

NONPROFIT DISPLACEMENT MITIGATION PROGRAM

San Francisco Human Services Network

March 29, 2016

The San Francisco Human Services Network (HSN) is requesting that the City renew the Nonprofit Displacement Mitigation Program. Two years ago, the Board allocated \$4.5 million for funding and technical assistance to nonprofits that were facing dramatic rent increases and/or losing their rental space. The Mayor's Office of Housing and Community Development (MOHCD) managed the program through a contract with the Northern California Community Loan Fund. The funding is almost depleted. Our request is for \$1.4 million in each of the next two budget years to continue financial assistance grants, and \$400,000 in FY17-18 to extend the technical assistance program through June 2018.

- In 2013, HSN began hearing stories from our members about unrenewed leases and quadruple rents. We began working with Supervisor Jane Kim, whose district was home to both nonprofit services located near the people they serve, and the burgeoning tech sector.
- At Sup. Kim's request, the Board's Budget and Legislative Analyst worked with HSN to survey nonprofits, and produced a policy report¹ documenting the impact of rising rents on our sector.
- She then introduced legislation that created the Working Group on Nonprofit Displacement, which included health and human services nonprofits, arts groups, city agencies and other participants. That group produced a report² in May 2014 with short, medium and longterm recommendations to meet nonprofit space needs.
- As a short-term solution, Supervisors created the Nonprofit Displacement Mitigation Program in 2014. It included \$2.5 million for health and human service providers and \$2 million for arts organizations. The Mayor's Office of Housing and Community Development contracted with the Northern California Community Loan Fund (NCCLF) to manage the program. After two RFPs, most of the fund is depleted, but NCCLF continues to offer technical assistance and seed grants on a rolling application³ basis to nonprofits facing displacement.
- This program is the only short-term program to address nonprofit displacement while the City reviews and implements the mid- and longterm recommendations in the Working Group report.
- Northern California Grantmakers commissioned a new report⁴ from Harder + Company that presents updated data on the status of Bay Area nonprofit space. The report provides compelling data that demonstrates the ongoing nonprofit space crisis, and the need for continued support. Almost 70% of Bay Area nonprofits state that skyrocketing real estate costs threaten their future here.
- On March 16, 2016, the Board of Supervisors Budget Committee held a public hearing on the outcomes of the Nonprofit Displacement Mitigation Program. MOHCD and the Arts Commission prepared a report⁵ detailing the program's success and effectiveness. Many nonprofits shared their stories of how NCCLF helped them locate and move to new affordable spaces, while others expressed concern about upcoming eviction pending the end of their current lease.

¹ "Review of the Impact of Increasing Rents in San Francisco on Local Nonprofits", Budget and Legislative Analyst, October 8, 2013, http://www.sfhcn.org/documents/hsn_iss_oth_blanprnt_10-09-13.pdf.

² "City and County of San Francisco Working Group on Nonprofit Displacement: Report and Recommendations", May 13, 2014, <http://sfmohcd.org/sites/default/files/FileCenter/Documents/8010-Nonprofit%20Displacement%20Report%20FINAL%20with%20appendix.pdf>.

³ San Francisco Nonprofit Displacement Mitigation Program, <http://www.ncclf.org/npdmitigation/>.

⁴ "Status of Bay Area Nonprofit Space & Facilities", Harder + Company, March 2016, https://ncg.org/sites/default/files/files/news/NCG_NPO_survey%20report.pdf.

⁵ "Report on Nonprofit Displacement Mitigation Funds", Mayor's Office of Housing and Community Development and San Francisco Arts Commission, March 2016, http://www.sfhcn.org/documents/hsn_iss_oth_npdispl_03-10-16.pdf.