



Framework

October 7, 2015

Planning for people, not profits

A Framework for a Mission Neighborhood Stabilization Plan

Introduction

Proposition I calls for a Mission Neighborhood Stabilization Plan to be completed by January 31, 2017, which would include counseling and other support for tenants who are at risk of displacement, community acquisition of existing residential and commercial properties, and preservation and protection of legacy and locally serving small businesses and arts/cultural organizations.

Proposition I also calls for an Affordable Housing Strategy, with legislation and zoning controls intended to preserve the stock of affordable housing and promote new affordable housing development in the Mission District, requiring that at least 33 percent of all new housing be affordable to low- and moderate-income households, and at least 50 percent of all new housing be affordable to low-, moderate- and middle-income households, and to ensure that those units will be available to Mission residents. The strategy would also call for dedicated funding, including increased inclusionary and linkage fees and new infrastructure finance districts, and additional incentives for developers that choose to build affordable units.

What would such a strategy look like?

There are a number of solutions that, if implemented as a comprehensive strategy, will significantly impact the housing crisis. These solutions are informed by the recent proposals and analysis from Mission Action Plan 2020 and would involve programs, funding, incentives AND stronger market controls.

For example, we need to:

- increase funding for tenant counseling AND strengthening our tenant-protection laws;
- acquire existing rent-controlled buildings AND limit speculation of these properties;
- build affordable housing AND give tenants a preference in purchasing their buildings;
- dedicate funding for affordable housing AND put deeper constraints on market-rate development that do not provide a minimum of public benefits.

This is the framework for what a comprehensive Mission Neighborhood Stabilization Plan would include. In the 18-month “pause” called for by Proposition I, this strategy would be developed by the community itself, to be implemented by City agencies, by legislation from the Board of Supervisors and by possible additional ballot measures. This is a short summary of the ideas generated by the Mission District community, drawn from the People’s Plan, MAP 2020, MEDA, Our Mission NO Eviction, Calle 24, Prop I, Mission ACCE and Mission United. It is an initial framework for what could be part of a Mission Neighborhood Stabilization Plan, but is meant to evolve with deeper participation over the course of the following year.

The strategy should address three critical problems facing the Mission: the ongoing displacement; the accelerating disparity in incomes and access to affordable housing; and the eroding working-class and immigrant character of the neighborhood.

How do we stem the displacement of low- and moderate-income families?

A) Protect Tenants

Currently, there are over 200 evictions reported in the Mission per year—one every other day—and this does not include the uncounted harassment evictions and buyouts. The starting point of a Mission Neighborhood Stabilization Plan must be to protect tenants in their existing homes and reduce the mechanisms for speculation.

1. Critical to a tenant-protection strategy is funding for a robust **Mission Tenant Collaborative** that tightens the citywide safety net against no- and low-fault evictions by specifically coordinating housing resources for Mission residents and providing tenant education, organization and leadership development.

B) Preserve the Rent-Controlled Homes We Have

Protecting tenants from being evicted does not stop the replacement of lower-priced rents by market rents each time a household moves. Even with rent control, close to 100 protected units are permanently withdrawn from rent control each year in the Mission because of Ellis Act evictions, condo conversions and owner move-ins (this does not count the many TIC conversions.) At \$5,000, the market rent for a two-bedroom residence is affordable only to the most affluent, making it close to impossible for the Mission's historic working-class and immigrant community to continue to renew itself in place.

The City's new Small Sites Acquisition Program was a victim of its success—it quickly ran out of funds. The strategy should prioritize funding for the acquisition and preservation of small and large rent-controlled apartment buildings and residential hotels as permanently affordable housing. This must be done in tandem with supporting low-income tenants in buying the buildings that they currently occupy, much like what Washington, D.C. has done for the last 30 years.

2. Expand the **Small Sites Acquisition Program**, with a minimum \$10 million/year dedicated to the Mission.
3. Pass a **Tenant First Right to Purchase** for affordable housing, so that longtime tenants get a first choice to purchase buildings, with City support through the Small Sites Acquisition Program.

