



TNDC: A History

Building Homes and Community since 1981

Every Spring,

TNDC Annual Birthday Dinner means fun and fundraising ...



with friends like Cheryl Jennings and the stars of Beach Blanket Babylon ...



for a night of joy and revelry!



NOTE FROM THE CEO
35 Years of Building Foundations

EXECUTIVE SUMMARY
A San Francisco for Everyone

Founded as an experiment in cooperative housing, TNDC has evolved into a force for expanding choices for low-income San Franciscans.

THE TENDERLOIN
San Francisco's Tenderloin: A Rare Community

A unique neighborhood with a vibrant history, the Tenderloin has been a home to soldiers and sailors, a place of entrée for immigrants, and an epicenter of community activism.

TNDC AS AN INSTITUTION
Anchoring the Tenderloin for 35 Years

In an ever-changing environment, TNDC has developed effective strategies to preserve housing for low-income people in one of the country's most expensive cities.

PROFILE
A Tenderloin Icon

Kelly Cullen, TNDC's former executive director, was a beloved force in the Tenderloin and beyond.

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35 Years of Building Foundations

Greetings,

Over the past several months, we dug through tattered files, sifted through aging black-and-white photographs, and interviewed the Board, staff, supporters, and others dating back nearly four decades to bring you this overview of Tenderloin Neighborhood Development Corporation's dynamic history. We are thrilled to share and celebrate TNDC's 35 years of impact—and growth—as we mark our trajectory from the past to the future.

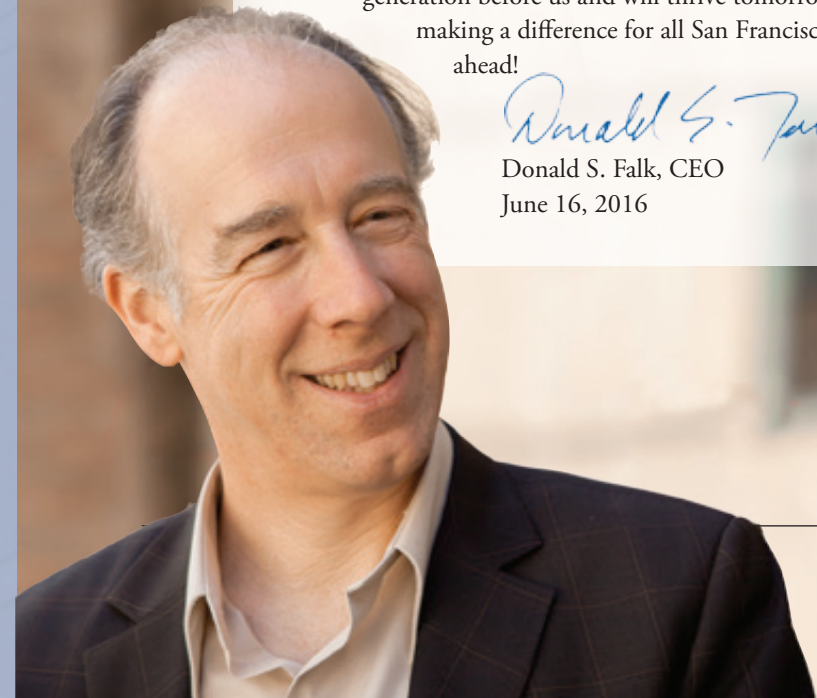
TNDC evolved out of the vision of “The Five Musketeers” who helped launch the organization with the acquisition of a rundown single-room occupancy hotel in 1981. Since then, TNDC has become a trusted and nationally recognized institution working on behalf of low-income people.

TNDC has been a pioneer and leader in many areas. We were among the first to focus on **supportive housing** with on-site social workers available to all our tenants. We are a leader in **preserving a neighborhood** through acquiring property for affordable housing and removing it from the speculative real estate market. TNDC is an exemplar of a **comprehensive approach to community development** that goes beyond bricks and mortar; and most of all, a group that has never lost its focus on serving San Francisco's **most vulnerable people**. TNDC stands apart—for 35 years we have demonstrated that it is possible to be a grassroots organization that operates at the scale of a larger organization, making a difference in the lives of tens of thousands of people over nearly four decades.

We are just getting started. The next five years are going to be exciting. TNDC is on a path to build or preserve a dozen more properties, increasing its units under management from 2,750 in 2016 to 3,700 in 2021, which represents more than 5,000 people.

