



# MISSION ACTION PLAN 2020



*Note: This is not solely a City product. This report is a joint product of this specific city-community participants' effort. Some of the views in the report are solely the City's and some are solely of the community advocates and where there is disagreement on a topic it is clearly stated as a way to call out an area where there is more work to be done and conversations to continue.*

# MISSION ACTION PLAN 2020

DRAFT FOR PUBLIC REVIEW

PHASE 1 STATUS REPORT  
JANUARY 2017

# ACKNOWLEDGEMENTS

Many City agencies and community organizations have participated in the process to date. Others will be added as requested.

- The Office of Mayor Ed Lee
- The Office of former District 9 Supervisor David Campos and new District 9 Supervisor Hillary Ronen
- Mission Housing Development Corporation
- Residents who are members of Plaza 16 Coalition
- San Francisco Organizing Project (SFOP)
- Dolores Street Community Services (DSCS) / Mission SRO Collaborative
- San Francisco Planning Department
- Mayor's Office of Housing and Community Development (MOHCD)
- Health Services Agency (HSA)
- Department of Building Inspection (DBI)
- Rent Board
- Office and Economic and Workforce Development (OEWD)
- Cultural Action Network (CAN)
- The Day Laborer Program and Women's Collective
- Mission Economic Development Agency (MEDA)
- Calle 24 Latino Cultural District

For other information related to MAP2020 and the Mission community please visit:

<http://medasf.org/programs/community-real-estate/mission-action-plan-2020/>

<https://www.facebook.com/missionactionplan2020/>



CULTURAL ACTION NETWORK



San Francisco  
Planning

# TABLE OF CONTENTS

<b>Executive Summary</b> .....	ii
<b>Why We Are Doing This</b> .....	1
<b>Recent Mission History and MAP2020</b> .....	4
Differing Views About the Effects of Market Rate Development .....	6
Displacement in the Mission .....	8
Public Investment in Tenant Protections, Mission Housing, and Economic Development .....	15
Coordination with Parallel Efforts .....	20
<b>The MAP2020 Process</b> .....	21
<b>Next Steps</b> .....	23
Implementation and Monitoring of Phase I .....	23
Moving on to Phase II.....	23
<b>Preliminary MAP2020 Targets</b> .....	27
<b>Solutions</b> .....	30
Solutions Completed .....	32
Tenant Protections .....	32
Housing Production .....	32
Funding .....	32
Economic Development .....	32
Solutions Underway and Planned .....	34
1. Tenant Protections.....	34
2. SROs .....	42
3. Preservation of Affordable Units.....	46
4. Housing Production .....	49
5. Economic Development.....	54
6. Community Planning.....	61
7. Homelessness .....	64
Other Solutions Considered .....	66
A Model for an Equitable Approach to Planning, Growth, and Neighborhood Change.....	68
<b>Appendix A: Solutions Matrix</b> .....	70
<b>Appendix B: Process Detailed</b> .....	75

# EXECUTIVE SUMMARY

San Francisco’s Mission District features a richness of culture and vibrancy unmatched anywhere else in the city. It is a bustling socioeconomically diverse enclave long anchored by the many Latino businesses including specialty food stores, restaurants, cafes, taquerias, Mexican bakeries, butchers, art galleries, and gift shops that serve the needs of local residents. The uniqueness of the area and multi-modal transportation options have proven attractive to new residents and new businesses, which are now calling the Mission District home. The district has long been recognized as an art and cultural mecca boasting the largest collection of murals in the city and hosting a multitude of events that enliven the neighborhood with history, spirituality, and community throughout the year. Mission district businesses, residents, arts organizations and long established non-profit agencies collaborate to organize events such as Carnaval, Cesar Chavez Parade and Festival, and Day of the Dead.

In 2014, the City was directed by Mayor Ed Lee at the request of community organizations to assess and understand how to ensure the socioeconomic

diversity of the Mission community. For the past 18 months, under the management of the Planning Department, community and senior city officials from a diverse set of community organizations and city departments, have taken on the task of compiling data, determining and immediately investing in and introducing proactive strategies related to Housing; Tenant Protections; Production, Distribution, and Repair (PDR) space; Affordable Housing Preservation and Production; Economic Development; Community Planning and Homelessness. All efforts of the MAP2020 conversation were considered to support its purpose: “to retain low to moderate income residents and community-serving businesses (including PDR) artists, and nonprofits in order to strengthen and preserve the socioeconomic diversity of the Mission Neighborhood.”

At the heart of the Mission Action Plan 2020 (MAP2020) is the vision of a thriving Mission District that is a healthy and safe community for families and children, local neighborhood-serving businesses, community nonprofits, and cultural organizations. It should be a community with opportunities to



Photo by Marisol Quintana (MEDA)



Photo by San Francisco Arts Commission



prosper economically and to find a permanent, affordable home. This report presents the first year, phase one, of MAP2020 work and proposed solutions. It focuses on the development of the Plan and the launch of a first round of urgent programmatic services that can help preserve the Mission District as a Latino cultural and commercial core, as well as a neighborhood of choice for the most vulnerable households. This report also provides a preview of the next phase of work.

Historically, the Mission has been a working class neighborhood largely comprised of low to moderate income households. Since it offered affordable housing options in earlier decades, working class people were able to find housing in this neighborhood. However, over the last thirty years, the Mission has seen a decrease in the proportion of family households and Latino population that parallels the decrease of very-low, low, and moderate income households. If these and other similar trends continue, the rich cultural and economic diversity of the Mission District could become a thing of the past, and the Mission could become a neighborhood with a majority of

high-income residents. The stabilization of low to moderate income households is essential to counter these trends and essential to not only the City's diversity but also to its economic health.

Three kinds of displacement are impacting the Mission—residential, commercial, and psychological. The Mission continues to see the highest rate of eviction notices in the city and a large portion of the city's tenant buy-outs. Between 2011 and 2014, notices of eviction in the Mission doubled. Several large fires have intensified fears of displacement. The psychological displacement is both the fear of loss and the sentiment that what was once home is no longer a welcoming space. In addition to the challenges facing low and moderate income households, many community-serving businesses, arts organizations, and nonprofits are unable to remain in the neighborhood as rents continue to increase. Over ten years from 2004-2013, Mission Street has seen an increase in change of use permits. There are fewer storefronts selling a variety of retail and household goods, and more food/beverage establishments, particularly those that cater to a wealthier clientele.

Over the course of more than a year, the MAP2020 process identified potential solutions that fall into seven broad categories. Given the complexity of housing markets and the forces of gentrification, many of these solutions rely on and influence one another regardless of category; these categories merely provide a structure to organize actions and assess progress.



Photo by Olga Sanchez & Wendy Lara

1. **Tenant protections** focus on immediate programs and funding mechanisms to keep existing Mission residents in their homes.
2. **Single Room Occupancy residential hotels** (SROs) are a dwindling housing supply, one that has traditionally housed individuals but is increasingly being used by families. Solutions address the vulnerability of people living in these units and the loss of these units as an affordable housing option.
3. **Preservation of affordable units** focuses on tools to retain affordable housing stock.
4. **Production of affordable housing** is a suite of funding and policy tools to increase construction of housing for low to moderate income households.
5. **Economic development** solutions focus on keeping jobs, businesses, artists, and nonprofits in the neighborhood. Retaining and supporting a diverse range of community-serving businesses will support our corner grocers, panaderias, taquerias, barber shops, and restaurants.
6. **Community planning** focuses on improving community access to and voice in the City's processes for planning housing, transit, and community investments.
7. **Homelessness** focuses on prevention of homelessness and services to stabilize the homeless as they transition into permanent housing.





# MISSION NEIGHBORHOOD MAP



--- Mission Neighborhood Boundary





Photo by Pedro Peterson (SF Planning)



Photo by Marisol Quintana (MEDA)

## WHY WE ARE DOING THIS

The Mission District is at a crossroads as a Latino cultural hub and a home for working class families and vulnerable individuals. A rebounding economy following the Great Recession brought vibrancy and dollars to the neighborhood, but an unintended consequence has been the acceleration of displacement of long-time Mission residents and businesses. The changes observed in the Mission are not “natural” demographic shifts resulting from individual households choosing to move elsewhere. These changes have largely been driven by the pace of growth and economic change in the city. These types of rapid changes have been characterized by the San Francisco Department of Public Health as a public health concern.<sup>1</sup>

Following two cycles of dot-com boom, the neighborhood is in the stage of *late gentrification*<sup>2</sup> with low to moderate income families overwhelmingly being replaced by high-income individuals. The median income for the neighborhood increased from \$67,000 in 2000 to \$73,000 in 2013 (adjusted for 2013 dollars). This growth in income is not by and large the result of increased prosperity of long-time (predominantly Latino), Mission residents and the

businesses that served these demographic groups. It is primarily the result of an influx of more affluent newcomers (who are predominantly white). Rents for a two-bedroom apartment jumped from \$3,800 in 2014 to \$4,500 in 2016. To not be burdened by rent today (to spend no more than 30% of income on rent), families need to earn at least \$180,000 for a two-bedroom unit. In 2000, 75% of the neighborhood was low to moderate income households; by 2013 that had dropped to 65%. If this trend continues, it could drop to 57% by 2020. In the same period, high income residents have increased from 25% in 2000 to 34% in 2014; and are projected to be 42% by 2020. These income changes parallel the decrease of the Latino population.

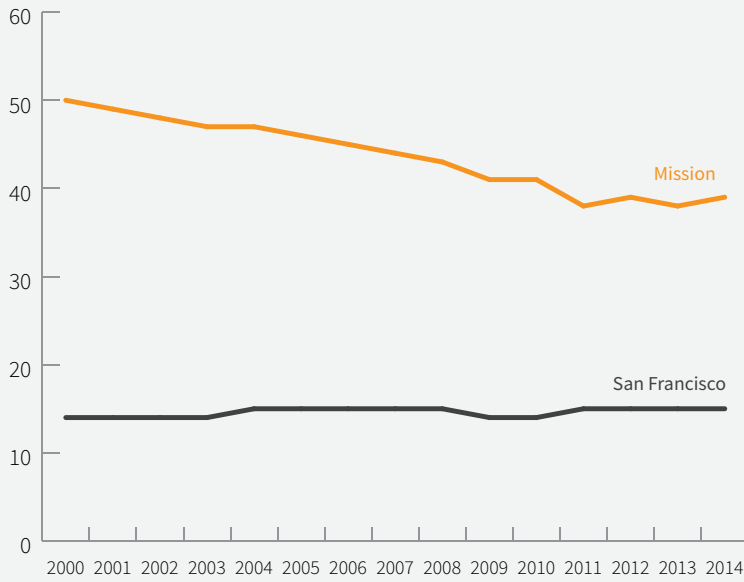
The effects of displacement can be traumatic. They can range from poor school performance by children for lack of a stable home environment, to long commutes back to the Mission for school, work, and community gathering. Young Mission residents who grew up in the neighborhood report feeling uncomfortable and unwelcome by newer residents and feel they are regarded as if they don’t belong. Residents of all ages live in constant fear of eviction and feel powerless to stop the loss of their community. The Mission Action Plan 2020 is an important step in planning for the future of the Mission District as a place for all residents.

<sup>1</sup> <http://www.sfhealthequity.org/elements/housing41>

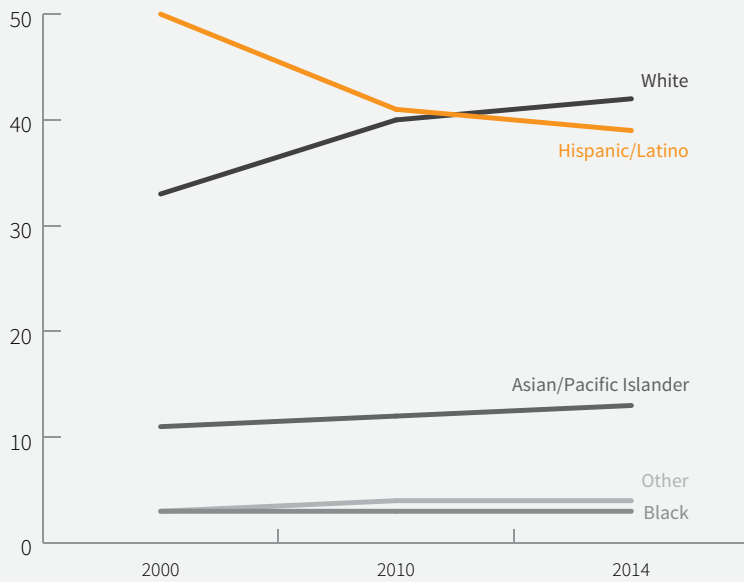
<sup>2</sup> UC Berkeley Urban Displacement Project, <http://www.urbandisplacement.org/>

## CHANGING DEMOGRAPHICS IN THE MISSION FROM 2000–2014

Percent of Latino/Hispanic Population in the Mission and San Francisco (2000 to 2014)



Percent of Ethnic Population in the Mission (2000 to 2014)



### Percent of Households by Area Median Income in the Mission by Year (2000 to 2014)

INCOME CATEGORY	2000	2009	2010	2011	2012	2013	2014
<30% AMI	19.99%	20.89%	20.65%	20.94%	21.04%	20.78%	21.75%
>30% to ≤ 50% AMI	12.75%	15.95%	15.48%	15.70%	13.73%	14.12%	13.73%
>50% to ≤ 80% AMI	19.70%	16.44%	16.75%	15.62%	16.41%	15.01%	15.30%
>80% to ≤ 100% AMI	12.17%	8.77%	8.58%	8.00%	8.03%	7.73%	7.49%
>100% to ≤ 120% AMI	10.02%	7.64%	7.78%	7.31%	7.63%	7.46%	7.50%
≤ 120% AMI	74.63%	69.70%	69.24%	67.56%	66.83%	65.11%	65.78%
<b>&gt;30% to ≤ 120% AMI</b>	<b>54.64%</b>	<b>48.80%</b>	<b>48.58%</b>	<b>46.62%</b>	<b>45.80%</b>	<b>44.33%</b>	<b>44.03%</b>
>120% to ≤ 150% AMI	8.02%	8.30%	8.50%	8.37%	9.19%	9.10%	9.03%
>150% to ≤ 200% AMI	8.61%	8.52%	8.49%	9.31%	8.47%	8.75%	8.42%
> 200% AMI	8.74%	13.48%	13.77%	14.76%	15.51%	17.03%	16.77%
<b>Total Households</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

\*For the purpose of this analysis, the Mission is defined by census tracts 177, 201, 202, 207, 208, 209, 210, 228.01, 228.02, 228.03, 229.01, 229.02, and 229.03. These tracts are slightly different than the map on page vi (two additional tracts are included here) as there are many different Mission boundaries (but the trend is generally the same).

### Changes in the Number of Households by Area Median Income from 2000 through 2014 (Mission)

Income Category	HOUSEHOLD CHANGE 2000 TO 2014		HOUSEHOLD CHANGE 2009 TO 2014	
	Total Households Change	% Change	Total Households Change	% Change
<30% AMI	696	10.62%	393	3.40%
>30% to ≤ 50% AMI	412	17.90%	-365	-7.97%
>50% to ≤ 80% AMI	-734	-18.90%	-111	-5.04%
>80% to ≤ 100% AMI	-905	-32.39%	-214	-8.40%
>100% to ≤ 120% AMI	-439	-20.83%	40	1.53%
>120% to ≤ 150% AMI	348	20.73%	246	14.01%
>150% to ≤ 200% AMI	80	8.14%	56	6.74%
> 200% AMI	1,984	107.46%	886	31.36%
<b>Total Households</b>	<b>1,567</b>	<b>6.41%</b>	<b>1,056</b>	<b>3.96%</b>

### San Francisco Area Median Family Income by Year (2000 to 2014)

AMI CATEGORY	2000	2009	2010	2011	2012	2013	2014
30% AMI	\$19,064	\$25,964	\$25,733	\$26,199	\$26,570	\$27,035	\$28,017
50% AMI	\$31,773	\$43,273	\$42,889	\$43,665	\$44,283	\$45,058	\$46,696
80% AMI	\$50,836	\$69,237	\$68,622	\$69,863	\$70,852	\$72,093	\$74,713
100% AMI	\$63,545	\$86,546	\$85,778	\$87,329	\$88,565	\$90,116	\$93,391
120% AMI	\$76,254	\$103,855	\$102,934	\$104,795	\$106,278	\$108,139	\$112,069
150% AMI	\$95,318	\$129,819	\$128,667	\$130,994	\$132,848	\$135,174	\$140,087
200% AMI	\$127,090	\$173,092	\$171,556	\$174,658	\$177,130	\$180,232	\$186,782

Source: U.S. Census Bureau



## **RECENT MISSION HISTORY AND MAP2020**

Located in east-central San Francisco, for many decades the Mission has had the city's highest concentration of Latinos and immigrants from Latin America. With its rich cultural and political history, the Mission has long been a working class community. Many institutions and businesses form a local support system for low-income and Latino immigrant families in San Francisco. The Mission is rich with nonprofit service providers, cultural institutions, small legacy businesses, and working-class jobs in the PDR sector.

The Mission experienced the first strong wave of displacement during the first dot-com boom in the late 1990s. Then, from 2012 to early 2015—as the Bay Area economy bounced back—the accelerated demand for transit accessible housing and small business spaces forced out many long-time Mission residents and businesses, further tearing at the neighborhood fabric. Activists, advocacy organizations, and coalitions coalesced to protest, rally, and march to advocate on behalf of the many residents and businesses being displaced in the Mission.

Over the past 20 years, since the start of the first

dot-com boom in the late nineties, the City and community have invested heavily in planning for the Mission. City plans include the Mission Area Plan of the Eastern Neighborhoods planning process (2009), the Mission Street Public Life Plan (2015), the Mission District Streetscape Plan (2010), and the Calle 24 Latino Cultural District (established in 2015). In addition, the Mission Anti-Displacement Coalition produced the People's Plan for Jobs, Housing, and Community in 2009. Several research and analytical works have attempted to better understand the factors impacting displacement in the Mission, such as Controller's Office Housing Moratorium report (2015), UC Berkeley's Urban Displacement Project (2016), and the Budget and Legislative Analyst's policy report on displacement in the Mission (2015).

These planning efforts were important in guiding changes to the neighborhood and directing growth near transit. But they did not fully anticipate the acceleration of the affordability crisis in recent years and the pace of growth occurring now and expected to occur in the near future.

In late 2014, the Mission Economic Development Agency (MEDA) met with Mayor Edwin Lee and District 9 Supervisor David Campos to initiate the MAP2020



**At the heart of MAP2020 is the vision of a thriving Mission District that is a healthy and safe community for families and their children, local neighborhood-serving businesses, community nonprofits, and cultural organizations.**

Photo by Marisol Quintana (MEDA)

process. In summer 2015, the Board of Supervisors meeting was inundated with close to 900 Mission residents, business owners, students, and activists who voiced their anger and fear about displacement in the Mission. They rallied at City Hall to push City government to take a proactive role in maintaining the diversity of the neighborhood.

MAP2020 began as a series of planning meetings for community organizations and City staff to discuss regulations and policies implemented by City agencies and their impact in the Mission. A core group of community groups—MEDA, Dolores Street Community Services/Mission SRO Collaborative, SF Tenant Unions, Cultural Action Network— and long-time neighborhood activists from Plaza 16, Pacific Felt Factory, and the Calle 24 Latino Cultural District engaged in the MAP2020 planning process in an effort to impact housing pipeline development, advocate for more affordable housing, and to retain the neighborhood land uses dedicated to working class families and businesses.

### **DIFFERING VIEWS ABOUT THE EFFECTS OF MARKET RATE DEVELOPMENT**

Some community groups believe that there has been a failure to address the impacts of growth in recent years. Some groups attribute part of this failure to a lack of research in some critical areas, such as neighborhood displacement resulting from market rate development, their belief that the city is unwilling to conduct this research, as well as what some community advocates believe to be a flawed methodology in some City studies.

