>
</tbody>
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According to internal City databases and Housing Inventories from 2005 to 2015, at least a quarter of the Tenderloin’s housing stock are affordable units, including:

1. SRO units managed by nonprofits, including master-leased buildings
2. Below market rate (BMR) units built in new housing developments
3. Buildings owned by the SF Housing Authority

*Private SRO units are not permanently affordable and are subject to high-rent market conditions.
*When an existing tenant moves out of a rent controlled unit, that unit’s rent returns to market rate.

Source: Tenderloin Community Data Project (October 2016) SF Planning Department

The rent stabilized units which comprise a majority of the housing units the Tenderloin are not entirely safe from displacement. Displacement in rent stabilized units can occur in two main ways: 1- Evictions and other, occasionally ill-intentioned, means of removing tenants from their homes (ie- buy-outs, threats, rental pass-throughs; see qualitative data for a little more on this). And 2- natural turnover- when a tenant vacates a rent controlled unit, the price rises to market rate and only a higher-income tenant will be able to afford to move back in.

Note: Private SRO units grouped above as “rent-stabilized” are neither permanently affordable nor necessarily “rent-stabilized” in the current market.
Notices of eviction in the Tenderloin have been rising from 2011 through 2015. In 2015, the Tenderloin had almost as many notices of eviction as the Mission, a neighborhood with a much higher population.


While evictions for “nuisance” have comprised a high percentage of the total notices of eviction in the Tenderloin for at least the past five years, the number of notices of eviction for “breach of lease” have increased significantly.

Eviction Type Definitions:
- Nuisance: Creation of a nuisance or substantial interference with the landlord or other tenants in the building.
- Breach: Breach of a rental agreement or lease.
- Illegal Use: Using unit for illegal purposes.
- Non-Payment: Non-payment of rent or habitual late payment of rent.
- Multiple: A combination of the above.

Resident Stories

There is a side to the experience and constant fear of displacement that can't be entirely captured by data. Through interviews, we were able to create a more complete picture of the current instability of the Tenderloin. Here are a few quotes and anecdotes:

• Soon, ‘Tina’ will face a difficult choice: her mother is nearing the end of her life, so she’ll need to go to her mother in Florida soon. “But I don’t want to leave here,” she explains distantly. “I don’t want to leave where I’m at because - I’m afraid to lose my room. Wouldn’t be able to live anywhere else, I mean I couldn’t afford to rent anywhere else.”

• In several SRO hotels around the neighborhood “conditions were allowed to deteriorate until the point that many rooms were not livable. The people forced to leave were given money. But there are no places left. A lot of them are on the streets now. And [those hotels], well, the owners can build better units but might probably open them again for higher prices.”

• The residents were forced to leave but received a settlement of around $33,000 to vacate their rooms. One resident, who had lived at a neighborhood hotel for fourteen years, was happy to have received the money, a larger sum than they had had recently in their life, but they are now homeless and living on the streets. While they had received a buyout, they struggled to maintain their health (they were wheelchair bound), take their medication, and find the stability they needed to physically take care of themselves.

• “I’m worried they might be getting ready to sell the place off...they are no longer taking permanent residents.” — A Tenderloin resident

• “With the tech boom, [the neighborhood] is convulsing with change. I eat at this place, a diner, for breakfast, and they shut it down. I think they’re putting in a cocktail bar. That’s not for us. And now I don’t have anywhere to eat. I don’t have a kitchen. We don’t have kitchens. Where can I afford food now?” — A currently housed Tenderloin resident

• “Little by little, they tell us ‘you gotta go, we’re organizing construction.’ Back then, I could hop from spot to spot. It’s not like that anymore because of the money. [SROs] have a long waiting list, and I’m on the waiting list.” — A currently homeless Tenderloin resident

Rough Process Timeline

| June to December 2015 | Convening of several meetings of nonprofit executive stakeholders by TNDC including GLIDE, St. Anthony’s, THC, Hospitality House, Community Housing Partnership and others to identify need, interest, and possible path forward. |
| December 2015 | Selection of Paul Cello & Cherine Badawi to provide facilitation and process design for the process. |
| January to September 2016 | Monthly Process Design Team and Core Strategy Committee Meetings |
| September 2016 | Final Strategies approved |
Goals & Strategies

Goal One: Increase the percentage of permanently affordable housing in the Tenderloin to 40%

Prioritized Strategy One: Acquisition Fund
A Tenderloin-specific fund for acquisition and rehabilitation of privately owned, residential buildings where tenants may be at risk for displacement.

Prioritized Strategy Two: Socio-economic Analysis
Under the California Environmental Quality Act, all new developments in California must engage in an environmental analysis. However, CEQA analysis is limited to physical impacts and does not assess socio-economic impacts. With a possible collaboration with the San Francisco Planning Department, we will seek to explore the impacts of new development on displacement and other neighborhood conditions.

Endorsed Strategies
- Expand master lease options
- Advocate for higher inclusionary percentage for Tenderloin development projects

Goal Two: End unjust residential turnover in the TL by 2017

Prioritized Strategy One: Tenants’ Rights Taskforce
A small, agile group who will look at some of the key tenants’ rights-related drivers of displacement in the Tenderloin we have identified. These drivers include but are not limited to 28-daying, unapproved subletters/tenants, residential hotel vacancies, and pass-through expenses for low income tenants.

Endorsed Strategies
- Strengthen SRO Conversion Ordinance
- Municipal rent tracking Ordinance/Procedure

Next Steps

After approving the above strategies in September, 2016, the TLDWDI has moved towards implementation and actualization of these strategies guided by a smaller team consisting of Tenderloin residents, TNDC, Glide, and the SF Planning Department. As of early 2017, the team had made significant strides towards achieving both a Tenderloin Acquisition Fund and the Socio-Economic Analysis. The Implementation Team will be holding several community town halls in Spring 2017 to provide updates and seek feedback.

The fight against displacement will be an ongoing one: however the Tenderloin has a robust history of creative, community-driven anti-displacement interventions. We are optimistic that through the alignment and commitment of community partners, and the activism and leadership of neighborhood residents, we will be able to see development without displacement.

To participate further in this process, share feedback, or ask any questions, please contact Alexandra Goldman, Senior Community Organizing and Planning Manager at TNDC- agoldman@tndc.org.
About Market Street for the Masses Coalition

Market Street for the Masses Coalition (MSMC) is a collective voice of community organizations and neighborhood residents in the Mid-Market, Tenderloin, and South of Market neighborhoods which formed in 2012. While we do not represent all of the non-profits and residents in our area, our member organizations serve a variety of constituencies across a broad range of economic, educational and social issues. MSMC works to build partnerships across levels and groups, to inform and educate our members and constituencies, and to call for policies and programs that ensure development without displacement.

Members of the Tenderloin Development without Displacement Initiative

Cherine Badawi, Facilitator/consultant
Paul Cello, Facilitator/consultant
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Curtis Bradford, Tenderloin People’s Congress, Resident
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