You, our treasured community of partners, supporters, and funders, are the foundation on which TNDC's work is built. The organization thrives today because of the efforts of the generation before us and will thrive tomorrow because of you. Thank you for 35 years of making a difference for all San Franciscans, and here's to many more years of impact ahead!

Donald S. Falk, CEO
June 16, 2016



LAND USE

Fighting to Preserve San Francisco for All

Over the years, TNDC and its tenants have joined forces with Tenderloin residents and activists to fight for equitable development and preserve thousands of units of affordable housing.

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HOUSING

Home: A Human Right

For 35 years, TNDC has aggressively sought opportunities to build affordable housing and provide a foundation for low-income San Franciscans to prosper.

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More than 4 Walls and a Roof: Pioneering Supportive Housing

TNDC intertwines housing with voluntary support services to help tenants remain housed, live healthfully, and thrive.

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Amplifying Voices, Strengthening the Community

Since its inception, TNDC has supported its tenants in speaking out and taking action on issues that impact their lives.

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TNDC Executive Directors/CEOs

| | |
|--------------|------------------------|
| 1981-1982 | None |
| 1982-1987 | Cath Merschel |
| 1987 | Greg Alves |
| 1987-1990 | John Stearns |
| 1990-1993 | BJ Barron |
| 1993-2005 | Bro. Kelly Cullen, OFM |
| 2005-present | Don Falk |



COURTESY JAMIE HOPPER, SAN FRANCISCO RECREATION AND PARKS.

A San Francisco for Everyone

*Preserving homes and community for
low-income San Franciscans*

TNDC was founded in 1981 to achieve two ambitious and intertwined visions: to transform the lives of the poor and marginalized residents of substandard housing in the Tenderloin and to protect it from the gentrification that loomed over the neighborhood. And to protect the neighborhood from the encroaching gentrification, TNDC began purchasing buildings, ensuring long-term affordability for residents by removing the properties from the speculative market.



A preschool teacher walking with children in the Tenderloin.
Credit: Nita Winter, *The Children of the Tenderloin* series.

Origins

Yet TNDC's vision was more ambitious than that: The organization aimed to foster a series of cooperatively owned and managed communities.

Over the next 35 years, TNDC sustained the spirit that originated with its cooperative roots, even as it eventually abandoned the co-op model. Resident engagement has taken other forms, including through Board representation and a Community Organizing Department focused on supporting tenant voices and priorities.

The first major land-use battle in which TNDC and Tenderloin residents participated was a joint effort with other community activists in 1981 to oppose the development of three luxury hotels proposed for the eastern edge of the neighborhood. These developments were harbingers of a future in which the neighborhood was at risk of losing its low-income character, as dramatic numbers of low-income residents would be threatened with gentrification and displacement by rising property values and their attendant higher rents. Community advocates, including TNDC, negotiated a unique solution on a neighborhood scale: one of the nation's first Community Benefits Agreements, wherein the hotels contributed millions to fund affordable housing and job creation for Tenderloin residents. The activism also led to a downzoning of the neighborhood, which limited building heights and uses and, through the city's planning code, restricted commercial development and preserved the neighborhood as a residential enclave.

Rapid Growth & Geographic Expansion

With grants from Franciscan Charities, the new organization quickly purchased four buildings, preserving nearly 300 units as permanent affordable housing. By 1989, TNDC's portfolio included eight buildings, for a total of 450 units. Struggling to continue developing new

projects, TNDC shifted its focus to major capital improvements of its existing properties.

Beginning in 1994, the focus once again turned to expansion. Under the leadership of recently hired Executive Director Franciscan Brother Kelly Cullen, TNDC grew significantly, nearly tripling the number of housing units and employees over the ensuing decade. The organization was simultaneously building its internal capacity and funding base. TNDC hired a housing director, Don Falk (now the chief executive officer).

