

What can be done to ease the nonprofit crisis? Nothing now — no solution likely for months

Kim gets the ball rolling to convene group to study city's 6 policy options

BY PAUL DUNN

TO ACCOMMODATE WEALTHY tech firms willing to pay top dollar for office space, San Francisco's commercial landlords are evicting nonprofit tenants like they're paupers at a queen's ball.

The city's Budget & Legislative Analyst Office, at the request of District 6 Supervisor Jane Kim, released a report Oct. 8 detailing how the commercial real estate market is hitting nonprofits. The report cites six "policy options" that could ameliorate the rental crunch.

But the potential solutions the report posits probably won't be implemented — if they are at all — in time to help the direst of the nonprofits' immediate rental plights.

That's because more study is needed, says one of Kim's aides. And other supervisors suggest implementation could take months to years.

This new study comes more than a decade after similar research and recommendations in 2000 and 2003 went nowhere. The resulting inaction has precipitated the current flashpoint: The city's tech boom is viral, and tiptoeing around the problem for another 10 years is not a solution. In the meantime, though, some wheels at least are beginning to turn.

According to April Veneracion Ang, one of Kim's legislative aides, the policy options that were aired at the supervisors' budget committee hearing in October succeeded in publicizing the issue, but without further analysis none of the six can be immediately executed she says.

"We wanted to raise awareness with the (October policy) solutions on this issue, but that timeframe didn't yield a long enough time period to flush out widespread solutions, and (until then) we will have to deal with individual nonprofit cases one by one," Ang said. "A lot of these options need further analysis and vetting."

To jumpstart the process, the Mayor's Office of Housing and Community Development, working with Kim's office, offered a resolution Oct. 29 at the Board of Supervisors meeting to form a work group comprised of various city departments, including staff from the mayor's office, Arts Commission, Planning Department and others and the heads of nonprofits and their clients. The resolution is on the supe's Nov. 5 agenda and Ang expects it to be approved unanimously.

The group would analyze past and present recommendations — including the latest policy solutions — to determine which might work short-term and which will take longer to implement.

Ang expects the work group to convene in November and release a report, "with full, flushed-out recommendations," in three to six months.

"For the most part, the (policy) solutions are feasible, and the city has to have some process with the stakeholders to figure out the priority and which they can pursue right away," she added.

Kim — whose district encompasses the Tenderloin and SoMa, which house many hundreds of the city's 6,000 nonprofits — is at the forefront of the fight, though a vote of the whole board will be needed to pass any legislation.

Ironically, it was Kim's ordinance

in 2011 that created the Twitter tax break that has brought about the skyrocketing rents and lease terminations of dozens of nonprofits that need relief — now.

However, most of the supervisors elected not to weigh in on the social services crisis. Repeated emails and phone calls from The Extra over four days late in October roused only three of 11 supervisors to offer opinions to questions regarding the situation.

Supervisors were asked which of the six options seem most feasible, and how long the options would take to implement. In addition to Kim's aide, who responded to our survey immediately, board President David Chiu delegated aide Amy Chan to reply.

"During my time in City Hall, protecting tenants has been one of my top priorities," said Chiu in a statement. "Although my focus has been on residential tenants, rising rents have also impacted commercial tenants, particularly nonprofit organizations that provide vital social services to our residents and cultural enrichment to our city. It's important that we take action to also protect our non-profit providers from displacement."

"I am open to considering all of the policy options that the budget analyst has made in his recommendations, and I look forward to working with my colleagues to identify the best policy solution."

In an email on behalf of District 5 Supervisor London Breed, Policy Advisor Conor Johnston wrote: "Strictly speaking, all six options are feasible. No. 5 and No. 6 would probably face the least resistance because they do not involve the imposition of new fees or the allocation of new city funds."

"For No. 5, SFUSD (San Francisco United School District) has a fair amount of potential properties as well. Unfortunately, underutilized properties are often underutilized for a reason, e.g. seismic safety issues."

"Thus No. 6 is probably the most feasible. The board could make the request for city staff to start the program essentially immediately. But the ultimate success of that program would depend on the involvement of the foundations, private donors, etc., which could take months or years to realize."

Here are the other supervisors' responses:

Olivia Scanlon, legislative aide to District 7 Supervisor Norman Yee, referred The Extra to Supervisor Kim's office for answers.

Nate Allbee, legislative aide to District 9 Supervisor David Campos, said he didn't know enough about the proposed policy options to comment.

Several other supervisors' aides responded in writing or were reached by phone, but did not offer comments or opinions. ■

ERRATA

In Issue 137, page 7, the Richard Ramirez photo should have been credited to photographer Mollison Ott.

In Issue 138, page 1, in the text of "Hope Retires," the full wine glass Rev. Glenda Hope held in the early evening contained mixed pomegranate and blackberry juice, not wine. She's a teetotaler.

6 ways city could ease the crisis

The city Budget & Legislative Analyst Office's report cites six "policy options" that could ameliorate the nonprofit rental crunch. Here are summaries of those options, most of which establish commercial rent control for nonprofits:

1 Impose fees on commercial developers to renovate or buy buildings to be occupied by nonprofit organizations under rent control.

2 Establish zoning requirements for commercial developers that require them to 1) provide below-market-rate space for nonprofits or 2) pay fees in lieu of providing space, with the city turning over those fees to nonprofits to buy or rehab buildings that would be occupied by one or more nonprofit groups with con-

trols on the amount of rent.

3 Give commercial landlords incentives to offer below-market rents to nonprofit groups, with preference given to city subcontractors.

4 Enhance existing city programs or create new ones to provide loans and/or grants to nonprofits to buy or rehabilitate facilities with the space rent-controlled.

5 Identify unused or underutilized city property that could be occupied by nonprofit organizations at controlled rent.

6 Collaborate with foundations, private donors and others to pool property and financial resources so nonprofits could buy their own buildings or lease at facilities with low or controlled rent.

— Paul Dunn



PHOTOS CITY OF SFGOV.ORG

Supervisors Jane Kim, David Chiu, London Breed weigh in on city's options.

community housing partnership

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Choose one date only

- Thursday, November 21, 10 a.m. – 1 p.m.
- Tuesday, November 26, 2 – 4 p.m.
- Friday, December 6, 10 a.m. – 1 p.m.

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Senator-519 Ellis St.; Iroquois-835 O'Farrell St. and Cambridge-473 Ellis St.

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- Tuesday, November 19, 10 a.m. – 1 p.m.
- Monday, November 25, 2 – 4 p.m.
- Thursday, December 5, 10 a.m. – 1 p.m.

Call 415.563.3205 x123 with questions