The City believes that new housing production at all income levels is critical to address the housing crisis, and that the crisis has been partially caused by many decades of slow housing production. In the Mission, actual market-rate development from 2009-2014 has been limited (producing close to 500 units, compared

## **The UC Berkeley Urban Displacement Project & Some Key Terms**

The changes experienced by the Mission during the dot-com boom are those typically associated with the traditional conception of gentrification, or the influx of investment and higher-income, usually White, residents to areas with low-income, often minority, residents.

New residents were—and are still—attracted to the amenities provided by higher density, the cultural richness of the neighborhood and to the transit accessibility of the area. Multiple bus lines as well as two BART stations (16th Street and 24th Street Mission Station) service the neighborhood for an easy commute to the financial district. The neighborhood is also close to the freeway and the Caltrain, which provide accessibility to the greater region, including Silicon Valley.

This first wave of gentrification is the main story in the neighborhood's shift from a lower-income Latino area to its present state. Although the bust of the first dot-com bubble caused gentrification pressures to slow, the neighborhood has continued to be a high demand area, seeing an influx of high-income residents once again from the tech sector. However, this current wave of gentrification is taking place in a neighborhood context that has already undergone years of gentrification— not just with new residents who had moved in, but with an ongoing influx of new retail and public investment.

Today's ongoing battle over the Mission is therefore of a different kind with fewer units left to gentrify. Many long-time residents are holding on and benefitting from the neighborhood's new investment and amenities, but there is even more pressure than before on the remaining affordable units.

For more information visit:

[http://www.urbandisplacement.org/sites/default/files/mission\\_district\\_final.pdf](http://www.urbandisplacement.org/sites/default/files/mission_district_final.pdf)



**Displacement**<sup>1</sup>: Residential displacement occurs when a household is forced to move from its residence or is prevented from moving into a neighborhood that was previously accessible to them due to conditions which:

- 1) are beyond the household's reasonable ability to control or prevent (e.g., rent increases);
- 2) occur despite the household's having met all previously-imposed conditions of occupancy; and
- 3) make continued occupancy by that household impossible, hazardous or unaffordable.

Displacement manifests itself in many forms, from physical (i.e., evictions or service disruption) to economic (i.e., rent increases). Displacement can result from gentrification when neighborhoods become out of reach for people or can occur at earlier stages through disinvestment, increasing vacancies and facilitating demographic turnover. *[Adapted from Grier and Grier (1978) and Marcuse (1986)]*

**Gentrification**: Today, gentrification is generally defined as “the transformation of a working-class or vacant area of the central city into middle-class residential or commercial use”. Although the emphasis has traditionally been on the influx of the middle and upper classes, in its origin the term inherently implied the displacement of working class households. While the vast majority of literature and media attention on gentrification focuses on class-based analyses, the deep history of racial residential segregation and income inequality in the United States results in gentrification being a clearly racialized process. Gentrification is often associated with white middle class households moving into low-income and communities of color. A number of scholars have clearly tied gentrification to historical patterns of racial residential segregation and inner city disinvestment and decline. These neighborhoods experience the “double insult – a ‘one-two’ knock” of disinvestment, neglect and white flight in the 1950s through 1970s and then the forces of gentrification and displacement in the 1980s through today.

A wide range of actors are involved in the gentrification process, including individuals, developers, builders, business improvement districts, lenders, planning consultants, government agencies, insurance firms, news media, and real estate agents, among many others. Local, state, and federal government policy and subsidy for things like mixed income housing, beautification, transit improvements and the like set the conditions for and catalyze gentrification processes by improving neighborhoods and making them attractive for private investment. Often gentrification research and activism focuses either on macro-forces of housing and labor markets or micro-processes of individual preferences.

**Affordable housing**: In San Francisco, affordable housing includes a range of housing programs that each serve a particular income level from extremely low to middle-income. For homeless adults, families, and youth, affordable housing includes transitional housing, supportive housing that has onsite services, and rental assistance. For low and middle income adults and families, affordable housing includes rental units priced at 55% Area Median Income (AMI) and ownership units priced at 85% AMI. **Inclusionary housing** is a specific category of affordable housing that is built within market rate buildings, as compared to 100% affordable housing, where all the units in the building are priced below market rate.

### **Area Median Income (AMI)**

**Area** = A particular geographical area, e.g., San Francisco

**Median** = Middle point: half of the households earn below the median while the other half earn above

**Income** = Total income of the entire household

In 2014, the San Francisco area median income (AMI) was \$93,391. Half of the households in San Francisco earn below the AMI while the other half of households earn above the City's AMI. AMI is set each year by the US Department of Housing and Urban Development (HUD) and is based on household size and the income households earn in the area. The City uses these annually published income limits to set eligibility for its various housing programs.

The total of all salaries earned by all people living in the same home regardless of relationship equals the household's total annual income. Based on the 2010 American Community Survey conducted by the US Census Bureau, the typical San Francisco household has approximately 2.4 people. Based on the 2016 Unadjusted Area Median Income for HUD Metro Fair Market Rent Area (HMFA) that contains San Francisco,<sup>2</sup> income levels are:

**Very low-income households**<sup>3</sup>: Earn up to \$53,850 for a family of four (or 50% of the Area Median Income in San Francisco)

**Low-income households**: Earn up to \$86,150 for a family of four (or 80% of the Area Median Income in San Francisco)

**Moderate-income households**: Earn up to \$129,250 for a family of four (or 120% of the Area Median Income in San Francisco)

<sup>2</sup> [http://sfmohcd.org/sites/default/files/Documents/MOH/2016\\_AMI\\_IncomeLimits-SanFranHMFA.pdf](http://sfmohcd.org/sites/default/files/Documents/MOH/2016_AMI_IncomeLimits-SanFranHMFA.pdf)

<sup>3</sup> For the purposes of this report, we are defining very low-income as those who earn up to 50% AMI to be consistent with the federal definition of very low-income. The Mayor's Office of Housing and Community Development defines very low-income as households earning up to 55% AMI.

<sup>1</sup> <http://www.urbandisplacement.org/resources#section-36>

to 276 units of affordable housing in that same time period).

Phase two of MAP2020 will continue to address questions around the impact of market-rate development and how these projects can continue to contribute to the goals of MAP2020, since the Mission is expected to receive close to 2,000 new units of market rate housing in the next three to five years and close to 1,000 units of affordable and middle income housing.

The City would like to stress a focus on mitigation strategies and leveraging private and public investments to minimize impacts on historically vulnerable populations while increasing access and opportunity so that those populations benefit equitably from neighborhood growth and investment. The City agrees that it is important to have an equitable approach to growth and development, but it also believes that limiting or prohibiting housing development has had, and will continue to have, greater negative impacts on low and moderate income households. MAP2020 is an attempt to manage this change and apply an equitable development lens to future expected growth. The forces of displacement are varied and complex and the key is to deploy strategies and investment now to stabilize the neighborhood for decades to come.

The City also feels research on effects of market rate development will be inconclusive but is nevertheless scoping out a way to further study the nexus between development and displacement to determine what it is, if one exists. The City acknowledges displacement is real but believes the causes of displacement are complex and tied to larger systemic issues beyond development. It also believes it is most important to focus resources on stabilizing and strengthening the neighborhood's resiliency in the face of larger economic pressures, and on ensuring development projects provide benefits to the neighborhood, contribute to the goals of MAP2020, and minimize their impacts.

## **DISPLACEMENT TRENDS IN THE MISSION**

If current trends continue, the rich cultural and economic diversity of the Mission District could become a thing of the past. The Mission is at risk of becoming a neighborhood that is comprised of majority high-income residents. In addition to the challenges facing low and moderate income households, many community-serving businesses, arts, and nonprofits are unable to remain in the neighborhood as rents continue to increase. The stabilization of low to moderate income households is essential to counter these trends.

**Over the last thirty years, the Mission has seen a decrease in the proportion of family households and Latino population that parallels the decrease of very-low, low, and moderate income households.**

In 2000 per the US Census, residents who identified as Hispanic/Latino comprised 50% of the population in the Mission District. By 2014, the population of Hispanic/Latino residents decreased to 39% (a 11% decrease).

During the five year period between 2009 and 2014 for which data is available, the percentage of very-low, low-, and moderate- income residents in the Mission District dropped while the percentage of higher income residents increased. During this time, very low-income residents decreased from 37% to 35%, low-income residents from 16% to 15%, and moderate-income residents from 16% to 15%. Meanwhile, households whose income falls in the highest bracket (\$186,782 or more or 200% over AMI) increased from 13% to 17% of the population.

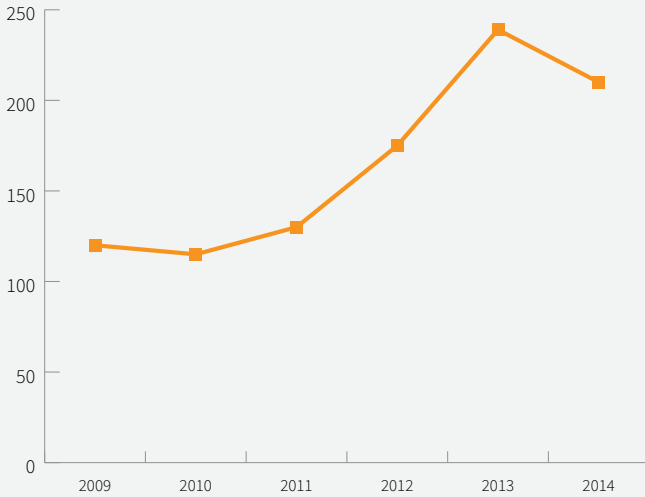
**Despite an increase in income, housing burden has increased in the Mission.**

In the Mission, 72% of families are renters, about 10% more than the citywide percentage. Housing is considered unaffordable if more than 30% of a household's income is paid towards rent or mortgage. Of renters in the Mission, 42% of households pay more

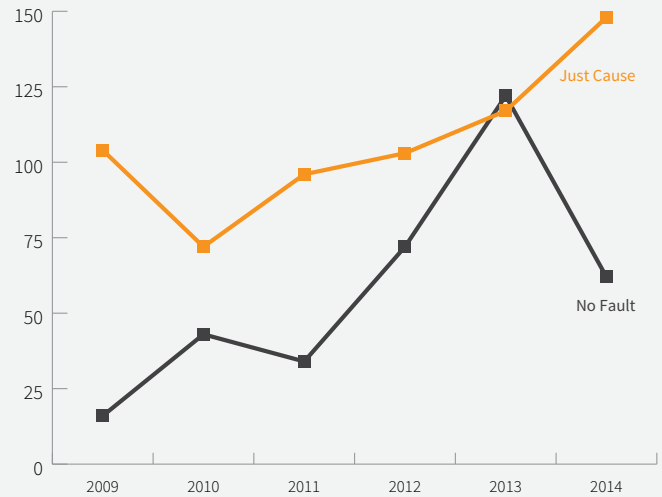


## EVICITION NOTICES FILED IN THE MISSION 2009–2014

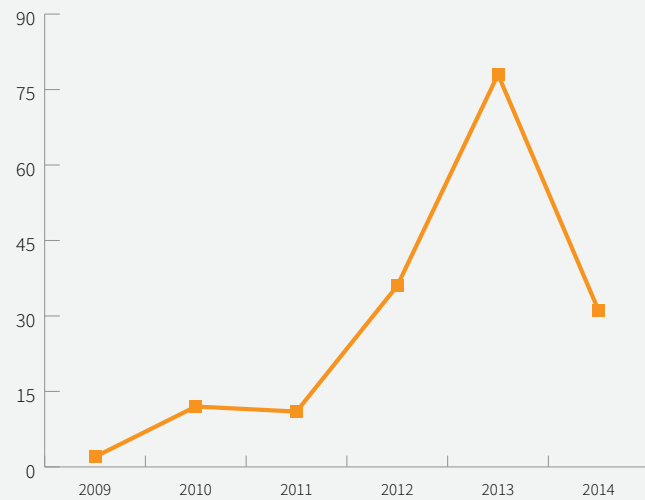
From 2009 to 2013, the number of eviction notices filed for households in the Mission increased by 100%.



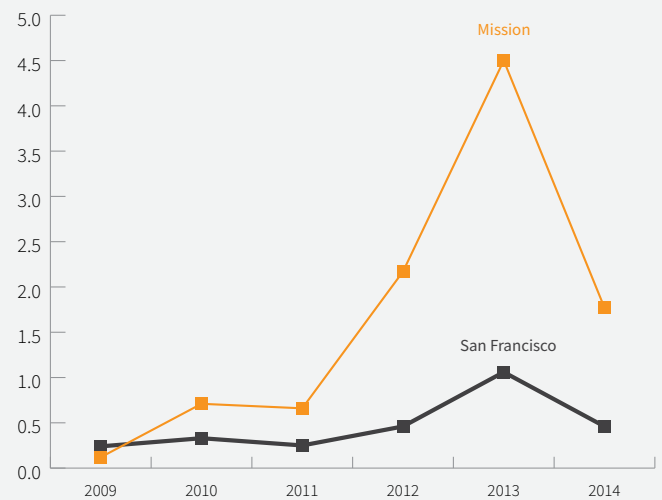
The number of Just Cause and No Fault eviction notices filed in the Mission have increased by 42% and 288%.



Ellis Act eviction notices filed in the Mission have increased by almost 1,500%, peaking to 78 notices filed in 2013.



In 2013, the rate of Ellis Act eviction notices filed for households in the Mission was 4 times greater than for San Francisco.



Source: San Francisco Rent Board

than 30% and 18% pay more than 50%<sup>3</sup>. This is below the citywide average (which may be connected to the loss of low to moderate income households) and ranks below the Tenderloin, Outer Richmond, and Nob Hill neighborhoods also with large numbers of renters. Additionally, 8% of renters live in overcrowded conditions<sup>4</sup> (more than two people per bedroom). This is about 23% greater than citywide, and the Mission ranks fourth in overcrowding after Chinatown, the Tenderloin, and SoMa.

**The Mission continues to see the highest rate of evictions notices in the city and a large portion of the city’s tenant buy-outs.**

In 2015, the Mission had 175 notices of eviction. Between 2011 and 2014, notices of eviction in the Mission doubled. Of these notices, Ellis Act evictions increased 1,450% (from 2 in 2009 to 31 in 2014) and no fault evictions increased 288% (16 in 2009 to 62 in 2014). Just cause evictions increased 42% (from 104 in 2009 to 148 in 2014).

3 U.S. Census Bureau. (2014). Gross Rent as a Percentage of Household Income in the Past 12 Months (B25070). 2013 ACS 5-Year Estimates. Gross rent is the amount of the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.)

4 U.S. Census Bureau. (2014). Tenure By Occupants Per Room (B25014). 2013 ACS 5-Year Estimates.

In addition to evictions, tenant buy-outs are a strategy used by some landlords to incentivize existing tenants to leave their rent-controlled housing. After existing tenants leave, landlords can increase the rent of the property to market rate. Between 2008 and 2014, the Mission District experienced the highest concentration of tenant buy-outs in the city: 165 tenants received buy-outs (28 per year on average) or about 28% of the city’s total<sup>5</sup>.

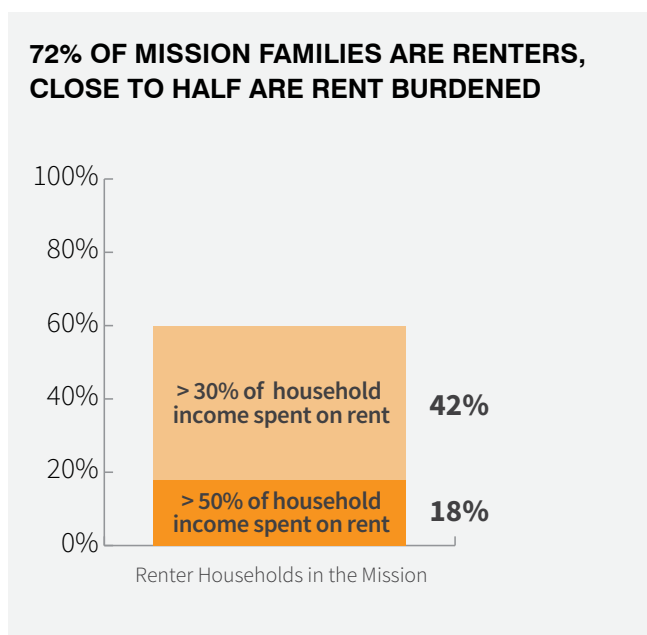
It is important to note that the City’s evictions data provides only a partial picture of the full extent of tenant displacement. The San Francisco Rent Board only records a tenant move-out as an “eviction” when the full legal process is completed and a judge orders an eviction. The extent to which landlords and prospective buyers are offering “buy-outs” to incentivize tenants to voluntarily move out of their units has only been required to be reported since 2015. In addition, lack of tenant repairs and tenant intimidation, particularly of those who do not know their rights, are undocumented, living in crowded conditions, or do not speak English – that forces people out is not well documented. Therefore, the actual number of rent-control tenants leaving the neighborhood is likely higher than the known number of official evictions.

**Previously affordable housing units are no longer affordable for most residents.**

Historically, residential hotels (SROs) and other rent control units have been affordable for low income residents in the Mission. All housing units in buildings that are not single-family homes or condominiums and were constructed before June 1979 are subject to rent control, which limits allowable annual rent increases to a certain percentage relative to inflation.

The Mission lost approximately 63 rent-controlled units per year between 2010 and 2014 to Ellis Act evictions

5 Source: SF Budget and Legislative Analyst.





(415) 552  
**ARTESANIAS & MISC.**  
**EL SALVADOR**

**TRANSPORTES SALVADOREÑOS**

2  
2  
7  
6

**TRANSPORTES SALVADOREÑOS**  
ENCOMIENDAS A  
EL SALVADOR  
GUATEMALA  
NICARAGUA  
HONDURAS  
TEL. 415-664-4223  
PRECIOS ESPECIALES

B  
T  
M  
  
T  
R  
I  
X  
S  
A

AN-  
ACUP  
AC  
CH  
S  
P  
H  
N

or other means. In addition, there are 47 private SRO buildings in the Mission, located mostly along Mission Street, that include approximately 1,196 rooms. These units are protected by law and are rent controlled for tenants who reside there for more than 30 days. Many landlords are renting for less than 30 days to prevent establishment of tenancies. SRO tenants are also displaced (through eviction or attrition) when hotels are converted into market-rate dormitories targeting high-income residents.

### **New affordable housing has not kept up with demand.**

With the pressures on existing low income residents, there is high demand for affordable housing in the Mission District. Due to lack of funding to meet all the demand, insufficient affordable housing has been built to meet the need, thereby worsening pressures on existing housing stock. While the percentage of affordable units was about 51% between 2009 and 2014, only a total of 276 100% affordable and inclusionary units were constructed in the mission and approximately 500 market-rate units over the same period. This does not include rent-controlled units lost due to Ellis Act or other conversions (approximately 80 per year). The Housing Element calls for approximately 60% of all new housing to be affordable to households with incomes moderate and below.

It is important to note that in response to these trends, in 2015-2016, the city enabled funding for approximately 850 units of affordable housing, the most of any neighborhood in the city. See “Public Investments” on the next page.

### **Small businesses, arts organizations, and nonprofits are leaving the Mission.**

Small businesses, arts organizations, and nonprofits are closing due to short-term or month-to-month lease renewals, which often double or triple their

## **Rent Control Regulations on Evictions**

The eviction process can be initiated by citing any of 15 ‘just-causes’ under two broad categories:

- ‘No-fault’ evictions allow landlords to retrieve their property from the tenant without any fault of the tenant. The two most common types of evictions under this broad category are the Ellis Act and the Owner Move-In (OMI). The Ellis Act allows the owner to rescind the tenancy by giving tenants a 120-day withdrawal notice and prohibits the unit from being rented for 10 years. The OMI evictions allow owners to evict the tenant in order for owner or their relatives to move into the unit.
- ‘Just cause’ evictions cite the tenants’ actions (such as a breach of lease or creating a nuisance, etc.) as justification for their eviction.