How do we balance for new growth for all income levels?

C) Produce Deeply Affordable Housing

In comparison to the over 1,000 luxury homes that will be built before 2020, only seven percent of that housing would be affordable. An affordable-housing strategy must backfill the decade-long absence of affordable housing and balance all the expected growth from luxury-market developments in the Mission. Real estate development requires land, finances and the zoning that incentivizes real estate. Producing housing that is affordable to low- and moderate-income Mission residents requires the same—land, finances and zoning—complemented by preferences for neighborhood residents. We need the pause to find dedicated sources of funding for the Mission and use this funding to "land-bank" sites.

4. Create a **Mission Neighborhood Stabilization Fund**, with dedicated permanent funding sources, for acquisition, preservation and production of affordable housing. This fund would draw from increased housing and linkage fees generated within the neighborhood (through a Charter Amendment, if needed), the establishment of a Mission Infrastructure and Revitalization Finance District that would dedicate increases in property taxes back to the Mission, and other possible funding sources. The fund should produce \$50 million/year for 10 years.
5. Implement a **Land-Banking Strategy** to acquire underutilized, privately owned parcels before they are lost to luxury development, and targeting public and community-owned lands in the Mission (in partnership with nonprofits, unions, churches and quasi-public entities).
6. Dedicate, to the extent legally allowed, any new units built in the next 10 years with **Neighborhood Preferences** to current or recently displaced Mission District residents, and ensure that adequate outreach is done to Spanish-speaking and immigrant residents.
7. Dedicate at least 20 percent of **new affordable housing as Supportive Housing for Homeless Individuals and Families**, and preserve SRO hotels as permanent supportive housing.

D) Zone For Peoples' Needs

Under current zoning, passed in 2008, the market has produced only 34 affordable units (or 7 percent) out of all the luxury housing produced. If harnessed to the maximum extent possible during the upcycle of the market, luxury development could serve as a possible engine for public benefits. Zoning can encourage market-rate developers to build more significant levels of affordable housing and create opportunities for the City to acquire sites for affordable housing.

8. Implement an **Affordable-Housing Overlay Zone** to provide a minimum of 20 percent to 35 percent inclusionary units in all buildings higher than 45 feet, and allowing 100-percent affordable housing in some underutilized former industrial lands (2016 Election Charter Amendment).
9. Require market-rate developments to offset their fair share of impacts they create, by increasing the **Community-Impact Fees** closer to their actual impact, and to require larger developments to provide on-site affordable commercial spaces, including childcare, arts and cultural uses, and business-incubator space for economic development and legacy businesses.

How do we sustain the neighborhood as a working-class and immigrant Latino cultural hub?

E) Promote Economic and Cultural Vitality

Gentrification is not just about the displacement of communities, but of the vital cultural and economic resources on which our communities depend. The Mission is not just a Latino cultural hub: it is also home to many longstanding, community-based nonprofits and arts/cultural organizations. Small businesses, nonprofits and arts institutions need their spaces preserved to ensure that they are not subject to the boom-and-bust whims of market cycles.

10. Pass the **24th Street Latino Cultural District SUD** and zoning protections for existing businesses, as a model for commercial corridors in the Mission.
11. Pass **Legacy-Business Protections** for all businesses and nonprofits over 20 years old, including dedicating local-impact fees and community facilities to these purposes.
12. Require **One-for-One PDR/Arts Replacement** of all light industrial (PDR) and arts and cultural spaces when they are converted to other uses and for developers of larger buildings to provide affordable commercial space for community uses.

F) Empower Community Governance

Currently, there is no established community-governance structure in the Mission, and the Eastern Neighborhoods Citizen Advisory Committee (CAC) does not fulfill that function. We need to ensure that there is real and accountable participation by the community in determining how funds are used and how to update policies as conditions change.

13. Create a truly **Empowered Community Governance Committee** of Mission District residents and stakeholders to provide oversight of all local development fees, housing and linkage fees, and tax-increment funds, plus recommend housing, zoning and policy updates, with representation from specific impacted community constituencies.