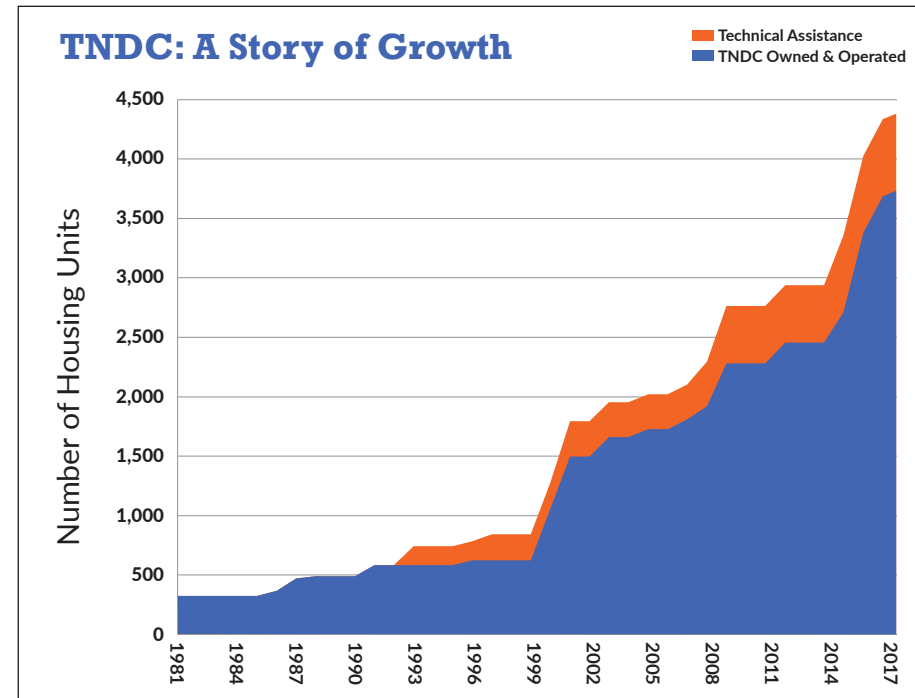
By 1996, TNDC began an aggressive effort to acquire more than a dozen properties, an effort that coincided with the passage in San Francisco of one of the country's first local affordable-housing bond measures. By the early 2000s, TNDC achieved real traction in launching new construction projects to accommodate housing for the increasing number of families that populated the Tenderloin.

Over its first 15 years, TNDC acquired buildings in the Tenderloin and renovated them. In the 1990s, it began purchasing and developing low-income housing beyond the Tenderloin. The TNDC staff and Board recognized a responsibility to preserve affordable housing throughout San Francisco, strategically pursuing wider opportunities while remaining based in and focused on the Tenderloin.

Other than three small properties gifted to the organization in the late 1980s and mid-1990s, TNDC's first foray outside the Tenderloin was the SOMA Studios & Family Apartments, completed in 2003 in a joint venture with Citizens Housing Corporation. Today, one-third of TNDC's units are outside the Tenderloin.

Beyond Housing

TNDC recognized the critical importance of integrating housing with services and in the early 1990s became a national pioneer in supportive housing. The vast majority of people who came then and still come to TNDC for



housing have extremely low incomes, and many face other challenges, including substance use, mental illness, HIV/AIDS, domestic violence, aging, and histories of homelessness and trauma.

TNDC contracted in 1990 with an established provider to offer supportive services. Three years later, the organization brought the services function in-house. Ever since, as the organization's property portfolio has grown, so has the breadth and depth of its supportive services. Now, TNDC social work staff offer housing-based and voluntary support services in all of the buildings TNDC manages. In 2015, 97 percent of TNDC's tenants used one or more such services.

Children and families are an increasing focus for TNDC. Starting in the mid-1970s, immigrant families began moving to the Tenderloin, many of them refugees fleeing the violence in the aftermath of the Vietnam War. In 1993, TNDC established the Tenderloin After-School Program, which serves children ages seven to 17. In 2005, TNDC opened its first building dedicated to families, Curran House. Today, approximately 3,000 children call the Tenderloin home.

Building Community

Resident involvement has been in TNDC's blood since its founding, and in recent years this has been expressed through a growing Community Organizing Department.

In 2007, TNDC hired its first full-time community organizer, deepening the organization's commitment to activism and tenant involvement. The community organizing activities, which have steadily grown, support tenant leadership, advocate for affordable housing, work to establish Community Benefits Agreements with developers and businesses expanding into the Mid-Market area, and foster civic engagement among Tenderloin residents, a return to TNDC's original efforts. To that end, it launched the TNDC Leadership Academy to train TNDC tenants in community organizing and advocacy.