San Francisco has an existing set of local ordinances and policies designed to protect tenants from displacement and prevent loss of affordable rental housing. These policies are the result of more than four decades of community activism, legal advocacy, and political leadership and include:

- The Residential Rent Stabilization and Arbitration Ordinance limits rent increases for all rental housing of two or more units built before 1979. It also limits evictions to a specific set of justified causes, and requires relocation assistance for evicted tenants, among other protections.
- The Residential Hotel Unit Conversion and Demolition Ordinance requires replacement of Single Room Occupancy (SRO) Hotel Units when the owner proposes to convert to tourist use and restricts demolition of SRO buildings.

In addition, there are several State laws that impact local rental housing stock.

- The **Costa-Hawkins Rental Housing Act** (“Costa-Hawkins”) is a 1995 California state law that prohibits municipal rent increase limitations on certain units, allows rent increases on subtenants following departure by tenants of rent-controlled tenancies, and prohibits “vacancy control” — the regulation of rental rates on units that have been voluntarily vacated by the previous renters at an amount other (presumably lower) than what the open market would bear. The Act was amended in 2001 to close a loophole related to condominium conversion, where owners of apartment buildings obtained certificates for conversion, to avail themselves of the state law exemption for rent control, without actually selling any of the erstwhile apartments as condominiums.
- The **Ellis Act** is a 1985 California state law that gives landlords the unconditional right to evict tenants to “go out of business.” For an Ellis eviction, the landlord must remove all of the units in the building from the rental market. Ellis Act evictions generally are used to change the use of the building from rental units to tenancy-in-common or condominiums.



2084 Mission Street – The Frances. Photo by [Google Street View](#).

rents. From 2004-2013, Mission Street saw more new food/beverage establishments or additional alcohol licenses to existing establishments, as well as an increase in permits to change retail spaces to other uses. During the same time, there was a substantial loss of retail and neighborhood offices. This loss also prompted the City to finding and funding space for non-profits and artists.

### **Businesses and light-industrial space that employ blue-collar workers is also diminishing.**

Illegal uses are still encroaching on light-industrial space for businesses (such as car repair, food manufacturing, and printmaking). Meanwhile, demand for light-industrial space has increased. Based on the pipeline, PDR loss outside of protected areas will be about 60% of what was projected by 2021 – about halfway through the life of the Mission Area Plan. Since 2009, the Mission District lost 206,311 square feet or approximately 33% of the light industrial land anticipated in a 25 year timeframe. When adding the pipeline of 360,558 square feet since 2009 this represents 60% by about 2021 if all projects in the pipeline move forward. In sum, this represents a 18% loss of total PDR space in the Mission. Additional PDR-loss projects have continued to enter the pipeline since this analysis was completed, and the 2021 build out may exceed this amount. While the loss of the



405 Valencia Street – Hotel Royan. Photo by [Google Street View](#).

space was anticipated in the Mission Area Plan, the pace is higher than anticipated, and the unanticipated demand for new industrial space has exacerbated the concern.

### **PUBLIC INVESTMENT IN MISSION NEIGHBORHOOD STABILIZATION AND IN SAN FRANCISCO'S LATINO, IMMIGRANT, & LOW-INCOME COMMUNITIES**

Partly in response to the community's hard work and organizing the City has made a series of recent investments to stabilize the Mission neighborhood and the Latino community in San Francisco, collectively providing over \$350 million in new investment.

#### **Tenant Protections**

Over the past three years, the City has significantly increased investments in eviction prevention and tenant counseling services focusing on keeping tenants in their homes. In FY 2014-15, MOHCD invested approximately \$3,600,000 in these service areas. In 2015-16, that amount increased to approximately \$4,300,000. As of July 1, 2016, MOHCD has now allocated over \$7,000,000 in funding to support eviction prevention and tenant counseling, with \$250,000 specific to or prioritized for the Mission District. Since 2013, MOHCD has also convened eviction prevention and tenant counseling group on a bi-monthly basis to discuss policy and funding



**INVESTMENT IN NEIGHBORHOOD STABILIZATION & IN SAN FRANCISCO'S LATINO, IMMIGRANT & LOW-INCOME COMMUNITIES (CITYWIDE AND MISSION-SPECIFIC, WHERE INFORMATION AVAILABLE)**

INVESTMENT	DESCRIPTION
Tenant Protections	\$7 million citywide with a minimum of \$250,000 for the Mission in FY2016-17 - as of the first half of the fiscal year it is on pace to serve 50% more clients in the Mission than in FY 15-16
Housing Production and Preservation	Approximately 842 units in the Mission, at a cost of \$245 million, developed between FY 15-16 and FY 19-20
Homelessness Prevention and Rental Subsidy Programs	\$21 million in FY 16-17 citywide, plus 52 additional SRO units in the Mission
Fire Prevention & Investigation	\$3.5 million in new funding citywide for FY 16-17 and FY17-18, plus \$200,000 grant to support culturally competent tenant outreach
Immigration Support	\$3.36 million citywide over two years for immigration programs, legal services and the Day Laborers Program
Support for Families	\$4 million citywide over FY16-17 and 17-18 for family and youth services, resource centers and undocumented, Spanish-speaking families
Educational Success	\$11.2 million for care and education programs
Violence Prevention	\$1.8 million each for FY 16-17 and 17-18 for Roadmap to Peace
Small Business, Economic Development and the Latino cultural District	\$1.260 million for Calle 24, Mission Street outreach and Community Development Block Grants for Mission providers over 2-3 years.
Cultural Arts	\$1.2 million for Mission Cultural Center for FY 16-17 and FY 17-18, plus \$1 million for the Mexican Museum
Workforce Development	\$12.56 million in FY 15-16 for the Mission
Nonprofit displacement	\$21.5 million for FY 16-17 and FY 17-18 citywide
Health Care & Related-Housing and Workforce Investment	\$50 million in community benefits for the Mission plus the rebuild of St. Luke's Hospital
<b>Total</b>	<b>A minimum of \$350 million benefiting the Mission and San Francisco's Latino and Immigrant Community at large over approximately 2-3 fiscal years</b>

**100% Affordable Housing Pipeline in the Mission (excluding inclusionary)**

SITE	UNITS	VALUE	STATUS
1950 Mission	157	\$42,700,000	In predevelopment
2060 Folsom	127	\$31,550,000	In predevelopment
1296 Shotwell	96	\$19,200,000	In predevelopment
490 S. Van Ness	72	\$36,100,000	RFP Released 5/23/16
3001-3007 24th Street	40	\$9,000,000	Nonprofit owner finalizing development plan
TBD Prop A	up to 200	\$50,000,000	RFP Released 4/18/16
Small Sites	36	\$9,000,000	4 Closed and 2 pending
2070 Bryant	136	\$30,000,000	Seeking entitlements
<b>TOTAL</b>	<b>828-864</b>	<b>\$227,550,000</b>	

Source: SF Planning

issues and improve coordination between the City and community-based organizations.

### **Housing Investments**

As of May 2016, 828 affordable housing units are in the pipeline, representing a \$227,550,000 public investment in the Mission. This pipeline is due in large part to the organizing and advocacy efforts of the community within and outside of MAP2020 and the Mayor's support of a citywide Housing Bond that included a \$50M set aside for the Mission.

### **Homelessness Prevention**

The Department of Homelessness and Supportive housing invested approximately \$21 million in FY 16-17 in homelessness prevention and rental subsidy programs city wide. These programs provide one-time financial assistance to individuals and families at imminent risk of becoming homeless to maintain their housing or find suitable alternative housing. On average these programs help over 2,000 people per year. In the past five fiscal years the City has helped over 9,000 people maintain their housing or move into alternative housing.

The Department of Public Health and the Human Service Agency currently master leases 506 Single Room Occupancy hotel units in the Mission. All of the units are occupied by formerly homeless adults. In 2016, the City will lease 52 more units of housing at another Mission District SRO Hotel for a total of 558 units of housing for formerly homeless adults in the Mission. All of the units will provide housing for formerly homeless adults and Shelter Plus Care recipients.

### **Fire Prevention**

As the tragic spate of recent fires in the Mission underlines, fire prevention is a critical priority for San Francisco. In order to make sure we are doing all

we can on this front, the Mayor's FY 2016-17 and FY 2017-18 budget included \$3.5 million in new funding for fire prevention and investigation. This package also includes \$200,000 in grant funding to support culturally competent tenant outreach in order to educate tenants about fire safety and prevention.

### **Immigration Support**

The Mayor's office provided \$1.8 million in funding to support the legal defense of unaccompanied minors in order to serve the needs of documented and undocumented immigrant communities. This is to provide pro-bono legal representation for unaccompanied minors fighting deportation. Paying for essential legal representation leads to dramatically better outcomes for the unaccompanied minors in court, and ultimately facilitates family reunification and stabilization.

An additional \$300,000 was also added over the two year budget for the Office of Civic Engagement and Immigrant Affairs (OCEIA) to help support Deferred Action for Childhood Arrivals (DACA) program, including fee waivers and other costs. OCEIA also provides over \$1 million to support critical immigration, language access, and immigrant integration programs. This includes support for immigration legal services, including assistance with citizenship and deferred action applications. OCEIA also provides over \$260,000 in annual funds to support the Day Laborers Program located in the Mission, in addition to the Language Access Grants Program which funds several Latino and Mission-based organizations educating the community about language services and rights.

### **Support for Families**

The Fiscal Year (FY) 2016-17 and FY 2017-18 budget includes \$2.1 million in additional funding to improve families' ability to navigate the myriad of children and

youth services offered by the City. This includes the addition of a services navigation specialist within the Our Children Our Families Council and the build-out of an online services inventory. Furthermore, up to 750 families will directly benefit through additional funding for children's services providers to increase their capacity for family engagement activities.

Additionally, the budget provides \$625,000 in additional funding for Family Resource Centers. FRCs operating in San Francisco offer a wide range of essential services including: parent education classes, ongoing support groups, interactive activities and family events; educational and informational workshops, and one-on-one support as identified by individual family need, such as food, housing, employment, child care, and health care.

Furthermore, an additional \$1.3 million through DPH's Mental Health Services Act for a Crisis Response Triage System, is intended to provide services to undocumented and Spanish-speaking families.

### **Educational Success**

The Mayor's office budget included \$11.2 million to be invested in the care and education of infants and children 0-5 years of age. \$6 million of this new funding is from the Children and Youth Fund and will help childcare facilities serving the City's neediest families provide better quality care and maintain and increase slot availability. The investment will also provide subsidies for families to help offset the high cost of childcare in the City. The remaining \$5.2 million represents increased support for the Preschool for All program.

Included are also \$2.6 million to further expand summer and afterschool programs to keep an additional 2,000 San Francisco children and youth engaged and learning outside of school time. Finally, \$1.4 million is included to improve the capacity of

children's service providers throughout the City. This includes technical assistance and the creation of an opportunity fund that grantees can access to address unbudgeted emergency or capacity-building needs.

### **Violence Prevention**

The Roadmap to Peace (RTP) initiative is directed by a colectiva that encompasses the following members: community residents, Instituto Familiar de la Raza, Mission Peace Collaborative, CARECEN of San Francisco, Mission Neighborhood Health Center, Mission Neighborhood Centers, Bay Area Community Resources (CHALK), Asian Neighborhood Design, Five Keys Charter School, Mission Peace Collaborative, Horizons, Inc., UCSF Clinical and Translation Science Institute, and SFSU Cesar Chavez Institute. RTP aims to create a coordinated, integrated service network that is designed to create a coordinated and personalized safety net for young people. The mission of the RTP is increase the economic security, health and safety of San Francisco's 13-25 year old Latina/o youth in the Mission district and citywide. The City's FY 2016-17 and 2017-18 budget provides \$1.8 million each year to institute the Roadmap to Peace program.

### **Small Business, Economic Development and the Latino Cultural District Investments**

Commercial districts are essential to our City's economy and an integral part of a neighborhood, providing places to gather, purchase goods and services, and find employment. Within the Mission there are several commercial corridors, each with its own distinct character. The three corridors with the highest concentration of businesses are Mission Street, Valencia Street, and 24th Street (Calle 24). These three corridors are home to over 700 ground floor small businesses. The City's Office of Economic and Workforce Development has a neighborhood economic strategy focused on strengthening small businesses and key commercial neighborhood

corridors that contribute to the local fabric of communities and are the backbone of our local economy.

In 2012, Mayor Ed Lee created the Invest In Neighborhoods initiative. In the Mission, this program coordinates with other City and nonprofit programs to provide customized services to local businesses. This initiative allows City staff to tailor their approach to neighborhood issues and concerns. Based on this work and that of our neighborhood partners, new areas of service for existing businesses now include: lease negotiation support, nonprofit displacement and mitigation, ADA compliance, and relocation assistance. While the City has expanded services in these areas, additional interventions and services are being considered to support local businesses as they experience a changing environment.

The demographic shifts that are changing the composition of the Mission are also putting considerable pressure on businesses, nonprofits, and the arts. Long-standing businesses that have provided affordable services and products for many years are losing customers and facing increasing rents that do not allow them to sustain the level of affordability required to sell their products.

Small businesses that traditionally catered to Latino households have been impacted not only by the decrease in the Latino population, but are now competing with larger stores beyond the neighborhood that have increased availability of Latino products to capture that growing market. Large national retail trends reflect what we are seeing in the Mission. A retail study conducted in October 2016, by Strategic Economics, highlights that national and regional retail trends show that demand is increasingly driven by uses that do not compete directly with online sales, such as restaurants, personal services (hair and nail salons), grocery stores, and specialty

retailers. The strongest growth in retail is in expensive and high end goods and services or discount products. In the MAP2020 process, business service providers, consultants, and community stakeholders emphasized the need to retain and protect production, distribution, and repair (PDR) uses, retain businesses that contribute to the Latino character of the neighborhood, keep artists in the Mission, and protect and support community serving businesses, including nonprofits that provide affordable goods and services to neighborhood residents. The solutions contained in this plan reflect these priorities.

The Mayor's Invest In Neighborhoods (IIN) initiative is a neighborhood economic development strategy that focuses on strengthening small businesses and key commercial neighborhood corridors, including those in the Mission. IIN facilitated the creation of the Calle 24 Latino Cultural District by growing the organizational capacity of local businesses and investing in programs and services that serve the area. In FY 2015-16 funding for Calle 24 services totaled \$785,000, some of which will be carried over to FY 2016-17. In order to further support this effort, in FY 2016-17 an additional \$200,000 has been allocated to continue and enhance projects and services.

Other key economic development programs direct significant resources to the Mission District. OEWD's Community Development Block Grant budget for FY 15-16 included \$1.3 million allocated to citywide small business service providers that served 1,306 clients, 29% of which were Latino. OEWD's CDBG allocation for Mission service providers totals \$225,000 annually over a period of three years. An additional \$50,000 from the general fund for business outreach along Mission Street will be allocated for FY 16-17.

### Cultural Arts

In response to the impact of the City's affordability challenges on our artists and arts organizations, a

\$7 million shared prosperity for the arts package was included in the FY 15-16 and FY 16-17 budget. The budget increase represented a 14 percent growth over previous budgets and included a \$2 million enhancement (50% increase) to the City's groundbreaking Cultural Equity Endowment Fund and \$1 million to Grants for the Arts to support small and mid-sized arts nonprofits, individual artists and historically underserved communities. A significant portion of these arts resources are directed to the Latino community—grants to Latino Artists or Latino Serving Arts organizations for FY 2015-16 surpassed \$300,000.

In recognition of the myriad benefits that arts and culture provide to our neighborhoods and to our City, significant funding in FY 2016-17 and FY2017-18 is included to support the Mission Cultural Center for Latino Arts. In addition to the annual grant of \$550,000 allocated for capital and maintenance funding of \$670,000 in FY 2016-17 and \$1,380,000 in FY 2017-18. This is the Arts Commission's entire capital allocation for all four cultural centers; for the next two fiscal years, all capital funding is going to this center.

Lastly, \$1 million in FY 2017-18 is budgeted to fund capital improvements at the Mexican Museum, which, while not located in the Mission, is an important resource for Latino culture in our City.

### **Workforce Development Investments**

Multiple City departments currently fund workforce services in the Mission, including the Office of Economic and Workforce Development (OEWD), the Human Services Agency (HSA) and the Department of Children, Youth, and their Families (DCYF). The total investment to Mission service providers totaled more than \$12.6 million in FY 2015-2016.

For example, HSA allocated more than \$7 million to Mission workforce service providers, including Arriba

Juntos, MEDA, and Mission Hiring Hall. DCYF invested more than \$1.8 million in services in the Mission. This included \$835,000 for programs at John O'Connell High School, whose student population is more than 50% Latino. OEWD provided more than \$3.8 million to Mission workforce service providers who provide services to Latino individuals and families.

Workforce development is also an economic priority for the Mission. Three City departments provide these services: Office of Economic and Workforce Development (OEWD), Human Services Agencies (HSA), and Department of Children, Youth, and Families (DCYF).

San Francisco's sector based workforce development strategy is rooted in detailed economic analysis and forecasting performed by both the San Francisco Office of Economic Analysis (OEA) and the California Employment Development Department (EDD). Using data published from these sources, industry trends are followed and used to develop programs and services.

Accordingly, San Francisco has established "sector academies" that provide postsecondary training in the following fields: technology, health care, hospitality, and construction. These sector academies braid vocational training in a growing field with supportive services and, ultimately, employment services and post-placement support. San Francisco's sector academy approach lets participants sequence credentials within a field. For example, the health care academy offers training from personal caregiver and certified home health aide to certified nursing assistant.

### **Addressing Nonprofit and Small Business Displacement**

To stem the tide of displacement of local small businesses and community-serving nonprofit organizations, the FY 2016-17 and FY 2017-18 Mayor's budget included funding for a number of critical

new programs, including a \$6 million allocation to stem nonprofit displacement by helping nonprofits acquire longer leases, form strategic partnerships, and acquire their own spaces. \$2.5 million was budgeted to support legacy small businesses with grants, technical assistance, and incentives for landlords to offer longer leases. And in recognition of the growing cost of doing business in San Francisco, \$13 million was budgeted in Cost of Doing Business Increases for our essential community based organizations, reflecting a 2.5% increase for FY 16-17.

In the context of MAP 2020, this is an area that requires more analysis to thoughtfully address concerns and recommend strategies. There is a commitment to conduct this analysis in the upcoming months and deliver proposed strategies. This is included in the Workforce Development solutions.

### **Healthcare and Related Housing and Workforce Investment**

Through its Development Agreement with the City enabling the reconstruction of St. Luke's hospital, California Pacific Medical Center (CPMC) provides substantial payments for affordable housing, healthcare, and workforce training of close to 50 million. These funds will be used to support programs that benefit Mission District residents through affordable housing initiatives in the Mission and through provision of healthcare services at St. Luke's Hospital campus at Cesar Chavez and Valencia Streets. In addition, the Development Agreement requires CPMC and its contractors to meet hiring goals for both construction workers and operational staff through City hiring programs that target residents of the Mission, as well as other low-income neighborhoods. Many of these jobs are or will be located at St. Luke's Hospital.

### **COORDINATION WITH PARALLEL EFFORTS**

It is important to call out parallel efforts to MAP2020 that inform or are related to this process. The Calle 24 Latino Council has been working for over two years on crafting commercial protection measures within the Latino Cultural District, which includes 24th Street. That effort has been coordinated with MAP2020 to avoid duplication as well as ensure that the tenant and housing protection issues are addressed through MAP2020.

The San Francisco Latino Parity and Equity Coalition is a broad based coalition working to ensure Latinos who live or work in San Francisco are being justly represented and provided with the resources they need to reach their full potential. Members from the coalition met with Mayor Lee on April 4th and July 1st in 2016 to address issues affecting the Latino community from a direct social service provider framework in the areas of policy development, family support, educational success and civic engagement. Their efforts, which align with MAP2020 but are broader, support the enhancement of direct social services as a strategy to combat displacement and reduce inequities, focusing on health, homelessness, undocumented populations, culture and arts preservation, and other relevant topics.

## THE MAP2020 PROCESS

In early 2015, community organizations and City staff began to meet regularly to identify the universe of complex challenges facing the Mission and undertake the process of determining solutions. A core group of community groups—MEDA, Dolores Street Community Services/Mission SRO Collaborative, Cultural Action Network, SF Tenants Union, Calle 24, Pacific Felt Factory, and representatives from the Plaza 16 Coalition—and long-time neighborhood activists regularly participated in monthly meetings with City staff. The goal was to collectively tackle displacement and gentrification in the neighborhood.

