

Memo #1 October 7, 2015

# The Mission, today and tomorrow

#### Introduction

For the last 70 years, the Mission has served as the epicenter of Latino life and culture in San Francisco. It is well documented in the press and in academic studies that this historically working-class neighborhood is being overrun by rampant gentrification. Since 2000, over 8,000 Latinos have been displaced and no longer make up the majority of residents in the neighborhood.

The community has come together to create a Mission Neighborhood Stabilization Plan, to strengthen and retain low- to moderate-income residents and community-serving businesses (including PDR), arts organizations and nonprofits to preserve the socioeconomic diversity of the neighborhood.

# The reality of life for low-income residents in the Mission today

A series of studies commissioned by Mission community-based organizations and City Hall have established with clear and convincing data the negative impacts of displacement-based gentrification on the Mission's residents and the neighborhood's unique character.

As rents continue to increase, Latinos are disproportionately unable to afford those prices—and the percentage of Latinos living in the Mission increasingly drops as they are forced out of their historic neighborhood.

# Mission by the numbers

The Mission has seen a shift from being an integrated neighborhood of opportunity.

**Demographics:** Since 2000, Latinos no longer constitute the majority of residents. By 2013, Latinos were only 38.5 percent of the neighborhood, Asians nearly 12 percent and White residents nearly 43 percent.

**Rents:** One of the highest-rent neighborhoods in one of the highest-cost cities in the nation. Rent increases are double or more of those of the rest of San Francisco.

**Overcrowding:** Double that of the citywide average for families in the Mission.

**Evictions:** Eviction-notice percentage significantly higher than the citywide average. Since 2000, there have been 2,370 evictions and over 8,000 Latinos have been displaced.

Minimum annual family income to stay in the neighborhood	\$75,000
Median household income of Latinos living in the Mission	\$47,943
Median income of Latino families with children under the age of 18	\$43,944
Loss, since 2000, of families earning less than \$75,000	~ - 3,000

Source: MEDA Report

Luxury building is also changing the look and feel of the neighborhood. The architectural design of much of the new luxury construction is indistinguishable from that in other such cities as Los Angeles or Seattle. A deeper look at the changing market conditions reveals that something akin to a "circle of affluence" is being built around luxury

construction. While working-class families are being pushed out, nearly 6,000 households making over \$100,000 a year have moved into the neighborhood since 2000. There is evidence that commercial landowners are vacating longtime businesses in the perimeter of luxury development, expecting new businesses ready to cater to higher-income households. This market reality is accelerating the displacement of small, family-owned businesses from the Mission.

The people of the Mission have long been engaged in efforts to preserve the neighborhood as the heart of Latino life and culture in the City. Most recently, Mission residents, businesses and organizations have come together to advocate for a Mission Neighborhood Stabilization Plan. This is a comprehensive action plan for neighborhood preservation, prioritizing income diversity to support working-class families, preserve the Mission's unique neighborhood character and ensure that Latinos will be able to remain in their home neighborhood—an ethnically, racially and economically diverse neighborhood of opportunity.

# What needs to happen to preserve the Mission as a diverse community

Consistent analysis by City Hall and various Mission nonprofits have catalogued significant past displacement and have projected an escalated rate of displacement absent a firm interruption of current market trends. Based on an integrated review of demographic trends from the American Census, and data analysis from the San Francisco Planning Department and Rent Board, we project that to counter the loss of households and to balance the growth of new housing built, we need to supply housing for a minimum of 2,400 low- and moderate-income households, to bring us back to 2010 levels.

The meteoric rise in property values makes it financially impossible to simply build our way out of the affordable housing crisis. Achieving the 2,400 target requires a purposeful design of specific city policies aimed at controlling the rise in property value. The Plan would have a number of solutions that, if implemented in concert, will significantly impact the housing crisis. They will also help to preserve the neighborhood fabric and keep this a center for Latino culture and life.

Solutions to stem displacement

#### A) Protect Tenants

Currently, there are over 200 evictions reported in the Mission per year—one every other day—and this does not count the many harassment evictions and buyouts. Critical to a tenant-protection strategy is robust tenant education, organization and leadership development.

#### B) Preserve the Rent-Controlled Homes We Have

Currently, we lose close to 100 rent-controlled units withdrawn each year by Ellis Acts, condo conversions and owner move-ins (this does not count the many TIC conversions.) We have a new Small Sites acquisition program, which quickly ran out of funding. We need to adequately fund that acquisition program, and pass a law to give tenants time and opportunities to buy their buildings, in partnership with this program, much like what Washington, D.C. has done for the last 30 years.

Solutions to account for new growth

#### C) Produce Deeply Affordable Housing

In the absence of City investment in the neighborhood over the last 10 years, we've produced only 7 percent affordable units. We need to use the time for a pause to find dedicated sources of funding for the Mission, including increasing affordable housing fees (through a Charter Amendment, if needed), creating a Mission Infrastructure Finance District, and exploring other funding sources, and use this funding to "land-bank" sites before they are lost to luxury development.

#### D) Zone For Peoples' Needs

There is a need for dampening the market for development beyond building for the highest-income households and incentivizing developers to build for more diversity in income levels. We have seen that in the Mission, and a few other very hot neighborhoods, that the market can comfortably provided much more affordable housing than the current inclusionary requirements.

#### Solutions to sustain this working-class neighborhood as a center for Latino culture for San Francisco

### E) Promote Economic and Cultural Vitality

Gentrification is not just the displacement of communities, but also the vital cultural and economic resources on which our communities depend. The Mission is more than 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. We need to implement the 24th Street Latino Cultural SUD, pass protections for small businesses, require one-for-one replacement of light industrial ("PDR") and arts spaces, and require developers of larger buildings to provide affordable commercial space for community uses.

## F) Empower Community Governance

There is a need to establish a community governance committee in the Mission—a committee that is more neighborhood focused than the Eastern Neighborhoods CAC. The community governance by the committee would guide how funds are used and monitor housing, zoning and policy updates, with representation from specific impacted community constituencies.