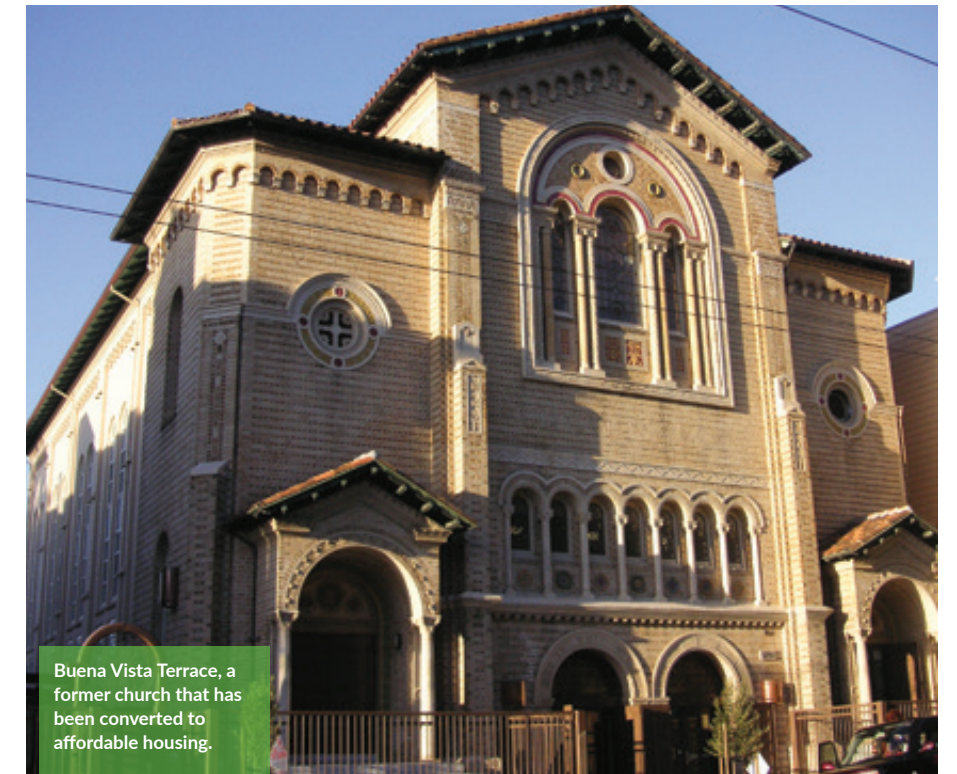
Over the last few years, TNDC has grown its food security work. It has established community gardens in five TNDC properties and the TNDC Tenderloin People's Garden in a vacant lot near City Hall. Thousands of pounds of fresh produce are harvested from these gardens and distributed free to the community.

TNDC has grown its relationship with farmers at the Heart of the City Farmers' Market and accepts weekly donations of unsold fresh vegetables and fish to distribute the next morning to residents. The San Francisco Food Bank drops fresh produce and other food weekly in twelve TNDC buildings. TNDC has also helped lead the Tenderloin Healthy Corner Store Coalition, to encourage and assist owners of local stores to stock more fresh produce and healthy food options.

Recent Directions

In recent years, TNDC has been developing housing of increasing complexity and size, with more units designated for seniors, families, and formerly homeless people. TNDC has increasingly focused on partnerships with other community-based organizations and has begun to explore partnerships with market-rate developers. In 2012, TNDC completed its most complex project to date: the rehabilitation of the former Central City YMCA, an adaptive reuse and historic preservation project comprising 172 units for formerly homeless individuals, co-located with the Department of Public Health's Tom Waddell Urban Health Clinic, a Federally Qualified Health Center. Kelly Cullen Community, named for TNDC's late executive director, is a community gathering place with an auditorium, a gym, and other common spaces, and offers a rich array of medical, mental health, and other supportive services. Kelly Cullen Community also serves as a national prototype for studying one of the goals of the project, reducing high-cost hospitalization usage rates by homeless people.

TNDC continues to grow. As of spring of 2016, it had 12 buildings in its development pipeline, including the Eddy & Taylor Family Apartments, slated to open in 2019, as well as 135 affordable homes for families in Mission Bay. Altogether, these projects in development



Buena Vista Terrace, a former church that has been converted to affordable housing.

represent more than 1,500 units, which will bring the total of TNDC's residents from 3,600 in 2016 to over 5,000 by 2019.

The Next 35 Years

Today, as San Francisco experiences a severe housing crisis, TNDC's core mission—equitable access to opportunity and resources through affordable housing and services—is even more pressing. And with the region's escalating land and construction costs, it is more challenging.

San Francisco is struggling to find ways to prevent displacement of and create housing for lower- and middle-income people. Those on the lowest end of the economic scale have been most adversely affected by this housing crisis. The Tenderloin, with more than 50 percent of its household incomes below the federal poverty line, is especially in peril. Historically, the neighborhood has had the most affordable market-rate housing of any in the city, and that continues to be the case. But this affordability is being threatened as rents in privately owned housing,

including SROs, are increasing with San Francisco's rising real estate market.