As this process unfolded, the group was faced with several challenges. One was the tension between the urgency of “adopting” immediate strategies to implement quickly, versus taking the time needed to develop more detailed solutions. Another point of discussion was the possibility of phasing 2,000 market-rate units currently in the development pipeline with the construction of affordable housing. Proposition C, approved by voters in June 2016, will increase the inclusionary affordable housing requirements required by new housing projects citywide, but most existing pipeline projects will be “grandfathered” at lower rates. Further, community participants were hesitant of an approval or adoption action on the Mission Action Plan in that it could be interpreted as their tacit community approval of pipeline projects. Community participants want to clarify that any action on the plan does not mean acceptance on the pipeline as is and believe the pipeline will need significant mitigation through this and another means in order to achieve the goals of MAP2020. The City believes that market rate housing is a critical part of the solution to the housing crisis and must proceed, with appropriate levels of affordable housing and mitigations.

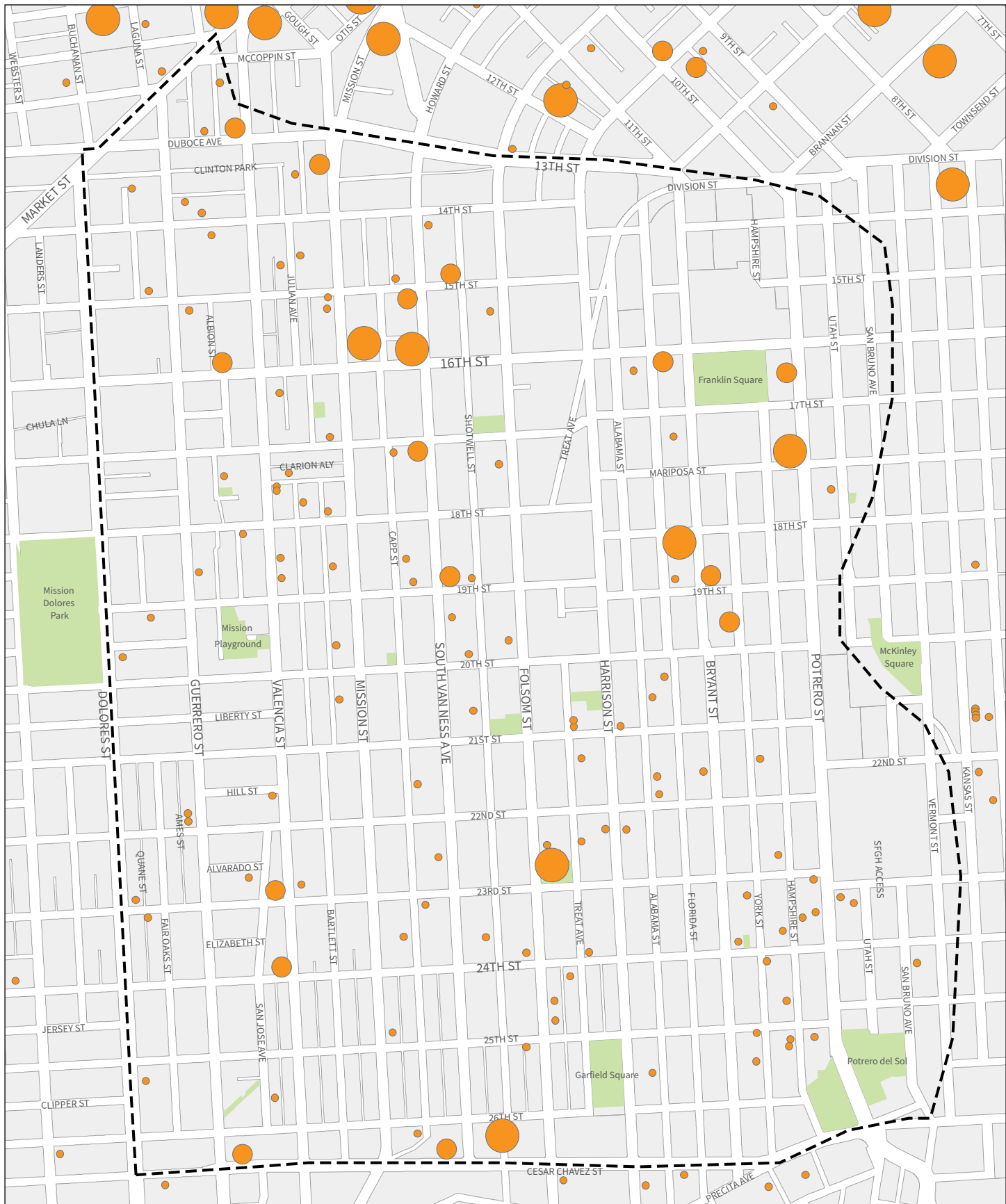
While understanding the area of disagreement on the pipeline, community and city participants have agreed to proceed with solutions designed to address the larger issues related to tenant protections. As a result, MAP2020 is moving forward in overlapping phases to address these more robust challenges while continuing and in some cases increasing the publicly funded services that protect tenants, community nonprofits, and businesses. Therefore, what follows is not a definitive and final plan but a status report with comprehensive lists of the solutions that the process has been able to produce through consensus up to this point. This report is a milestone intended to move forward a suite of tools that can be completed more immediately and in the near future to help preserve a vibrant, diverse community. The Mission is deep into this current wave of gentrification and displacement, and the need for action is urgent.

### What is the Development Pipeline?

The development pipeline includes all the real estate development projects, both new and rehabs, that have submitted applications (e.g., environmental, site permit, variance) to the City. The actual number of units in a project, as well as the bedroom count in those units, usually changes as projects go through their review process. The pipeline includes projects ready to break ground as well as projects several years out from possible construction.

# MISSION PIPELINE MAP

The map below illustrates proposed projects in the Mission, including both market rate and affordable units. It is not yet possible to determine the number of affordable units until projects are scheduled for approval since developers are not required to declare their approach to inclusionary requirements until late in the approval process.



--- Mission Neighborhood Boundary

Pipeline Project (Number of Units)

- > 20
- 21-75
- > 75





## NEXT STEPS

### IMPLEMENTATION AND MONITORING OF PHASE I

Each solution in this Phase I status report includes next steps and identifies the responsible party. Some solutions were included and approved through the FY16-17 budgeting process, and request for proposals (RFPs) to implement short-term, urgent tenant and business protection programs in the community are being issued in fall and winter 2016. City staff and policymakers are already moving forward with drafting recommended legislation, such as zoning changes for the Latino Cultural District and other efforts.

To ensure cohesion and interface of the portfolio of solutions, an implementation working group comprised of City staff and community organizations will meet as needed to focus on the progress of specific MAP2020 solutions, identify the feasible queue of next steps, and monitor progress towards targets. This working group will meet quarterly with the larger group of MAP2020 participants to provide status updates and recommend any midcourse adjustments that might be needed. They will also produce an annual report on targets. Additional meetings will take place with key stakeholders that have not participated on a regular basis.

The City will also continue to seek additional resources for as many affordable units as possible, including:

- Future City-issued bond funds
- Federal funds
- State funds, such as Affordable Housing and Sustainable Communities (AHSC) and any other monies that become available
- Private sources, such as the Housing Accelerator Fund and philanthropic dollars
- Continued allocations of Small Sites funds

The City will also continue to seek additional resources for programs. Most of the solutions in this status report are funded for one to two years, but funding for successful programs should be ongoing.

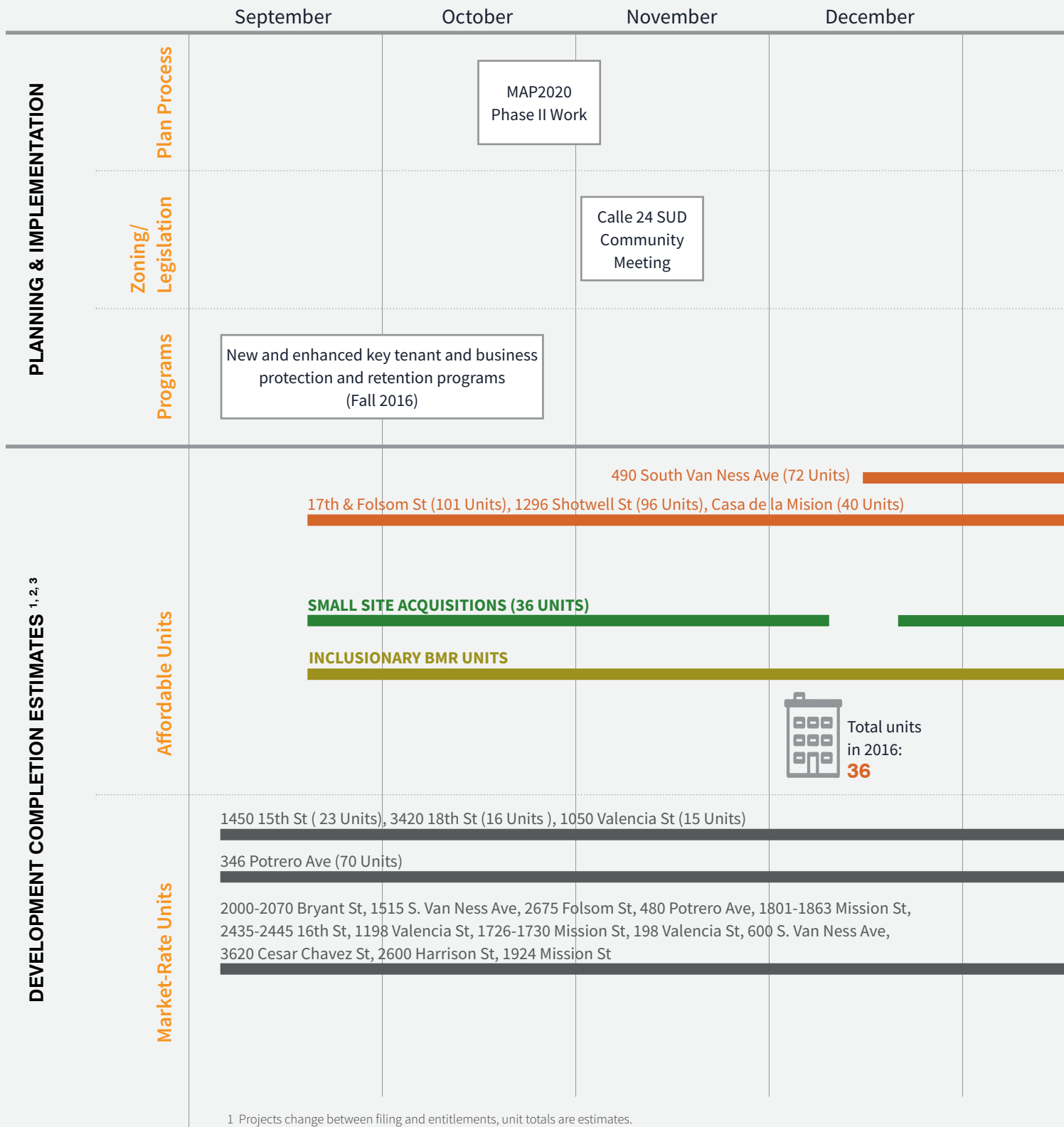
### MOVING ON TO PHASE II

As we implement the solutions identified in this Phase I report, the City and community are simultaneously moving on to the next phase of MAP2020 work. There are several topics that City and community participants continue to either find challenging to resolve or disagree over how to approach. These are big issues, ripe for discord and influenced by a larger and constantly shifting landscape of politics and economics. It is important to participants to document the issues here as they continue to work towards resolution. The outstanding Phase II issues are:

1. Addressing the **role of the current market-rate** housing pipeline in the affordability crisis; the pace of market-rate development relative to the pace of development of affordable housing; the percentage of inclusionary units produced in tandem with market-rate units; and the dearth of analysis conclusively demonstrating block-by-block impacts. Some progress has been made on this topic as of publication date and is embedded in the targets section.
2. Addressing **Area Median Income (AMI) target levels** for affordable housing, which are currently 60% for most 100% affordable housing projects, 55% for inclusionary rental units, and 90% for inclusionary ownership. These affordability levels are too low for most teachers, nurses, or service workers to qualify for but too high for some very low income households. Current AMI levels are set in order to qualify for federal funding. A shift in AMI levels could limit the availability of federal funding for housing development.

# MAP2020, CALLE 24 & MISSION DEVELOPMENT TIMELINE

**2016**



1 Projects change between filing and entitlements, unit totals are estimates.  
 2 Completion estimates are from entitlement to opening. Market-rate projects take about 3-5 from acquisition to opening; affordable projects take 5-7 from acquisition to opening due to additional procurement process.  
 3 Projects will be tracked more precisely as they are entitled and complete.

**2017**

**2018**

**2019**

**2020**

Plan Endorsement Date  
2016 MAP2020 Monitoring Report (July 2017)

2017 MAP2020 Monitoring Report (July 2018)

2018 MAP2020 Monitoring Report (July 2019)

2019 MAP2020 Monitoring Report (July 2020)

Calle 24 Special Use District (Adoption)

Short-Term Legislation (Approved)

Medium- and Long-Term Legislation (Initiation & Adoption)

Additional arts, nonprofit, business protection and housing access programs (all in 2017/early 2018)

**COMPLETE IN 2018**

**COMPLETE IN 2019**

1950 Mission St (157 Units), 2070 Bryant St (136 Units), Prop A (200 Units)

**COMPLETE IN 2020**

Additional units from additional citywide funding round (40 to 80 Units)

**COMPLETE IN TBD**

7 Units in 2017

11 Units in 2018

129 Units in 2019

90 Units in 2020



Total units in 2017: **7**



Total units in 2018: **83**



Total units in 2019: **366**



Total units in 2020: **583**  
+ TBD 40–80 Units

**COMPLETE IN 2017**

**COMPLETE IN 2018**

**COMPLETE IN 2019**

1799 Mission St (351 Units), 793 S. Van Ness Ave (73 Units), 2750 19th St (60 Units), 2918 Mission St (55 Units), 3314 Cesar Chavez St (50 Units), 1463 Stevenson St (45 Units), 1278-1298 Valencia St (35 Units), 2100 Mission St (29 Units), 606 Capp St (20 Units)

**COMPLETE IN 2020**



Total units in 2017: **54**



Total units in 2018: **70**



Total units in 2019: **865**



Total units in 2020: **718**

3. Planning for **long-term solutions** for affordable housing.
4. Improving the public's **access to and voice in the city's processes for planning** for housing, transportation, or other public investments; and for expanding public discourse in the development review process. This includes amending the materials presented by City staff to decision makers, and providing timely access to critical information such as hearing dates and revised project information. This also includes making the MAP2020 process more inclusive to a broader segment of the community. The City is already taking initial steps towards these changes.
5. Analyzing **effects of transit projects on at-risk communities** and gentrification. The goals of this effort ensure that mitigations are put into place and that investments benefit traditionally disenfranchised communities. For example, the community has raised concerns about the recently installed bus-only lanes on Mission Street about impacts on businesses, the future of this street as a Latino cultural corridor, and potential increased displacement of existing working-class residents. This specific project and the SFMTA will be brought into the MAP2020 conversations to ensure that the transit project aligns with the business stabilization efforts of the MAP2020 Economic Development working group.
6. Discussing the **lasting power or relevance of earlier Plans or technical analyses**, particularly the Eastern Neighborhoods EIR, which some Mission groups believe is outdated and does not provide a reliable foundation for development decisions during this growth period and the unanticipated changes that

have accompanied the intensification of the affordability crisis after the recession. While the City agrees Plans should be updated to reflect changes and sees MAP2020 as a vehicle to do that for the Mission Area Plan, based on the City's tracking of projects and state law, the ENEIR remains a valid analysis and document. Based on cumulative impact discussions, some community members believe on the other hand that market rate development should be suspended while further analysis is conducted.

## PRELIMINARY MAP2020 TARGETS

Targets have been at the heart of MAP2020 discussions since this work began. To the community, they represent the goals that San Francisco must reach to recreate a stable low to moderate income population and prevent wholesale displacement in the Mission. Targets have been and continue to be contentious because they represent our aspirations, perceptions, and constraints especially with regard to public funding for affordable housing. Details are key—especially here. What we offer here is a preliminary effort at parsing out the details of the targets.

### Housing production target

The community identified a target of 2,400 permanent, new affordable housing units by 2020. This is the community's calculation of the number of units needed to replace the low to moderate income population lost in the neighborhood in recent years and to stabilize those households in the Mission.

The City acknowledges this is a community goal and understands the loss the 2,400 represents. Based on the City's calculation of population trends of ingress and egress comprised of data related to buyouts, evictions, production gap, and production targets vs. population alone, it estimates that given uncertainties about precise causes of neighborhood changes and funding uncertainties, a range of replacement units is more appropriate. The City believes that range to be 1,700-2,400 units. The timeline for new units depends on the housing type (acquisition vs. new construction) as new construction takes longer from purchase to opening. Notwithstanding the different methodologies both the City and community agree that producing as much affordable housing as possible for the neighborhood is the primary goal.

Given funding constraints and the resource needs of other city neighborhoods, additional resources

beyond the City's funds for affordable housing projects will have to be leveraged. Also, land to build these units would have to become available.

For illustration purposes, to build 2,400 new units in the form of 100% affordable housing projects, it would take:

- approximately \$1.3 to \$1.7 billion<sup>6</sup> in capital to acquire land and construct 2,400 units in today's market
- around 32 sites available and large enough to build a minimum of 75 units (the minimum number of units needed to make an 100% affordable project economically viable)
- 15-25 years to build, given financing constraints, construction timelines, and market fluctuations; it takes 3-5 years from start to move-in to build a new market rate building and the complexity of financing 100% affordable projects makes the timeline 5-7 years

Of the 1,700-2,400 target range, more than 1,000 affordable units are in the pipeline, comprised of the following.

1. Approximately 828 units of MOHCD-funded, 100% affordable housing projects are in the pipeline, at a total investment of approximately \$218 million.
2. 36 units of threatened existing housing that is being purchased through the City's Small Sites acquisition program and maintained as affordable in perpetuity. This initial investment of \$9 million will be augmented with an additional \$100 million (citywide) that will soon become available for additional Small Sites units.

<sup>6</sup> In today's market, it costs \$550,000-\$700,000 to build a new unit in San Francisco, including land and construction costs. (MOHCD)

3. 250-300 affordable inclusionary units, assuming that the 2,000 new market rate units in the pipeline meet the minimum 12% inclusionary requirement. This target is the most volatile, as the production of inclusionary units are often negotiated project by project. In addition, Prop C, passed by voters in June 2016, will change the inclusionary requirements for new market rate projects (but not for most pipeline projects) going forward. The community would like to set a goal of market-rate projects collectively (not individually as the feasibility depends on project size) contributing 33%-50% inclusionary for the neighborhood. This would bump this target to 660-1,000 units of inclusionary. However, this is a point of contention as some members of the community would like to see 50% inclusionary at a minimum per project.

The City understands the desire to increase affordability levels for inclusionary units. The process for determining these levels is currently underway with analysis being conducted by the city’s controller’s office.

This leaves a gap of 586-1,286 additional affordable units to meet the targets. Formulating a strategy or “road map” for how to meet this remaining goal and by when will be the primary focus of the next phase of MAP2020 work.

### Housing Stabilization Target

Tenant protections helped stabilize over 800 clients in the Mission who received at least one kind of service from eviction prevention and tenant counseling groups in the FY15-16 grant year. In FY16-17, approximately \$1 million of additional citywide funds were added for full scope legal representation, which should serve an additional 100 clients. The City is also investing \$388,000 in citywide outreach and education activities which should further increase the number of

Mission residents served. Based on the numbers, the preliminary target is 900 clients served annually.

### PDR targets

In the Mission, 915,000 square feet of PDR were approved for removal through the Eastern Neighborhoods rezoning in 2009. Given the amount of PDR already removed under the plan, if the entire current pipeline moves forward, approximately 360,598 square feet will be removed in the next five to ten years as approved under the plan.

The earlier iteration of the Urban Mixed Use (UMU) zoning had a PDR requirement on the ground floor. Applying that calculation to the current pipeline produces roughly 100,000 to 151,000 square feet as PDR that would have been required if that version of the UMU had been adopted. This is a preliminary target of PDR that can be retained in the UMU zones and can be achieved through acquisition and provision of some onsite PDR in new projects. Some pipeline projects approved recently have already provided on-site PDR, some at below market rents.

### Affordable Housing Pipeline

AFFORDABLE HOUSING PIPELINE	UNITS
100% affordable housing	828
2060 Folsom (127 units)	
490 South Van Ness (approximately 72 units)	
1296 Shotwell (96 units)	
Casa de la Mision (approximately 40 units)	
1950 Mission (157 units)	
2070 Bryant (approximately 136 units)	
Prop A project (up to 200 units)	
Inclusionary	250 minimum
Small sites acquisition	36
<b>TOTAL</b>	<b>1,114</b>

In 2015, the Planning Department received 20 complaints of PDR conversion in the Mission Plan Area. Of these cases, six were found to not be in violation of the Planning Code, eleven are under or pending review, and three were found to be in violation. The square footage of the three in violation is 203,252. These cases were already abated as of the end of 2015. Stepped up enforcement is one of the key strategies in MAP2020. PDR targets are another element of this strategy, in light of ongoing violations.

The preliminary PDR targets encompass space for arts since it is a subset of PDR. This will be the starting point for arts targets but we will refine this target after completing an inventory of actual number of arts groups and spaces.

### Small Business Targets

This target will be set by looking at the number of businesses in the Mission that have requested assistance from OEWD's retention program on a monthly basis. Additional analysis will refine this target with data on business services.

### Nonprofits and Community Organizations

In 2015, OEWD provided direct assistance to many nonprofits serving primarily low-income communities citywide or in a few target neighborhoods. There is a smaller number of nonprofits exclusively serving residents of one neighborhood. The following are possible targets for nonprofits and community organizations.

- Provide real estate and capacity-building assistance to a minimum of 48 nonprofits annually that serve low- and moderate-income residents in neighborhoods that include the Mission, or in the Mission exclusively.
- Utilizing funds from the Displacement Mitigation Fund and the Mayor's Nonprofit Sustainability Initiative, assist eligible nonprofits in acquiring a minimum of 20,000 square feet of permanent below-market space serving Mission residents (e.g. childcare, arts, and social services).



Source: SF Planning



Source: SF Planning, Gene Stroman

## SOLUTIONS

Over the course of more than a year, MAP2020 efforts identified solutions that fall into seven broad categories. Given the complexity of housing markets and the forces of gentrification, many of these solutions rely on and influence one another regardless of category; these categories merely provide a structure to organize actions.

There isn't a single "solution" or set of solutions to what is essentially a larger, systemic issue. The market forces and historic inequities that have resulted in these disruptive and "unnatural" demographic shifts are part of global trends that a single neighborhood or city cannot resolve. Relying solely on market forces or simply building more market-rate housing alone will not produce equitable outcomes. We cannot simply build our way out. Conversely, building little or no market rate housing will also not address and potentially exacerbate the large socio-economic forces at play. These solutions are a package of tools to help mitigate displacement, address impacts on historically

disadvantaged populations, and to leverage resources to achieve community resiliency and stability in the face of displacement pressures and result in more equitable outcomes and access to opportunity and investment.

1. **Tenant protections** focus on immediate programs and funding mechanisms to keep existing Mission residents in their homes.
2. **Single Room Occupancy residential hotels** (SROs) solutions address this dwindling housing supply, one that has traditionally housed individuals but is increasingly being used by families.
3. **Preservation of affordable units** focuses on tools to retain affordable housing stock.
4. **Production of affordable housing** are funding and policy tools to increase construction of housing for low to moderate income households.





Source: SF Planning, María De Alva

5. **Economic development** tools focus on keeping jobs, businesses, artists, and nonprofits in the neighborhood. Retaining and supporting a diverse range of community-serving businesses. These are our corner grocers, panaderias, taquerias, barber shops, and restaurants.
6. **Community planning** focuses on ongoing community engagement and participation in planning and the City's processes.
7. **Homelessness** focuses on prevention of homelessness and services to stabilize the homeless pre-housing.

Short-term (6-12 month) items are prioritized for implementation starting at the beginning of fiscal year 2016 (July 1, 2016). These are solutions primarily related to tenant protections, businesses, and nonprofit retention and relocation programs and therefore critically important for the immediate retention of residents and stabilization of the neighborhood.

All of the solutions identified below will need funding. The allocation of public dollars happens through many mechanisms: the City's annual budgeting process, local ballot propositions and bond measures, and the dedication of impact fees are just a few. Many of the programmatic services identified have been and will be funded through the City's annual budgeting process (the fiscal year is July 1-June 30). Acquisition and construction of new housing is far costlier and will depend on funding mechanisms such as housing bonds, federal and state funds, tax credit programs, and/or contributions from foundation and philanthropic sources.

**Cost key (program/unit per year):**

**\$:** \$50,000–\$1 million

**\$\$:** \$1–\$50 million

**\$\$\$:** > \$50 million

**Timing Key:**

**Short:**  
6–9 months

**Medium:**  
9–18 months

**Long:**  
> 18 months

## SOLUTIONS COMPLETED

During the time that the MAP2020 process has been underway, a number of solutions were implemented through this or related processes.

### Tenant Protections

#### A. Pass Eviction Protections 2.0

The Board of Supervisors passed Ordinance 171-15 on September 29, 2015, often referred to as Eviction Protections 2.0. This ordinance provided additional protections to tenants, including allowing additional roommates if reasonable, even if in excess of the number of occupants or with subletting restrictions on rental agreement; and mandating eviction notices in the primary language of the tenant if it is Chinese, English, Russian, Spanish, Tagalog, or Vietnamese, must inform the tenant of a need for a timely response to avoid eviction and the availability of advice from the Rent Board. However, when describing occupancy requirements, this legislation provides a more restrictive definition to the Rent Ordinance than a similar definition utilized by DBI. It should be further amended to be the greater of, not lesser of. Review occupancy requirements with DBI for possible expansion to reduce cause for eviction.

#### B. Limit low-fault evictions

Included within Eviction Protection 2.0 were provisions that significantly limited “low-fault evictions”, including evictions based on nuisance, living in units that are not considered legal, and allowing additional roommates within the guidelines described above.

### Housing Production

#### C. Establish a neighborhood preference and enhanced outreach

Neighborhood Preference legislation was adopted by the Board of Supervisors in November 2015 (Ordinance 204-15, File 150612). This legislation gives preference to applicants for affordable housing units sold or

rented at below-market prices through a city lottery who live within a half mile of where the units are being built or in the supervisorial district. This legislation gives priority to those in the neighborhood who are seeking affordable housing in the neighborhood. In August 2016, the federal Department of Housing and Urban Development found this policy in violation of the Fair Housing Act. While an exception was subsequently made for one project in a different neighborhood, HUD’s overall position has not yet been revised. Nonetheless, although the application of this policy for federally-funded projects may be uncertain, the City will still be able to apply the legislation to locally-funded projects.

### Funding

#### D. Housing Bond and Housing Bond dedication

In November 2015, voters passed Proposition A, a bond for \$310 million for affordable housing preservation and production in San Francisco. 75% of the bond is dedicated to neighborhoods with highest eviction and displacement of low- to moderate-income households. Rather than dedication, prioritization is preferred as it allows funds to be responsive to availability of sites and prices. \$50 million of the Bond was dedicated specifically to the Mission.

### Economic Development

#### Arts

#### E. Improve City art grant application and compliance process

The San Francisco Arts Commission awards annual grants to arts organization. The Arts Commission has a process in place to review its grant making strategy and process after each grant cycle. Arts Commission continuously reviews existing arts grant process, makes modifications to make it more accessible and ensures that their awards process reflects the needs of arts groups.

#### **F. Nonprofit Stabilization Programs**

These include Nonprofit Displacement Mitigation Program to assist nonprofits at risk of displacement, and the Nonprofit Space Investment Fund, which helps nonprofits find affordable permanent space. A City website (<http://oewd.org/nonprofits-0>) has streamlined information for nonprofit organizations. Here nonprofits and individual artists can access to available resources and services at one location.

#### **G. Nonprofit Sustainability Initiative**

The Mayor and Board of Supervisors recently invested \$6m in nonprofit stabilization programs to be administered by OEWD including: the Nonprofit Space Investment Fund to help nonprofits secure permanent affordable space, the Nonprofit Space Stabilization Program to help nonprofits secure leases, expand and explore co-location, and the Nonprofit Impact Accelerator to provide technical assistance for the exploration of programmatic and administrative partnerships. These investments will include \$4,994,900 in direct financial assistance.

#### **H. Extend resources and services to support individual artists, so they can remain in the Mission**

The Arts Commission has issued an RFP seeking a nonprofit to provide technical assistance for artists seeking affordable housing. In addition, the Arts Commission will be developing a robust learning institute over the next year to provide a range of technical assistance and cohort learning opportunities for artists, including building the business acumen of artists.

#### **I. Create an artist registry that helps to define and identify artists in San Francisco.**

The Arts Commission has a research intern studying the creation of a registry, its functionality, and potential impact. Funding for the registry will be requested in the next budget cycle (FY17-18).

#### **J. Increase the amount of accessible spaces for artists.**

The Arts Commission recently granted ArtSpan \$50,000 to further develop its capacity to master lease space on behalf of individual artists.

#### **Small Business**

#### **K. Strengthen business**

The City's Office of Economic and Workforce Development has developed various programs to strengthen existing businesses and contribute to their sustainability. These programs provide technical assistance for existing businesses, so that they are sustainable, profitable and thrive.

#### **L. Incentivize retention of legacy businesses**

The Legacy Business Historic Preservation Fund, which San Francisco voters passed in November 2015, is making grants available to legacy businesses on the City's registry. \$1M in financial assistance grants are now available to small business and property owners who sign a 10-year lease with the business.

#### **M. Provide technical assistance for displacement and relocation**

Both OEWD and MOHCD provide technical assistance for businesses, PDR, and nonprofits planning for potential relocation, lease negotiation, eviction defense, and finding new space. These services are currently provided separately for businesses, PDR, and nonprofits.

#### **N. Enhance outreach to businesses and improve services and delivery.**

Local community partner capacity to conduct proactive outreach in the field is limited and many small businesses remain unaware of available services and resources. OEWD is allocating funding for part-time business outreach staff who can proactively reach out and develop relationships with businesses.

## SOLUTIONS PLANNED AND UNDERWAY

### 1. TENANT PROTECTIONS

Tenant protections solutions fall into two categories: direct services/programs and policy changes. Generally, the first type is funded by Mayor's Office of Housing and Community Development and the Human Services Agency and implemented by grantees and organizations that specialize in these services. The latter type is typically the responsibility of legislative bodies and representatives to implement. For all solutions that require additional funding, the amounts are determined in the City's annual budgeting process. The City's fiscal year begins July 1.

Over the past three years, the City has increased significantly its investments in eviction prevention and tenant counseling services focusing on keeping tenants in their homes. In FY 2014-15, MOHCD invested approximately \$3,600,000 in these service areas. In 2015-16, that amount increased to approximately \$4,300,000. As of July 1, 2016, MOHCD has now allocated over \$7,000,000 in funding to support eviction prevention and tenant counseling.

Since 2013, MOHCD has also convened eviction prevention and tenant counseling group on a bi-monthly basis to discuss policy and funding issues and improve coordination between the City and community-based organizations.

## Programmatic Solutions

### 1T. Expand existing services that help residents gain access to housing.

**Description:** Additional public funding to expand available housing support services to more people will be made available to nonprofit community agencies through an RFP process. The agencies, funded by public and philanthropic dollars, provide outreach, relocation and placement support, education about affordable housing opportunities, assistance with applications for affordable and BMR units, and assistance with the eligibility process to receive applicable neighborhood preference, Certificate of Preference for individuals displaced by former Redevelopment Agency actions, and preference for tenants displaced by Ellis Act evictions or owner move-in evictions.

**Benefit:** Support for individuals seeking access to affordable housing opportunities.

**Challenge:** San Francisco's diverse population makes it challenging to provide comprehensive outreach to inform residents about access to housing.

**Next steps:** \$450,000 has been awarded to six organizations which will provide expanded citywide access to housing in FY 16-17. These groups include Veteran's Equity Center, HomeownershipSF, Homeless Prenatal Program, the Arc, San Francisco Housing Development Corporation and Bayview Senior Services. Services will begin in October, 2016. An additional \$250,000 for access to housing services will be awarded by November, 2016.

**Underway:** Yes

**Responsible party:** MOHCD

**Timing:** Short

**Cost:** \$

## 2T. Expand culturally responsive tenant counseling programs.

**Description:** Additional public funding to counsel tenants in the Mission and throughout the city, and provide culturally competent services, including interpreting/translation, will be made available to nonprofit community agencies through an RFP process. Community based organizations will expand their efforts to provide early intervention services as soon as harassment begins by landlords and/or master tenants. Tenants in buildings identified as vulnerable to multiple evictions will be connected as soon as possible to tenant counseling.

**Benefit:** Support for current tenants at risk of eviction.

**Challenge:** Many Mission and other citywide residents are low-income and have limited English proficiency, and may have disabilities, and may not feel comfortable reaching out for assistance without community support.

**Next steps:** In FY 15-16 MOHCD awarded and additional \$250,000 to Causa Justa for Mission-specific tenant counseling, expanding their previous grant of \$147,897. In FY 2016-17, MOHCD awarded another \$190,000 to Causa Justa in partnership with Housing Rights Committee and Chinese Community Development Center for additional citywide tenant counseling, including tenant education, outreach, organizing, and early intervention. In addition, MOHCD awarded an additional \$688,000 to a number of diverse CBOs, including the Justice and Diversity Center, Housing Rights Committee, Filipino-American Development Foundation/SOMCAN, Hamilton Families, and Eviction Defense Collaborative/Justice and Diversity Center for a variety of other tenant counseling programs including outreach to educators, rental assistance to formerly homeless families, outreach to the Filipino community, outreach to public housing residents, and outreach to residents in the City's Richmond District.

**Underway:** Yes

**Responsible party:** MOHCD

**Timing:** Short

**Cost:** \$

## 3T. Create/expand community education campaign for residents at risk of eviction.

**Description:** Additional public funding to expand the general community education program/campaign targeting tenants before specific harassment or eviction procedures are initiated will be made available to nonprofit community agencies through an RFP process.

**Benefit:** Support for tenants at risk of displacement.

**Challenge:** Information about tenant rights and protections needs to be more readily available to at-risk tenants, many of whom are reluctant to raise issues with their landlords for fear of retaliation.

**Next steps:** MOHCD has awarded \$190,000 to the Housing Rights Committee to create a general citywide community education campaign to expand knowledge of tenant rights and protections through mass media, coordinating infrastructure around anti-displacement work, and developing a community-informed marketing campaign.

**Underway:** Yes

**Responsible party:** MOHCD

**Timing:** Short

**Cost:** \$

**4T. Increase legal representation for tenants who face unlawful detainer lawsuits filed to remove the tenant from the rental unit, as well as other legal actions that may lead to eviction.**

**Description:** Additional public funding to expand culturally competent full scope legal representation for Mission residents will be made available to nonprofit community agencies through an RFP process. This solution will also be coordinated with other relevant efforts identified in this Plan, such as connecting vulnerable buildings to efforts under the Housing Preservation strategies. Funding will also support improved tenant access to legal service providers.

**Benefit:** Support for tenants facing possible eviction.

**Challenge:** In 2014-15, MOHCD awarded \$1,000,000 to Eviction Defense Collaborative/AIDS Legal Referral Panel, Bay Area Legal Aid/Justice and Diversity Center/Legal Assistance to the Elderly, and Asian Pacific Islander Legal Outreach/La Raza Centro Legal/Asian Law Caucus, to expand the ability to provide free full-scope legal representation to low-income individuals facing eviction who would not otherwise be able to afford such representation. However, capacity limits of those programs result in a number of individuals who are still unable to afford representation.

**Next steps:** MOHCD has awarded an additional \$1,000,000 to Eviction Defense Collaborative/AIDS Legal Referral Panel, Bay Area Legal Aid/Justice and Diversity Center/Legal Assistance to the Elderly, Asian Law Caucus, and Asian Pacific Islander Outreach to provide additional full-scope representation in order to ensure that the remainder of low-income individuals in unlawful detainer cases can access free legal representation if they so desire. In 2016-17, MOHCD projects over 3,823 cases citywide will receive full scope legal representation through the City's \$2M investment, of which 2,935 cases are anticipated to receive some kind of favorable outcome.

**Underway:** Yes  
**Responsible party:** MOHCD  
**Timing:** Short  
**Cost:** \$-\$\$

**5T. Minimize evictions from affordable housing.**

**Description:** Additional public funding to support a mediation process between affordable housing providers and affordable housing tenants will be made available to nonprofit community agencies through an RFP process. These mediation services offered by an outside agency would be an alternative to the traditional unlawful detainer processes. In addition, policymakers could consider requiring that publicly-subsidized housing include mandatory mediation in its tenant leases and other measures to strengthen existing affordable housing grievance procedures. Tenants in affordable units may face eviction due to behavioral and emotional issues, often caused by pre-existing trauma. To address this, the City needs to maximize access to short-term intensive services provided by an agency other than the property manager.

**Benefit:** Preventing eviction from affordable housing almost always prevents someone from becoming homeless. Ideally additional supports can help the tenant resolve the issues that were leading them to violate their lease

**Challenge:** The possible negative effects of outside, professionalized property management companies and outside legal counsel may include lack of cultural competency and possible resistance to cooperative resolution.

**Next steps:** MOHCD has awarded \$210,450 to the Bar Association of San Francisco to launch a pilot program to provide a mediation program to for the first time attempt to create opportunities to provide mutually beneficial remedies to complicated tenant/landlord situations in affordable housing.

**Underway:** Yes  
**Responsible party:** MOHCD, HSA, DPH  
**Timing:** Short  
**Cost:** \$

## Policy & Structural Solutions

### 6T. Create City enforcement mechanism to monitor/enforce compliance with eviction ordinances and temporary relocation due to repair, construction, or fire.

**Description:** The City will convene a conversation to determine additional steps to improve the monitoring and enforcement of compliance with eviction ordinances, relocation, and rental subsidies. This may be a publicly available registration system that requires landlords to document progress of construction, with penalties for landlords who fail to comply with registration or with protocols to request extension of time for capital improvements. The Department of Building Inspection (DBI) will assess their ability to check construction progress and make systemic improvements where needed. City agencies, including DBI, the City Attorney's Office, and the District Attorney's Office, will also examine the current government code section that relates to "red tagging" a building for possible enforcement/penalties, which is currently used by the DA instead of DBI. To ensure tenants right to return to their units after construction is completed, policymakers will explore legislation to expand rights related to relocation of tenants during construction and/or repair of units. Policymakers will also explore strengthening the ability to enforce requirements for truthful notice from landlord, explore methods to reduce intimidation, monitor fair warning before evictions, and monitor inappropriate use of three strikes legislation.

**Benefit:** Support for tenants who have been relocated due to repair, construction, or fire.

**Challenge:** Cities agencies responsible for enforcing these requirements have limited staffing resources. The work will require extensive coordination between staff and disconnected department databases.

**Next steps:** Convene the appropriate City departments to determine capacity and strategies for monitoring and enforcement.

**Underway:** Yes

**Responsible party:** DBI, City Attorney's Office, District Attorney's Office

**Timing:** Medium

**Cost:** \$

**7T. Identify mechanism to improve enforcement of restrictions on short-term rentals and mechanisms to achieve compliance and enforcement.**

**Description:** In 2015, San Francisco began to require registration of short-term rentals and created an Office of Short Term Rentals to oversee registration and enforcement; but enforcement is challenging. Currently, units that were the subject of an Ellis Act within the past 5 years, starting on November 1, 2014, are prohibited from being used as a short-term rental. To reign in short term rental abuse, legislation introduced in October 2016 would give nonprofit groups, whose mission is housing preservation, the legal standing to directly sue short-term rental violators. In addition, the City will: (1) consider including OMI, not only Ellis Act, in the short-term rental legislation; and, (2) continue to provide public education to landlords.