Roughly 25 percent of Tenderloin housing stock is owned, and another nearly 10 percent is controlled by non-profits or the public sector and therefore is currently affordable. However, that means two-thirds of the housing stock, though mostly subject to rent control, is vulnerable to increases in rent as units are voluntarily vacated and re-rented at significantly higher rates. Currently, there are a half-dozen market-rate development proposals for the neighborhood.

In response, TNDC will continue to do what it has done so well for the last 35 years—acquire property to remove it from the housing market and dedicate it to low-income occupancy in perpetuity, advocate for more affordable housing and pressure developers to provide more community benefits for residents of the Tenderloin, offer services to individuals and families, and work to improve the quality of life in the neighborhood for its existing residents.



Children in TNDC's Tenderloin After-School Program.

San Francisco's Tenderloin A Rare Community

“Any city that doesn't have a Tenderloin isn't a city at all.”

Herb Caen

Since its founding in 1981, TNDC has played a significant role in shaping one of the most distinctive neighborhoods in the United States. One hundred, even 50 years ago, most American cities had their own Tenderloin—neighborhoods that were havens for the working and nonworking poor, such as New York's Bowery and Los Angeles' Skid Row. But gentrification has wiped out those low-income enclaves. The Tenderloin remains one of the only neighborhoods with a significant number of SROs and other affordable-housing options rubbing up against high-value real estate in the center of a major American city.



Like much of San Francisco, the Tenderloin was destroyed by the fire that followed the 1906 Great Earthquake. It was rebuilt as a dense neighborhood of mid- and high-rise apartments and hotels. Many of the hotels were intended for residents, not tourists. These residential hotels came to be known as SROs—single-room occupancy units.

In 1915, San Francisco leaders celebrated the completion of the Panama Canal and showcased the city's recovery from the Great Earthquake by hosting the Panama-Pacific International Exposition (PPIE). Nearly 19 million visitors flocked to the grounds of the world's fair.

Building such a colossal fairgrounds required thousands of workers who would stay in San Francisco for only a short period of time. The Tenderloin was ideally suited for itinerant workers because of its rebuilt housing stock of SROs. Restaurants, bars, theaters, music halls, and gambling joints soon sprang

up to entertain these workers, as well as San Franciscans from all over the city.

Between the PPIE and World War II, merchant marines and itinerant laborers populated the Tenderloin's SROs. World War II brought another influx of peripatetic residents to the Tenderloin—close to 1.7 million soldiers and sailors passed through San Francisco as they headed to or returned from the Pacific theater. Migrants from the American South and Dust Bowl added to the mix, seeking jobs in the exploding Bay Area shipyard industry.

From the turn of the 20th century, the Tenderloin was considered a “containment zone” where illegal and illicit activities, such as gambling and prostitution, were largely ignored by the city and the police force. It was also the center of San Francisco's gay, lesbian, and transgender community. In the 1950s, Mayor Warren Christopher decided to “clean up” the Tenderloin.

He empowered the police to crack down on illegal activity. Under the banner of “modernization,” the city converted the neighborhood's two-way streets into one-way arteries and eliminated cable car lines to provide fast access for the rising tide of suburban shoppers on their way to Union Square.

These decisions irrevocably decimated the Tenderloin's economy and altered its communal, neighborhood atmosphere. However seemingly virtuous, cracking down on the Tenderloin's underground economy harmed the neighborhood's legitimate businesses, such as restaurants and bars. Eliminating the cable car line and two-way streets increased automobile traffic significantly, curtailed social interaction for residents (most lived in apartments or SROs and tended to socialize in the streets), and gave the neighborhood a more transitory feel.

All these changes led to the beginning of the Tenderloin's economic decline. The

decline intensified in the 1960s, the result of urban renewal policies in other parts of San Francisco, which brought more low-income residents into the community. In addition, the release of patients from California’s mental institutions increased the homeless population. The slide continued in the 1970s and 1980s, as the prevalence of hard drugs and drug dealing increased. Public perceptions were changing. A 1977 *San Francisco Examiner* headline called the Tenderloin “Hell at Your Doorstep.”

Birth of Community Organizing

The Tenderloin has historically been a hub for community organizing. In the mid-1960s, one of San Francisco’s first successful organized resistance groups formed in the Tenderloin, in response to the police crackdown on gay, lesbian, and transgender residents. In the late 1970s, the community organized once again, this time in response to a more endemic threat—market-rate developers who wanted to benefit from the Tenderloin’s proximity to Union Square and build luxury hotels and office space.