**Benefit:** Expands protections to a broader base of tenants; allows for community organizations to have standing in cases where tenants may be reluctant to bring suit.

**Challenge:** Creating consensus as to strategies regarding short-term rentals and enforcement regarding these rentals may be difficult.

**Next steps:** The Office of Short-Term Rentals will bring together stakeholders to identify the appropriate means to move forward with this legislation.

**Underway:** Yes

**Responsible party:** BOS and Mayor, with support from the Office of Short-Term Rentals

**Timing:** Medium

**Cost:** \$

**8T. Explore the practical feasibility of imposing restrictions on non-primary residences (NPRs).**

**Description:** Many community members are concerned about the perceived number of units that seem to be vacant on a long-term basis. Policymakers will explore the possibility of legally defensible vacancy control measures, such as a pied-a-terre tax.

**Benefit:** A possible pied-a-terre tax would generate additional revenue or incentivize owners to seek tenants for empty units to avoid the tax.

**Challenge:** We lack good data on the number and types of vacancies in San Francisco. American cities have found it difficult to draft and pass legislation on vacancy control measures that can withstand legal scrutiny.

**Next steps:** Examine other jurisdictions to determine any model practices that might be replicated in San Francisco.

**Underway:** No

**Responsible party:** MOHCD and Planning

**Timing:** Medium

**Cost:** \$



**9T. Encourage and support efforts to amend the Ellis Act to exempt San Francisco from certain provisions.**

**Description:** The Ellis Act is a state law enacted in 1985 that allows landlords to evict tenants so that they can cease to be in the business of being a landlord. To address the rising number of Ellis Act evictions, local housing advocates will lobby for limiting the application of the Ellis Act in San Francisco. As State legislation, any modification to the Act must occur at the state level.

**Benefit:** Depending on the exemption, tenants could have increased protection from Ellis Act evictions.

**Challenge:** It is difficult to get local exceptions to statewide legislation.

**Next steps:** Local Mission community organizations will work with the office of California District 11 State Senator to identify possible legal exemptions to the Ellis Act for San Francisco.

**Underway:** Yes

**Responsible party:** Community organizations

**Timing:** Ongoing

**Cost:** \$

**10T. Expand analysis of eviction data.**

**Description:** Although the Rent Board tracks the number of eviction notices filed with the Board, this does not capture negligence by the landlord that drives tenants out. Although the recent buy-out ordinance mandates that all buy-outs be filed with the Rent Board, the filings themselves do not provide information about what is leading the parties to conduct negotiations. A deeper analysis of data collected by the Rent Board and the Department of Building Inspection may help to identify eviction cases or patterns of evictions that warrant more careful review by the Rent Board and other City agencies. Funding will also support new ways to share information about where tenants are being evicted in order to organize community support for tenants.

**Benefit:** With more complete data the City and community organizations will better understand where to target resources to prevent evictions.

**Challenge:** Rent Board data is limited to cases that are self-reported by either tenant or landlord. The Rent Board has no data on buy-outs and it is unknown how many evictions go unreported because either landlords or tenants are unaware of reporting requirements.

**Next steps:** MOHCD has awarded a grant of \$100,000 to HomeBase, a community based organization which will analyze existing Rent Board and other data to examine eviction trends, early detection systems, and propose system improvements. This program will begin in October, 2016.

**Underway:** Yes

**Responsible party:** MOHCD, Rent Board, Mayor

**Timing:** Short

**Cost:** \$

### 11T. Maximize acceptance of rental subsidies.

**Description:** Landlords occasionally refuse to accept federal Section 8 subsidies from tenants. The City will educate landlords on the benefit of Section 8, including the consistent and ongoing nature of the subsidy.

**Benefit:** Additional opportunities for affordable housing for tenants holding Section 8 subsidies.

**Challenge:** It may be difficult to create an education campaign that will effectively reach the breadth of landlords in the City. The Rent Board can be a resource, but landlords do not come to them with vacant units, so it may be difficult to identify the appropriate City agency to oversee this work.

**Next steps:** Bring together stakeholders to discuss possible benefits and incentives.

**Underway:** No

**Responsible party:** Rent Board, Housing Authority, Local Homeless Coordinating Board, other agencies  
TBD

**Timing:** Medium

**Cost:** \$

### 12T. Explore strategies to address long term relocation of residents as a result of fire.

**Description:** The Mission has seen 2,788 fires since 2005.<sup>7</sup> Regardless of cause, the frequency of fires magnifies the insecurity of residents and distrust of landlords. Tenants who lose rent controlled units and do not have renters insurance have no safety net to replace lost items or to afford a deposit on a new place, and must compete for market-rate housing. Even when fire damage is minor, the time it takes for the property owner's insurance company to investigate and for DBI and insurance companies to agree on the extent of the necessary repairs leaves tenants little hope of returning to their units. Supervisor Campos introduced legislation in April 2016 to improve fire prevention in the City's aging house stock and provide better information to tenants displaced by fire. In April 2016, the Board of Supervisors passed legislation (Board file #151085) introduced by Supervisor Wiener designed to improve the City's code enforcement process, strengthen its ability to crack down on serial code violators, and help code violators who want to correct their violations but cannot afford to do so.

**Benefit:** Support for tenants who have had their units damaged or destroyed by fire.

**Challenge:** Delays caused by insurance companies are beyond the control of the City. It will also be difficult to maintain contact information for displaced tenants over protracted periods of time.

**Next steps:** Staff at MOHCD and DBI are exploring possible legislation that can ensure better supports for residents displaced by fire.

**Underway:** Yes

**Responsible party:** MOHCD, BOS/Mayor, San Francisco Fire Department

**Timing:** Medium

**Cost:** \$

<sup>7</sup> <http://www.antievictionmappingproject.net/fires.html>

### 13T. Review occupancy requirements to create greater flexibility for tenants.

**Description:** The passage of Eviction Protection 2.0 by the Board of Supervisors in September 2015 created a difference in language regarding occupancy between the Rent Ordinance and language used by DBI. The new legislation can be interpreted as more restrictive. The legislation should be further amended to be the greater of, not lesser of, the occupancy allowance. A review of occupancy requirements with DBI would identify possible expansion to reduce cause for eviction.

**Benefit:** Additional support for residents who have need flexibility with the occupancy requirements of their unit.

**Challenge:** Reconciling two different administrative sections with different requirements can be difficult.

**Next steps:** DBI Staff, Rent Board staff, and policymakers should review the relevant code sections and determine the appropriate legislation to reconcile the sections.

**Underway:** No

**Responsible party:** Rent Board, DBI, BOS/Mayor

**Timing:** Medium

**Cost:** \$

## 2. SROS

The Mission is one of the few neighborhoods in San Francisco with residential hotels. SROs are also concentrated in the Tenderloin, Chinatown, and Civic Center areas. Single Room Occupancy (SRO) or residential hotels tend to be longer term housing, unlike tourist hotels. Their original intent was to serve as transitional housing but in reality many residents, including families with children, end up residing in these hotels long-term. In addition to the Planning and Building Codes, these hotels and rooms are defined and regulated in the Residential Hotel Unit Conversion and Demolition Ordinance, Chapter 41 of the San Francisco Administrative Code, which minimizes the adverse impact on the housing supply and on displaced low income, elderly and disabled persons resulting from the loss of SRO units through their conversion and demolition by regulating SROs. Tenants have full tenant rights if they have established tenancy (defined as residing in the hotels for a month or more). But residential hotels are not supposed to rent for less than seven days, creating a gap of tenant rights between seven days and one month.

### 1S. Strengthen the definition of tenancy as it pertains to SROs or modify the Hotel Ordinance to protect tenants.

**Description:** The existing Hotel Conversion Ordinance does not allow SRO hotels to rent for less than seven days. Changing that to require that residential hotels rent for more than 30 days minimum or strengthening the definition of tenancy as it pertains to SRO tenants to be more than seven days instead of 30 days, would increase protections for tenants.

**Benefit:** Strengthens tenant protections and benefits most SRO tenants.

**Challenge:** There is limited enforcement capacity to go after residential operators avoiding the establishment of tenancies.

**Next steps:** In Spring 2016, Supervisor Peskin introduced legislation to modify the SRO Hotel ordinance to strengthen the definition of tenancy in the Hotel Conversion Ordinance, City staff will track the legislation as it moves forward.

**Underway:** Yes

**Responsible party:** Supervisor Peskin and DBI

**Timing:** Short

**Cost:** \$

## 2S. Identify opportunities to master lease privately owned and managed SRO Buildings.

**Description:** A number of San Francisco’s SRO buildings are not owned or managed by public or nonprofit agencies, making them especially vulnerable to conversion to market rate. A master lease allows the City or nonprofit to hold the lease for the entire building and sublease rooms to tenants, rather than each tenant holding a lease with the property owner. Mission-based organizations may be priority master leaseholders.

**Benefit:** Master leasing is far less expensive than purchasing property, but provides similar stability and improved living conditions for tenants. This arrangement provides stable income to the property owner and ensures SROs are affordable and maintained.

**Challenge:** Master leases are currently held by various City agencies and nonprofits. Identifying properties and the appropriate master leaseholder will take time. As of spring 2016, the Department of Public Health is not master leasing more buildings. In addition, smaller hotels are more expensive and more challenging to master lease due to their size and fixed costs. It may be more efficient and effective to deploy more supportive services to these smaller SROs.

**Next steps:** The City’s new Department of Homelessness and Supportive Services may be an opportunity to centralize a master leasing effort. HSA may also be able to take on additional master leases. Prioritize those SROs or tenants most likely to be displaced and investigate whether it is possible and advisable to do master leasing with option to purchase.

**Underway:** No

**Responsible party:** To be determined

**Timing:** Medium - Long

**Cost:** \$\$-\$\$\$

## 3S. Increase supportive services to SRO tenants living in private SROs not managed or master leased by the City or nonprofits.

**Description:** Certain smaller SRO buildings are difficult to master lease or acquire given their size. However, the residents of these buildings may benefit from supportive services to ensure they are not at risk of displacement or homelessness. The Mission SRO Collaborative (comprised of Dolores Street Community Services, Causa Justa, the Mission Neighborhood Resource Center and the Women’s Community Clinic) already does extensive outreach in Mission-based SROs, including providing or linking residents to services and education about their rights as tenants.

**Benefit:** A case manager can assess and deliver the services SRO tenants need to ensure they are not displaced.

**Challenge:** Having access to and reaching tenants in the smaller SRO hotels is a challenge.

**Next steps:** In the shorter-term, HSA or a designated nonprofit will assess and inventory how many rooms and hotels are not under city or nonprofit management, determine needs and priorities, and increase supportive services and outreach to those private SROs to stabilize and prevent tenants from becoming homeless and to address unmet needs.

**Responsible party:** TBD, possibly HSA and Dolores Street Community Services Mission SRO Collaborative

**Timing:** Short - Medium

**Cost:** \$\$

#### 4S. Identify opportunities to acquire privately owned and managed SRO Buildings.

**Description:** San Francisco’s SRO buildings that are not owned or managed by public or nonprofit agencies are especially vulnerable to conversion to market rate. If the City or a nonprofit can purchase at-risk properties, they can be maintained as affordable in perpetuity, and conditions can be improved.

**Benefit:** Purchased properties become permanently affordable. The benefits are small and incremental, and long-term impact depends on the number of units stabilized.

**Challenge:** Acquisition in the current real estate market can be extremely expensive on a per-room basis. Given limited funds for the affordable housing, SRO acquisition is not always a priority compared to constructing family units. Setting aside funds specifically for SRO acquisition removes those funds from a more flexible pool of community funds. Purchased buildings also must be brought up to code, which can be costly and can displace tenants.

**Next steps:** The Small Sites program and accelerator fund could be used to purchase SROs. Do an assessment of what is feasible to acquire given the above challenges and, if there is an acquisition opportunity, prioritize those SROs or tenants most likely to be displaced. Board of Supervisors to help identify potential funding.

**Responsible party:** nonprofit housing developers

**Timing:** Medium - Long

**Cost:** \$\$-\$\$\$

#### 5S. Improve Code Enforcement in SROs.

**Description:** The City’s limited code enforcement capacity is fragmented among the Department of Building Inspection and the Rent Board. Enforcement is driven by complaints, making action arbitrary based on what gets reported. Improvements to enforcement policy would clarify which City agencies are responsible for SRO enforcement and provide adequate staffing for proactive enforcement. Of particular concern is enforcement of SRO vacancies and “cooking the books” (when hotel owners report more tourist rooms than they truly have). SRO collaboratives are eager to support this work, but currently lack access to the hotels and/or the ability to directly sue landlords.

**Benefit:** SRO tenants would benefit from streamlined enforcement.

**Challenge:** Coordinating City agencies with enforcement oversight can take time, and the City’s hiring process is lengthy. To enable SRO collaboratives to inspect hotels or directly sue landlords, owners and landlords must be required to allow nonprofits access to tenants, even for specific purposes such as allowing caseworkers on a regular basis or allowing collaboratives to inform tenants of outreach events and activities.

**Next steps:** City and nonprofits will work together to identify policy and programmatic changes that can ensure SRO collaboratives’ access to SRO hotels. The City has committed funding to this effort.

**Responsible party:** Board of Supervisors, Department of Building Inspection, and SRO nonprofits (in the Mission: Dolores Street Community Services/ Mission SRO Collaborative).

**Timing:** Short to medium

**Cost:** \$

**6S. Implement guidelines to prioritize moving families from SROs into affordable family units.**

**Description:** With the skyrocketing cost of housing, more and more families are moving into SROs. HSA and MOHCD will assess the extent of this issue and develop a plan to help families move from SROs into affordable family housing.

**Benefit:** Families living in overcrowded conditions would gain access to better living conditions.

**Challenge:** A trade-off to consider is that adding an additional preference for affordable units reduces the overall pool of units available to the general population, but that may be an acceptable tradeoff if those families are low income.

**Next steps:** City agencies will review existing affordable housing preferences for families and how those units are accessed to determine what changes can be made, including legislative and funding options to support this.

**Responsible party:** HSA and MOHCD

**Timing:** Medium

**Cost:** \$

### 3. PRESERVATION OF AFFORDABLE UNITS

#### 1P. Explore Tenant's First Right to Purchase legislation.

**Description:** Tenant's right of first refusal stipulates if an owner sells a tenant occupied property (apartment, condo, single family home, etc.), the owner must notify tenants prior to placing the property on the market. This notification process facilitates tenant purchase of the property. Supervisor David Chiu introduced Tenant Right to First Refusal legislation to the Board in spring 2014, however there were many open questions. A revised and revived draft of the legislation would be crafted to target rent-controlled apartments and tenants operating childcare programs in their units.

**Benefit:** There are two significant benefits—stabilizing the existing residential diversity in our neighborhoods, and creating long-term, affordable, workforce homeownership or rental housing. The benefits for tenants would be small scale and incremental and depend largely on the number of units ultimately purchased by tenants. But the notification process can also give tenants more time to relocate when buildings are sold. The policy can support long-term affordability, City or nonprofit purchase, no displacement of tenant, and permanent leases.

**Challenge:** Washington DC's Tenant Opportunity to Purchase Act (TOPA) has had limited success because the program went largely unused due to regulatory hurdles and the inability for low income households to afford the asking price even with the first right to purchase. The Paris model was more successful, primarily because it was funded with \$1 billion for historic preservation. There is a risk for potential buyers of a tenant occupied home, as there's more than one opportunity for the process to fall through. Numerous tactics can be used by the seller and potential buyer to avoid compliance with such

legislation. For example, the "95/5 loophole" transfers 95% of building ownership but does not legally qualify as a sale under the TOPA law, so tenants are never given the opportunity to purchase. How "fair price" and "owner" are defined can also be very subjective.

**Next steps:** Community organizations will further explore this option and present a proposal to MOHCD. Any proposed legislation will be reviewed by MOHCD to ensure that there are no conflicts with existing Small Sites and other acquisition and rehabilitation programs. It will also be written to give nonprofits and tenants some time to negotiate with landlords.

**Responsible party:** Community organizations and MOHCD

**Timing:** Medium

**Cost:** \$



### 2P. Replenish funds for Small Sites program.

**Description:** In 2014, the City created a Small Sites program to purchase existing buildings with five to 25 units. To date, 54 units have been preserved as permanently affordable at an average cost of \$491,000 per unit. Replenishing these funds will continue to support an important tool in affordable housing preservation.

**Benefit:** The program prevents tenants from losing their affordable housing if an owner intends to sell and there is a substantial threat of Ellis Act or OMI eviction due to transfer of ownership. Funds can also be used for SRO acquisition.

**Challenge:** Small site acquisitions must pay market rate for the properties. At an average City subsidy \$345,400/unit, it is more expensive on a subsidy per unit level than constructing new affordable units. In addition, limited funding is available and it can be difficult to find small sites that are financially feasible.

**Next steps:** Analyze how many potential buildings and units could be purchased given various funding scenarios, annual sales, per unit costs by building size, etc.

**Responsible party:** MOHCD

**Timing:** on-going

**Cost:** \$\$-\$\$\$ / building

### 3P. Replenish funds for Acquisition and Rehabilitation program.

**Description:** Since 2014, the Mayor's Office of Housing and Community Development has overseen a program to purchase existing buildings with at least 50 units to scale for funding.

**Benefit:** The benefits are small and incremental for existing tenants. Long term impact depends on number of units acquired.

**Challenge:** Funding and finding sites.

**Next steps:** Additional research is needed to understand how many potential buildings in this category could be affected and how much funding would be needed.

**Responsible party:** MOHCD

**Timing:** on-going

**Cost:** \$\$-\$\$\$ / building

#### 4P. Explore a City's first right of refusal.

**Description:** In 2008, Washington DC passed the District Opportunity to Purchase Act (DOPA) in conjunction with the amended Tenant Opportunity to Purchase Act (TOPA) (see 3A). The DOPA requires that rental property owners give the District of Columbia the opportunity to purchase housing accommodations consisting of five or more rental units, provided that twenty-five percent (25%) or more of the rental units are "Affordable Units". DOPA offers of sale should be submitted concurrently with, but are subordinate to, a tenant's right to purchase under TOPA. Similar legislation in San Francisco could be limited to transit-oriented areas, low-income tenants, or building typology (such as SROs).

**Benefit:** The benefits for existing tenants would be small and incremental, and would depend on number of units ultimately acquired.

**Challenge:** As of 2015, DC has only used the DOPA once because there was no dedicated funding associated with the legislation. This needs significant resources to be successful. In San Francisco, additional challenges might include landlord opposition, and unintended consequences of providing an advantage to tenants who are not low income the first right to purchase. Legal challenges also need to be explored.

**Next steps:** Community organizations will work with MOHCD to explore potential funding sources.

**Responsible party:** Community organizations and MOHCD

**Timing:** Medium

**Cost:** \$

#### 5P. Preserve rent-control units when major rehabilitation occurs.

**Description:** When property owners undertake significant capital improvements to a property, either required for code compliance or to make voluntary upgrades, tenants often have to move out. Some tenants are unaware of their right to return and some rehabilitation is potentially undertaken to force the tenants out for many months which complicates their ability to return without having to evict them. Legislation could be crafted to limit evictions disguised as rehabs. The City will also explore the feasibility of a deed-restriction that would require the rehabilitated unit to be subject to price restrictions similar to rent control. [Note: this issue was also discussed under Tenant Protections working group.]

**Benefit:** Existing tenants

**Challenge:** Enforcement requires funding and staffing.

**Next steps:** City staff will work with the Rent Board to determine what constitutes a rehab, what is being done, and what needs improvement. Additional research needed.

**Responsible party:** Rent Board

**Timing:** Short-medium

**Cost:** \$

#### 4. HOUSING PRODUCTION

Affordable housing production is a long-term, capital intensive investment. These solutions tend to be longer-term and follow the shorter term tenant protections and other immediate neighborhood stabilization measures.

#### 1H. Examine and develop zoning strategies to produce more affordable housing.

**Description:** The Planning Department will look into feasible zoning changes (e.g., height limits on key sites, density limits, etc.) to produce more affordable housing, both greater inclusionary and 100% affordable. This work began in Summer 2016 and is expected to conclude in Spring 2017, with any legislative changes requiring environmental review taking longer to come into effect.

**Benefit:** Zoning changes would produce capacity and incentives for more affordable housing in the neighborhood, especially for units not financed by City funds.

**Challenge:** Depends on the specific zoning change that is proposed and available funding for affordable housing.

**Next steps:** The Planning Department will complete a soft site analysis and financial feasibility study (modeling specific and prototype sited) before proposing zoning changes before the Planning Commission.

**Responsible party:** Planning

**Timing:** Medium (environmental review could be required)

**Cost:** \$

## 2H. Continue site acquisition (public, nonprofit, private) to build 100% affordable housing.

**Description:** The Mayor’s Office of Housing and Community Development will continue to identify potential sites for acquisition. MOHCD will work with other City agencies and nonprofits to assess the potential for land swaps and land dedication, potential air-rights development, and partnerships for joint development.

**Benefit:** Secures land for 100% affordable housing, which is scarce in the Mission.

**Challenge:** Viable sites need to be able to accommodate 75 units to be financially feasible, so there are only a handful of realistic acquisition prospects in the Mission. Purchase also depends on a willing seller and buyer.

**Next steps:** MOHCD will continue its process of identifying sites.

**Responsible party:** MOHCD

**Timing:** Ongoing/long

**Cost:** \$\$-\$\$\$\$ / building (from site to completion)

## 3H. Produce more family-sized affordable units.

**Description:** Currently, the City requires that 40% of all new buildings must have two or more bedrooms. Supervisor Yee recently introduced legislation that would potentially encourage the construction of more three bedroom units. Possible changes to zoning and/or incentives could encourage more family-sized affordable units (defined as two or more bedrooms). The Planning Department recently completed a briefing to better define family-friendly housing and discuss goals and strategies for achieving more family-friendly housing.

**Benefit:** New family sized affordable units would house low to moderate income families (families earning up to 55% of the area median income). MOHCD’s lottery and application process ensures

**Challenge:** Construction of new units depends on many factors—global real estate markets, local economy, political and community support for new construction, and available funding/financing. Even with policy requirements and incentives in place, it does not guarantee that construction will happen.

**Next steps:** MOCHD and Planning will review current guidelines and code requirements affecting family-sized affordable units to determine if projects in the Eastern Neighborhoods are meeting their bedroom-mix requirement by making most below market-rate (BMRs) family-sized.

**Responsible party:** MOHCD and Planning

**Timing:** Short

**Cost:** \$

#### 4H. Incentivize childcare-friendly units.

**Description:** There are 27 licensed family childcare providers in the Mission operating out of private homes. This is a significant decline from 53 providers in 2006 and speaks to the real estate pressures in the neighborhood. These provide care for infants through preschoolers, with most homes serving 8-10 children. Roughly, these home-based operations serve about 250 children. There are also a handful of larger public and nonprofit childcare centers. However, the Mission has a population of 3,570 children under the age of five. MAP2020 notes the importance of family-sized units as well as family-friendly services such as childcare. To incent and encourage more childcare facilities, the Planning Department and MOHCD will explore possible zoning changes, guidelines, and/or requirements for childcare units. These changes could be included in relevant BMR design guidelines. In addition, Planning's City Design Group will continue their review of design guidelines to determine if there are additional ways to compel family-friendly and/or childcare-friendly units through the urban form or design code.

**Benefit:** Everyone benefits when safe and supportive childcare options are available. Parents are able to participate in the workforce and children gain the social-emotional support that is the foundation for success in elementary school. Children that are in a formal or licensed setting are more likely to have an educationally stimulating environment that encourages healthy development and school readiness. Data from First 5 Preschool-For-All shows that children who enter a setting scoring low on their development assessments (DRDP) make huge gains by the end of their first year. The Children's Council works with licensed providers to recruit them into the high quality provider network to support them in increasing their quality, this has a direct impact on the quality of care for children.

**Challenge:** The hurdles to increasing child care facilities in the Mission are numerous and complex, and include licensing, start-up costs, business operations, and state laws. Zoning changes would be need to be coordinated with existing City and State-funded programs to assist childcare providers financially and technically in establishing or relocating their business. According to the Children's Council "establishing new childcare sites (and expansion of existing) continues to be a struggle due to space shortages and rising housing/rent costs." The City, the Office of Early Care and Education, and the Low Income Investment Fund continue to explore options.

**Next steps:** Planning and MOHCD will meet with the Children's Council, which oversees child care licensing, to identify possible policy and programmatic changes under their purview that can increase the number of childcare spots in the Mission. MOHCD will review their BMR guidelines language to identify possible improvements. The Planning Department will look into possible zoning and Code changes, as well as continue the review of design guidelines. They may develop Mission-appropriate childcare guidelines with Mission Promise Neighborhood Early Childhood Working Group, a group specifically interested in increasing infant-toddler capacity.

**Responsible party:** MOHCD, Planning, Children's Council

**Timing:** Short

**Cost:** \$-\$\$

**5H. Consider allowing affordable housing on a limited number of underutilized Production, Distribution, and Repair (PDR) parcels with a ground floor requirement for PDR.**

**Description:** In the Eastern Neighborhoods planning process that concluded in 2008, the northeastern portion of the Mission retained its zoning for PDR (production, distribution, and repair). Within these PDR areas, there may be parking lots or other underutilized sites, or a corridor, that could make sense for 100% affordable housing with a ground floor requirement for PDR. This change would be granted through an exemption, not a rezoning on a site-specific basis. Mosaica, a 151-unit housing development on Florida and Alabama at 18th Street operated by TNDC, is a successful example of this affordable housing-PDR hybrid.

**Benefit:** Providing additional affordable housing sites for low to moderate income households as well as active PDR; a specific number will be determined in the next phase of MAP2020 work.

**Challenge:** The trade-offs are that the City would lose exclusively PDR sites and would lose businesses during construction, but would gain permanently affordable housing. PDR and residential uses have traditionally been separated because of conflicts arising from noise, chemical exposure, and differing design needs (e.g., loading docks), but light industrial and residential, like in the Mosaica project, can be compatible with good design.

**Next steps:** The Planning Department will conduct a site analysis.

**Responsible party:** Planning

**Timing:** Medium (depends on environmental review)

**Cost:** \$

**6H. Allow and incentivize affordable units via legislation for “in-law” units and the soft-story retrofit program.**

**Description:** In-law units, or granny flats, are usually small first floor units. Because of their size, they are naturally less expensive. Construction of new in-law units has for many years not been allowed in San Francisco. In 2014, legislation permitted in-laws in D3 and D8 . New legislation for District 9 would allow the construction of new in-law units, including units constructed as part of soft-story retrofits. Similar legislation in other districts requires that these new units be subject to rent control.

**Benefit:** low to moderate income households (if BMR units). Potential impact: small to medium - depends on the number of affordable units created

**Challenge:** The construction and pricing of these new units depends on private property owners. Protections for renters, such as requiring that in-laws be subject to rent control, can also deter potential landlords. The City may have few options to incentivize the construction of low-to-moderately priced in-laws rentals.

**Next steps:** Supervisor Peskin’s office has initiated conversations around possible citywide legislation to expand in-laws. Planning Department staff and community groups will brainstorm work with the City Attorney to assess possible incentives and the legality of mandating BMR in-law units.

**Responsible party:** Board of Supervisors, community groups, Planning

**Timing:** Medium

**Cost:** \$

### 7H. Create incentives for new 100% affordable housing, such as fee deferrals.

**Description:** There are a number of incentives granted to developers of 100% affordable housing projects, including variances, and expedited process. Fee deferrals for affordable housing developments allow developers to pay fees due to the City at a later time. This can help developers secure financing for a project. A fee deferral could be granted to those providing a certain level of affordable housing.

**Benefit:** Fee deferrals and transfer development rights would give affordable housing developers additional tools to bring more affordable units to the market.

**Challenge:** Will be determined depending on specific proposal.

**Next steps:** The City will propose a fee deferral legislation.

**Responsible party:** Planning/MOHCD

**Timing:** Short

**Cost:** \$

### 8H. Consider placing a bond in the regular bond cycle.

**Description:** The City has a General Obligation bond cycle (debt instrument) to help fund City infrastructure. Housing bonds are not part of the regular cycle.

**Benefit:** Including the housing bond in the cycle would help provide a regular stream of funding.

**Challenge:** The City's various infrastructure needs have to be balanced. Housing infrastructure tends to be in the most expensive category. It's debt financing.

**Next steps:** Mayor's Budget Office will study the feasibility and trade offs.

**Responsible party:** Mayor's Budget Office

**Timing:** Medium

**Cost:** \$\$

## 5. ECONOMIC DEVELOPMENT

Economic development solutions focus on strengthening neighborhood serving small businesses, neighborhood serving organizations, and ensuring access to jobs. Solutions were organized into five categories based on stakeholder areas of concern and community input: arts, small businesses, PDR, nonprofit, and workforce.

### Arts

#### 1E. Increase the amount of accessible spaces for artists.

**Description:** Retain and create opportunities for additional spaces for artists.

- Extend free or low cost lease negotiation services to individual artists and assist with artist space search.
- Encourage supply of artist spaces in new development projects and protect PDR, to support arts incubators, art studio spaces/galleries, and rental spaces.
- Explore current housing options and studio options available or being built for artists.

**Benefit:** Individual artists, the potential impact depends on the amount of space secured.

**Challenge:** Lack of affordable and available real estate

**Next steps:** Identify nonprofit partners and funding to support this work.

**Responsible party:** Arts Commission and nonprofit partners

**Timing:** Short-Long

**Cost:** \$-\$\$



## 2E. Explore policies to retain or increase spaces for artists.

**Description:** Explore use of private funds, tax breaks, and subsidies to retain and add artist spaces.

**Benefit:** Private funds would support the capital needs of neighborhood arts nonprofits. The impact would be small and incremental, depending on amount of space and numbers served.

**Challenge:**

**Next steps:** Explore funding sources and mechanisms to retain or increase spaces for artists.

**Responsible party:** Planning, OEWD, and Arts Commission

**Timing:** Medium-Long

**Cost:** \$-\$\$

## 3E. Catalogue existing art spaces and resources.

**Description:** There is no existing inventory of art spaces and resources in the Mission. The Community Arts Stabilization Trust (CAST) is currently conducting a cultural space study that could be expanded upon.

**Benefit:** The potential impact is large for the broader arts community

**Challenge:** While the survey may capture some existing art resources, it will not include artist live/work spaces.

**Next steps:** Review cultural space study to use as a baseline to catalogue Mission art and cultural spaces.

**Responsible party:** Arts Commission

**Timing:** Short/Medium

**Cost:** \$

#### 4E. Explore creation of a Mission arts district.

**Description:** Explore if and how a Mission arts district could help protect or incentivize the creation of artist spaces.

**Benefit:** To be determined

**Challenge:** Unclear if this is a good strategy to meet goals of retaining artists in the district and how it might interact with other zoning regulations or districts.

**Next steps:** Study the benefits of formulating an artist district and how it relates or would interact with other defined zones within the Mission.

**Responsible party:** Planning, OEWD, and Arts Commission

**Timing:** Medium-long

**Cost:** \$

#### Small Businesses

#### 5E. Promote and encourage businesses to be community serving.

**Description:** A guide outlining neighborhood priorities and promoting neighborhood serving activities can provide clarity and communicate neighborhood desires and needs. Many small businesses are unaware of neighborhood priorities and the range of things they can do to contribute back to the community.

**Benefit:** Mission community at large.

**Challenge:** Including neighborhood priorities into a business model would be voluntary.

**Next steps:** Must define what community serving means.

**Responsible party:**

**Timing:** Short-medium

**Cost:** \$

## 6E. Support commercial business ownership.

**Description:** Small businesses are vulnerable to increasing rents when their lease is up for renewal. Remove this risk by supporting ownership. Options to explore include:

- Provide access to funding in the form of either loans or down payment assistance to support business owners in purchasing properties.
- The small site acquisition program and other available programs could be used to fill the gap in acquiring properties at a 65% loan to value ratio.
- Promoting the conversion of commercial space from rental to ownership through condoizing/TIC.

**Benefit:** Both funding assistance and conversion of business space to condo/TIC serve small businesses. The potential impact is small and incremental.

**Challenge:** Limiting funding is available to support businesses in a real estate market that continues to be extremely expensive. Subdividing a mixed use lot to create ownership opportunities for businesses may have legal complications.

**Next steps:** OEWD will research various small business ownership models for feasibility and support required.

**Responsible party:** OEWD

**Timing:** Short-medium

**Cost:** \$

## 7E. Increase commercial space and promote community serving uses in new developments

**Description:** Prioritize ground floor in new development which is 10,000 square feet or greater, for community serving uses through zoning or developer agreements. Community serving uses may include business incubator spaces, childcare, PDR, nonprofits, and space for artists. There is also a possible shared space model, which would locate multiple businesses and/or nonprofits in one space.

**Benefit:** Serves small businesses, community, and the general public. The potential impact is small and incremental.

**Challenge:** Must define community serving uses. The Planning Department is conducting a study to test feasibility of affordable housing prototypes including desirable ground floor uses.

**Next steps:** Planning and OEWD will facilitate discussion with the community around priority community serving uses. These departments will also research requirements for inclusionary or community benefit agreements.

**Responsible party:** OEWD and Planning

**Timing:** Medium-long

**Cost:** \$

### 8E. Attract community serving businesses.

**Description:** To maintain a rich mix of businesses in the community, a business attraction strategy would be needed to recruit new businesses, develop relationships with property owners, and fill vacancies with community serving business. Currently, some neighborhood organizations work to fill vacancies with a desired business by reaching out to property owners.

**Benefit:** Serves small businesses and the community.

**Challenge:** This involves negotiating with multiple parties and acquiring a reasonably priced lease.

**Next steps:** OEWD will study the character and composition of each Mission commercial corridor, identify the desired community uses, and work with community to determine appropriate interventions.

**Responsible party:** OEWD and neighborhood partners

**Timing:** Short-medium

**Cost:** \$

### 9E. Support alternative business models including coops

**Description:** Provide support to businesses who want to build worker owned business models and coops, such as the Arizmendi Association, a community serving business.

**Benefit:** Serves small businesses and the community.

**Challenge:** Interest of small business entrepreneurs is unknown.

**Next steps:** Host workshops and connect businesses to coop resources.

**Responsible party:** OEWD and neighborhood partners

**Timing:** Short/medium

**Cost:** \$

**10E. Develop interventions and or controls to incentivize and/or protect community serving uses, including for the Calle 24 Latino Cultural District.**

**Description:** The City will develop tools to retain affordable and diverse commercial spaces that can provide affordable goods, jobs, and services in the neighborhood. Possible land use controls could retain affordable spaces and diverse commercial storefronts (e.g., a prohibition on small storefront mergers greater than 799 square feet within the Calle 24 Latino Cultural District). A Special Use District for commercial properties could retain the diversity existing mix of businesses.

**Benefit:** Serves community/general public.

**Challenge:** The City cannot impose controls on commercial leases or rents.

**Next steps:** OEWD will study the character and composition of each Mission commercial corridor, identify the desired community uses, and work with community to determine appropriate interventions.

**Responsible party:** Planning and OEWD

**Timing:** Medium

**Cost:** \$-\$\$

**Production, Distribution, and Repair (PDR)**

**11E. Enforce existing regulations to retain and protect PDR space**

**Description:** Production, distribution and repair uses provide important jobs for skilled workers and spaces for this use are limited. Given the demand for office space there is concern that PDR spaces are being occupied by non-permitted uses. The Planning department has increased staff capacity to investigate potential illegal occupation of PDR spaces. In addition when reviewing permits for improvements within PDR spaces total cost of improvements is used as an indicator of potential illegal conversion.

**Benefit:** Serves PDR businesses and their workforce.

**Challenge:** It can be difficult to prove that the space is not being used for the permitted use.

**Next steps:** Additional staff has been approved in budget for enforcement of existing regulations.

**Responsible party:** Planning and OEWD

**Timing:** Ongoing

**Cost:** \$

**12E. Retain, promote, and attract PDR businesses.**

**Description:** Modify existing zoning regulations to protect PDR in PDR, UMU and NCT zones

**Benefit:** Serves small PDR businesses, the community, and the general public.

**Challenge:** It takes a long time to implement changes.

**Next steps:** Review existing PDR zoning regulations and define potential zoning changes.

**Responsible party:** Planning

**Timing:** Existing and short/medium

**Cost:** \$

**Workforce**

**13E. Assess and improve the accessibility of existing workforce services.**

**Description:** OEWD currently invests \$1 million annually in Mission-based workforce services, including neighborhood Access Points and Sector Academies for Mission residents. An average of 350 residents in the 94110 zip code (which also includes Bernal Heights) access these services every year. There is capacity with existing resources to serve 500 residents. This is in addition to workforce services provided by other City agencies (DCYF, HSA, and others). The programs can increase individual economic security by helping unemployed residents get jobs and/or help low-wage workers climb career ladders into middle income jobs.

**Benefit:** Serves the community and the general public.

**Challenge:** There are multiple funders and partners.

**Next steps:** OEWD is surveying departments to assess existing services and define areas of opportunity and improvement.

**Responsible party:** OEWD, DCYF, HSA

**Timing:** Short/medium

**Cost:** \$

## 6. COMMUNITY PLANNING

The following solutions include programs, activities, process improvements, and ongoing engagement of community members to increase the understanding of City processes and have meaningful community participation in the planning process.

### 1C. Create an ongoing community and city staff education and engagement program.

**Description:** The MAP2020 process of meeting face-to-face and having some very difficult conversations highlighted both the barriers to effective City-community partnership and the benefits of a new model of collaborative planning. The process broke down political barriers and brought clarity to those things which City and community may never agree on. To continue these conversations, the City and community groups will establish a permanent “two-way” education and engagement program to facilitate a “two-way exchange” in Planning issues, community needs, as well as larger legislative and city processes between community groups and city-staff. The program will include a youth component to foster civic engagement among low-income youth interested in advocacy and public sector work.

**Benefit:** Support community and the general public. The potential impact is large.

**Challenge:** None anticipated.

**Next steps:** The Planning Department is hiring additional staff in fall 2016 to implement this work.

**Responsible party:** Planning Department and community groups

**Timing:** Short

**Cost:** \$

## 2C. Improve Pre-App community review of proposed development projects.

**Description:** Section 311 of the Planning Code, adopted by the Commission in 2004, requires a Pre-Application (Pre-App) for certain alterations proposed in all RH and RM Districts. The intent of the process is to: (1) initiate neighbor communication to identify issues and concerns early on; (2) give the project sponsor the opportunity to address neighbor concerns prior to submitting their building permit application; and (3) reduce the number of Discretionary Reviews (DRs) that would result in a public hearing before the Planning Commission.

Despite this requirement, conflicts between City, developers, and community groups are exacerbated by fragmented information and poor engagement. Many community groups and residents would like to engage as early as possible in the review of proposed development projects and would like Planning staff to attend meetings after the pre-application meeting but before a Commission hearing so that developers are aware of community issues early on. Potential changes or improvement to the review process of significant (threshold to be determined) projects might include: 1) planner attendance at meetings before commission hearings but after Pre-App meetings and more outreach before a project is on the calendar, and, 2) neutral facilitators to guide Pre-App meetings

**Benefit:** Medium to large - depends on the numbers of projects and significance.

**Challenge:** Such changes to process would be applied citywide. Given the hundreds of projects in the City each year, Planning staff could not attend all Pre-App meetings. Planning and community groups would need to agree on criteria for projects that would require Planning attendance at Pre-App meetings.

**Next steps:** Hiring of a staff to attend Pre-App meetings is underway. Funding is already committed.

**Responsible party:** Planning

**Timing:** Short

**Cost:** \$



### 3C. Improve representation of community concerns in Commission presentations for proposed development projects.

**Description:** Presentations from Planning staff to the Planning Commission on proposed development projects often focus on technical and design aspects of that singular project. The community would like Planning staff to integrate detailed discussion of community concerns into these presentations, as well as into Priority Policies of the General Plan in staff reports to the Commission. In addition, they would like more community engagement before Planning Commission hearings and better coordination with the Planning policy team on policy intent before implementation.

**Benefit:** Medium to large, depending on the number of projects and significance.

**Challenge:** none identified

**Next steps:** The Planning Department is making revisions to case reports to better reflect all perspectives. The Planning Department is also hiring staff for additional community engagement in fall 2016.

**Responsible party:** Planning

**Timing:** Short

**Cost:** \$

## 7. HOMELESSNESS

Homelessness in the Mission is becoming increasingly visible. In the past year, encampments have been concentrated in the northeast area of the neighborhood along 13th, Folsom, Harrison, and other streets. These solutions intend to prevent the further growth of homelessness due to the affordability crisis and to reduce homelessness as much as possible.

## 10. Increase supportive services to homeless.

**Description:** Many homeless individuals need other services for stabilization before they can even be housed, including legal documentation to access services, employment and meaningful activities, language, and culturally-appropriate assistance so they can access services, etc.

**Benefit:** Serves homeless individuals. Medium to large impact depending on number of individuals reached.

**Challenge:** Many clients refuse assistance and are hard to locate consistently given their homelessness.

**Next steps:** The Planning Department will coordinate with the City's new Department of Homelessness and Supportive Housing when it is fully operational.

**Responsible party:** Department of Homelessness and Supportive Housing (HSH)

**Timing:** Short - medium

**Cost:** \$-\$\$

**20. Explore acquiring or master leasing one SRO or similar building to house homeless individuals.**

**Description:** Over the last year, homelessness seems to be more prevalent in the Mission in the northeast part of the neighborhood (13th Street, Folsom, etc.) To address this, one solution could be the acquisition of a SRO exclusively to house homeless.

**Benefit:** It is preferable to find a vacant or partially vacant property as acquisition requires bringing buildings up to Code, which could displace tenants. For master leasing, buildings with more units are preferable given the cost. Casa Quezada and DAH/Star Hotel are models that serves homeless individuals. The impact would be small and incremental, depending on number of units/people housed.

**Challenge:** Small hotels are challenging and more expensive to master lease. Acquisition can displace tenants.

**Next steps:** HSH requested funding in the FY16-17 City budget, upon approval the next steps will be determined.

**Responsible party:** HSH

**Timing:** Medium - long

**Cost:** \$\$-\$\$\$

**30. Explore the feasibility of including more housing for homeless in new affordable developments (mixed-housing).**

**Description:** Virtually all MOHCD-sponsored affordable projects require 20% of their units to be reserved for homeless households. Given the homeless encampments in the Mission the percentage should be higher than 20% in the Mission – up to 30% for mixed-income projects. New supportive housing projects with 100% of the units designated for homeless households should be considered in future funding cycles.

**Benefit:** Serves homeless individuals; offers a small and incremental impact depending on the number of units/people housed.

**Challenge:** An increase in the number of units dedicated to homeless populations could decrease the number of units available for the general low to moderate income population.

**Next steps:** Phase II of MAP2020 will include additional conversations to determine the right balance.

**Responsible party:** MOHCD and HSH

**Timing:** Medium - long

**Cost:** \$\$-\$\$\$

## OTHER SOLUTIONS CONSIDERED

The solutions below are currently “on hold” or not moving forward during this phase due to legal, political, or financial constraints. These solutions are documented here in the event that something changes in the future that could make these solutions feasible.

### A. Legislate vacancy control and rent-increase limits to preserve low-income SRO rooms when tenants vacate.

**Description:** Residential hotels are governed by specific laws that protect their affordability. When residential hotels are converted to tourist hotels, we need stricter requirements to replace residential units with affordable units for low-income tenants to avoid loss of units. Vacancy control legislation would ensure that SROs remain affordable and prevent landlords from holding rooms vacant and turning rooms, and eventually buildings, into tourist/commercial use for higher rent. This change from SRO to tourist hotel occurred at the Sierra Hotel on Mission at 20th Street. The building was vacant for 20 years before becoming the 20Mission in 2012, with rooms renting at \$1,400. Landlords have also been found to provide false information on the required DBI Unit Report to show that they are meeting residential requirements when there are in fact tourist rooms.

**Benefit:** Currently, SROs are too vulnerable to becoming tourist hotels or market rate cooperative living centers. Additional conversion controls will preserve the City’s limited SRO stock.

**Challenge:** There may be legal challenges to implementing additional controls if they conflict with State or Federal laws. Any proposed legislation restricting vacancies in SROs (by room not building) would need to be fully vetted by the City Attorney.

### B. Explore use of social impact bonds (Public-Private Partnership).

**Description:** Social Impact Bonds are an emerging model. Private investors invest capital and manage public projects, usually aimed at improving social outcomes for at-risk individuals, with the goal of reducing government spending in the long-term. Denver recently passed a \$7 million SIB to address homeless. Implementing this model in San Francisco would require additional research to gauge the feasibility in San Francisco, for which resources are currently not available.

**Benefit:** Serves community/general public.

**Challenge:** These bonds still need to be repaid, so they are not a good source for capital investments.

### C. Incentivize preserving existing neighborhood businesses by waiving the transfer tax.

**Description:** When a building is bought or sold, the City can incentivize keeping the existing commercial tenants by waiving the transfer tax.

**Benefit:** Serves small businesses.

**Challenge:** Prop W on the November 2016 ballot proposes increasing the transfer tax on properties of at least \$5,000,000, which may have the unintended impact of incentivizing the eviction of commercial tenants. Waiving the transfer tax would require further study to understand the feasibility and possible impact.

### D. Advocate for commercial rent control.

**Description:** Community to advocate for state to change legislation to implement commercial rent control for the Mission.

**Benefit:** Serves small businesses and could stabilize commercial rents.

**Challenge:** Commercial rent control is currently illegal in the state of California. Changing that would require a statewide effort.



**A MODEL FOR AN EQUITABLE APPROACH TO PLANNING, GROWTH, AND NEIGHBORHOOD CHANGE**

Regardless of where MAP2020 participants reached consensus and where they diverged on solutions included in this plan, all participants are committed to moving forward and addressing gentrification and displacement. These are complex and layered issues with multiple causes and need resources, attention, and an acknowledgment of their impact on primarily low-income communities of color. The deliberate application of a social equity lens to investments, programs, and policies can help achieve neighborhood stability and give access to opportunity for these groups. Understanding historic trends and current conditions so that quality of life outcomes are equitably distributed and the needs of marginalized populations are met is critical.

MAP2020 is a deliberate and committed step towards equitable outcomes for historically disenfranchised communities. By addressing impacts on and leveraging resources for these groups, MAP2020 could be a model for an equity approach to policymaking and growth for other San Francisco communities and other cities grappling with similar challenges and trends.

# APPENDICES

# APPENDIX A

			1. Maintain the socio-economic diversity of the neighborhood	2. Protect tenants at risk of eviction	3. Increase the proportion of affordable units	4. Stem the loss of and promote community businesses, cultural resources, and social services	5. Retain and promote light-industrial space	6. Increase economic security	
	#	SOLUTION	OBJECTIVE						
Solutions Completed		Pass eviction Protections 2.0							
		Limiting low-fault evictions				●		●	
		Establish neighborhood preference and enhanced outreach							
		Housing Bond and Housing Bond dedication							
		Improve City art grant application and compliance process							
		Establish nonprofit resource portal							
		Extend resources and services to support individual artists, so they can remain in the Mission							
		Create an artist registry that helps to define and identify artists in San Francisco							
		Increase the amount of accessible spaces for artists							
		Business strengthening							
		Incentivize retention of legacy businesses							
		Technical assistance for displacement and relocation							
		Enhance outreach to businesses and improve services and delivery							
1. Tenant Protections	1T	Expand existing services that help residents gain access to housing	●	●		●			
	2T	Expand culturally responsive tenant counseling programs	●	●		●			
	3T	Create/expand community education campaign for residents at risk of eviction	●	●		●			
	4T	Increase legal representation for tenants who face unlawful detainer lawsuits filed to remove the tenant from the rental unit, as well as other legal actions that may lead to eviction		●		●			
	5T	Minimize evictions from affordable housing	●	●					
	6T	Create city enforcement mechanism to monitor/enforce compliance with eviction ordinances and temporary relocation due to repair, construction, or fire	●	●					
	7T	Identify mechanism to improve enforcement of restrictions on short-term rentals and mechanisms to achieve compliance and enforcement		●					
	8T	Explore the practical feasibility of imposing restrictions on non-primary residences (NPRs)	●	●	●				
	9T	Encourage and support policy efforts to amend the Ellis Act to exempt San Francisco from certain provisions		●					
	10T	Expand analysis of eviction data		●					
	11T	Maximize acceptance of rental subsidies	●	●	●				
	12T	Explore strategies to address long term relocation of residents as a result of fire	●	●					
	13T	Review occupancy requirements to create greater flexibility for tenants							





# APPENDIX A

			1. Maintain the socio-economic diversity of the neighborhood	2. Protect tenants at risk of eviction	3. Increase the proportion of affordable units	4. Stem the loss of and promote community businesses, cultural resources, and social services	5. Retain and promote light-industrial space	6. Increase economic security	
	#	SOLUTION	OBJECTIVE						
2. SRO	1S	Strengthen the definition of tenancy as it pertains to SROs or modify Hotel Conversion Ordinance to protect tenants	●	●					
	2S	Identify opportunities to master lease privately owned and managed SRO Buildings	●	●	●	●			
	3S	Increase supportive services to SRO tenants living in private SROs not managed or master leased by the City or nonprofits.	●			●		●	
	4S	Identify opportunities to acquire privately owned and managed SRO buildings	●	●	●	●			
	5S	Improve code enforcement in SROs		●	●				
	6S	Implement guidelines for prioritizing moving families from SROs into affordable family units.	●						
3. Preservation of Affordable Units	1P	Explore Tenant's First Right to Purchase legislation	●			●		●	
	2P	Replenish funds for Small Sites program	●	●	●	●		●	
	3P	Replenish funds for Acquisition and Rehabilitation program	●	●	●	●		●	
	4P	Explore a City's first right of refusal	●	●	●				
	5P	Preserve rent-control units when major rehabilitations occur	●	●					
4. Housing Production	1H	Examine and develop zoning strategies to produce more affordable housing	●		●				
	2H	Continue site acquisition (public, nonprofit, private) to build 100% affordable housing	●		●				
	3H	Produce more family-sized affordable units	●		●				
	4H	Incentivize childcare-friendly units	●		●	●			
	5H	Consider allowing affordable housing on a limited number of underutilized Production, Distribution, and Repair (PDR) parcels with a ground floor requirement for PDR	●		●				
	6H	Allow and incentivize units via legislation for "in-law" units and the soft story retrofit program	●		●				
	7H	Create incentives for new 100% affordable housing, such as fee deferrals.	●		●				
	8H	Consider placing a housing bond in the regular bond cycle	●	●	●	●	●	●	●

	LEAD	TIMING	COST	UNDERWAY?
	Sup. Peskin and DBI	Short	\$	✓
	Affordable Housing Developers	Medium - Long	\$\$-\$\$\$	
	HSA	Medium	\$-\$	✓
	HSA	Medium - Long	\$\$-\$\$\$	
	Sup. Peskin, DBI & SRO nonprofits	Short to Medium	\$	✓
	HSA & MOHCD	Medium	\$	
	Community Organizations & BOS	Medium	\$	
	MOHCD	Ongoing	\$\$-\$\$\$ / building	✓
	MOHCD	Ongoing	\$\$-\$\$\$ / building	✓
	Community & BOS	Medium	\$	
	Rent Board	Short - medium	\$	
	Planning	Medium	\$	✓
	MOHCD	Long	\$\$-\$\$\$	✓
	MOHCD & Planning	Short	\$	✓
	MOHCD & Planning	Short	\$	
	Planning	Medium	\$	
	Sup. Peskin, community groups, Planning	Medium	\$	✓
	Planning	Short	\$	
	MOHCD /Budget Office	Medium	\$	✓

# APPENDIX A

			1. Maintain the socio-economic diversity of the neighborhood	2. Protect tenants at risk of eviction	3. Increase the proportion of affordable units	4. Stem the loss of and promote community businesses, cultural resources, and social services	5. Retain and promote light-industrial space	6. Increase economic security
	#	SOLUTION	OBJECTIVE					
5. Economic Development	1E	Increase the amount of accessible space for artists				●		
	2E	Explore policies to retain or increase spaces for artists				●		
	3E	Catalogue existing art spaces and resources				●		
	4E	Explore creation of a Mission arts district				●		
	5E	Promote and encourage businesses to be community serving				●		
	6E	Support commercial business ownership				●		●
	7E	Increase commercial space and promote community serving uses in new developments				●		
	8E	Attract community serving businesses				●		
	9E	Support alternative business models including coops				●	●	
	10E	Develop interventions or controls to incentivize and/or protect community serving uses, including for the Calle 24 Latino Cultural District				●		
	11E	Enforce existing regulations to retain and protect PDR space					●	
	12E	Retain, promote, and attract PDR businesses				●	●	●
	13E	Assess and improve the accessibility of existing workforce services						●
6. Community Planning	1C	Create an ongoing community and city staff education and engagement program	●		●	●	●	
	2C	Improve Pre- App community review of proposed development projects	●		●	●	●	
	3C	Improve representation of community concerns in Commission presentations for proposed development projects.	●					
7. Homelessness	10	Increase supportive services to homeless	●					
	20	Explore acquiring or master leasing one SRO or similar building to house homeless individuals	●		●	●		
	30	Explore the feasibility of including more housing for homeless in new affordable developments (mixed-housing)	●		●	●		

## APPENDIX B



Photo by Marisol Quintana (MEDA)

### MAP2020 PROCESS DETAILED

In the traditional Planning model used by many cities, including San Francisco, the city is the expert, convener, agenda setter, and arbitrator. The city retains control and the community's role is to advocate. This model may work in some situations, but does not work well where there is a significant power imbalance or history of distrust between city and community. The groups that tend to participate in the decision-making process have the most power and resources, and are the most comfortable working with authority.

MAP2020 needed a different model since it was initiated by community groups. Community stakeholders had to have significant control over the process and outcomes, meaning that the city would need to shift from its role as expert to a new role as co-convener and co-participant.

The Mission is a large, diverse neighborhood—56,000 people live in the Mission, there are two dozen schools, almost 50 churches, and more than 700 small businesses. There is neither a single “Mission Community” nor a single voice or entity that speaks for the future of the neighborhood. Unlike City agencies, community groups do not have an established hierarchy and decision making process,

so the process also had to value the range of community perspectives.

In early 2015, City staff and community organizations began to meet regularly to identify the universe of complex challenges facing the Mission and undertake the laborious process of determining feasible actions. The process and product goals were to:

1. Engage the Mission District, and especially those most affected by gentrification and housing disparities (low-income and working-class residents, SRO tenants, Spanish-speaking tenants, local school families, school workers, and small business owners), to develop popular support and advocacy for the changes necessary to protect their right to remain in their neighborhood.
2. Develop an inspiring framework that makes housing equity, in terms of housing preservation and production, and preservation of community resources, a central planning principle for all decisions by local activists and through advocacy, to be incorporated by city staff and elected officials.



3. Combat the loss of families in the Mission District, through a housing preservation strategy that combines tenant protections, regulations to encourage tenants and nonprofits to purchase vulnerable multi-unit buildings and the sufficient resources dedicated to the neighborhood for that purpose.
4. Achieve a percent of low-income housing that keeps pace with market-rate development, including funding for new construction and identification of publicly and privately owned sites to be purchased by the city, and tools for neighborhood residents to access this new housing.
5. Preserve vital community resources, including small businesses, legacy businesses and cultural/community resources.
6. Increase job pathways for low-income residents into growing sectors of the economy.

The City and community participants made significant investments in the process through time

and resources (both volunteer time, staff time, consultants, and a grant).

It was clear in the beginning that significant trust would have to be built between City staff and community representatives in order to improve working relationships and tackle the challenging issues at hand. Given the level of urgency and rapid changes being experienced, frustrations were elevated and there was real tension and disagreements around what could be done. Distrust stemmed from past city policy decisions and disagreements around development projects; including the level of community engagement in these decisions. Consequently, the monthly MAP2020 meetings spent a fair amount of time building relationships through discussion and acknowledging disagreements.

The City contracted with outside facilitators from Community Boards, a nonprofit group based in San Francisco that helps to facilitate conversation and resolve conflict. It was important to have an outside group running the meeting so the City didn't have to have the dual role as a participant and facilitator of the process. The group also decided to form working groups co-led by a community and city lead to carry out the work and convene meetings focused on specific topics.

A core group of community groups—MEDA, Dolores Street Community Services Mission-SRO Collaborative, Cultural Action Network—and long-time neighborhood activists met monthly with staff from the Planning Department, the Office of Economic and Workforce Development and the Mayor's Office of Housing and Community Development, the Mayor's Office, and the Supervisor's Office. Working groups met more frequently to focus on specific issues, including, but not limited to, SROs, small businesses, community

engagement, funding strategies, and homelessness. Each of these teams identified potential projects or solutions.

There was a clear evolution in the process. Although meeting agreements were discussed and posted at every monthly meeting, the initial meetings were rarely smooth and participants were often frustrated. As the process continued, and everyone felt more ownership and control, some issues were resolved but others arose. There was still a tendency for dynamics to be uneven. Over time, the tone of the meetings improved and both parties understood that they might not agree on everything, but they see each other as well-meaning individuals with similar goals on social equity, affordability, and community stabilization even if they differ on how to achieve them.

Another important positive outcome of the monthly meetings was as a source of information. It is naturally difficult to disseminate information among so many different groups, so during each meeting, community participants and city staff had the opportunity to make announcements, ask questions, and publicize upcoming hearings or meetings.

While progress has been made and some disagreements stemming from misunderstanding, precedent, or rumors have been cleared up with candid conversations, challenges persist about process, data, analysis, solutions, and who to include. In addition, disagreement and polarization persists around some very large and fundamental topics.

Throughout the MAP2020 process this discord was often perceived as political gambit or leverage; it sometimes drove the agenda and sometimes stalled the process. As long as displacement pressures continue to impact the Mission, differing ideas about

the causes, the solutions, and the political strategy will persist.

MAP2020 held two large public meetings, the first in April 2015 to hear concerns and identify potential solutions. The second meeting, held in March 2016, allowed the community to add, delete, or edit strategies, and to start to prioritize. In addition to the formal public meetings, the working group members met with community organizations, held focus groups and held other activities as part of its outreach strategy.

It is hard to reach consensus on everything and moving forward both parties will likely pursue strategies outside of the formal MAP2020 planning process. MAP2020 is not an attempt by the City to stop community from their traditional advocacy and organizing efforts and the community does not see MAP2020 as its only avenue for change. MAP2020 participants expect to find areas of further challenge in the future, but there is a better foundation between City and community from which to have an open and honest conversation about issues of wealth disparity, class, race, decision-making power, displacement, and gentrification and the impacts and benefits on different groups.

### Lessons Learned

- It takes time to overcome decades of distrust
- Relationship building is critical
- Outside, neutral facilitation helps
- Be careful not to slip back into traditional roles, with the city as expert and with more airtime
- In addition to plan outcomes, the dialogue and the process are equally important
- A lot depends on personality, you need someone who really does care, who will listen and is respectful

- Participation of leadership in neighborhoods in crisis is key
- Balancing short-term urgency, long-term process, and policy change is key
- Acknowledging inequities and neighborhood trauma is important
- Honest dialogue about trade-offs must not be lost
- Government staff that is representative of the community and culturally competent is critical





# **MISSION ACTION PLAN 2020**

DRAFT FOR PUBLIC REVIEW