In 1977, community activists, including several nonprofits in the neighborhood, formed the North of Market Planning Coalition (NOMPC), first to serve as a coalition of social service agencies, later to advocate collectively on behalf of Tenderloin residents. TNDC’s longtime executive director Franciscan Brother Kelly Cullen was an early president of NOMPC and an active participant in the organization’s most significant battle: the 1981 downzoning fight to limit the footprint and height of three luxury hotels planned for the edge of the Tenderloin.

San Francisco’s Ellis Island

Historically, the Tenderloin has been one of San Francisco’s primary points of entry for immigrants. Since the turn of the 20th century, dozens of languages could be heard in the space of a few blocks.



Sailors at a Tenderloin entertainment venue during wartime. Courtesy of the Tenderloin Museum.

Today, that ethnic mix has become even richer, with immigrants from Russia and the Philippines, Yemen and the Yucatán calling the Tenderloin home.

The Tenderloin’s first and most significant mass migration came in the mid- to late 1970s. Following the end of the Vietnam War in 1975, Southeast Asian refugees began moving into the neighborhood. This wave brought a whole new cohort—children. The Tenderloin went from a neighborhood of very few children to one with between 3,500 and 6,000 by the mid-1980s, according to various estimates.

1980s and 1990s: Economic Forces Impact the Tenderloin

The Tenderloin in recent decades has been very susceptible to the waxing and waning of government funding. For example, during the 1980s, President Ronald Reagan’s policies and the local and state budget cuts resulting from Proposition 13 started to impact the Tenderloin. The Reagan administration dramatically cut federal funding, particularly to the Department of Housing and Urban Development

{ The total population of the Tenderloin is **24,255**.

There are approximately **3,000** children living in the Tenderloin.

There are **3,828** seniors living in the Tenderloin. }

Source: Reinvestment Fund PolicyMap

(HUD). This meant cuts to housing subsidies and a virtual freeze in direct federal support for new projects. The poverty rate and homelessness soon began to soar in the Tenderloin.

The neighborhood again suffered in the wake of the Great Recession of 2008, in particular with draconian cuts to SSI and other benefits upon which many Tenderloin residents rely. Job losses and public service cutbacks also adversely affected the neighborhood and its residents, while community organizations, including TNDC, struggled to maintain their level of supportive services to their constituencies.

2016 and Beyond

Today, the Tenderloin is a diverse, vibrant, predominantly low-income community, and the most affordable in San Francisco. Accordingly, the Tenderloin is also home to a rich array of community agencies—more than any other neighborhood in San Francisco—serving its residents.

The Tenderloin is still changing. As San Francisco housing prices have escalated, the burgeoning technology industry in the adjacent Mid-Market area has brought more affluent renters, along with businesses to serve them, into the Tenderloin. This increased pressure on the Tenderloin housing stock and the changing economics of its residents will have a significant impact on the neighborhood in the coming years.

In short, the Tenderloin is at a critical stage in its development to be a diverse, open, and livable neighborhood—one where low-income people can afford housing that meets their basic needs, is close to the amenities and services that enhance their quality of life, and provides them with the safety and stability they need to fulfill their potential. TNDC, like the other nonprofits anchored in the community, will remain dedicated to ensuring that the Tenderloin remains a safe and welcoming haven for low-income San Franciscans.



TNDC’s Board of Director’s Meeting, early 1990s.

Anchoring the Tenderloin for 35 Years

“Without TNDC, the Tenderloin neighborhood would be very, very different. TNDC housing is an island of stability.”

Olson Lee, director of the Mayor’s Office of Housing and Community Development

In 1981, the Tenderloin was a neighborhood in flux. Historically, it was a working-class neighborhood. But beginning in the 1950s, due in part to urban renewal policies, and then in the late 1970s and early 1980s, as a result of a surge in homelessness and drug availability in the neighborhood, it began an economic decline.

Beyond the Tenderloin

While TNDC is based in and largely focused on the Tenderloin, in the 1990s it slowly began expanding to other parts of San Francisco. The staff and Board realized that TNDC, with its unique approach to community development, had a strategic rationale and a responsibility to play a role in advocating for and preserving affordable housing not just in the Tenderloin, but throughout San Francisco. Today, one-third of TNDC's units are outside the Tenderloin.

Other than three small properties gifted to it in the late 1980s and mid-1990s, TNDC's first foray outside the Tenderloin was the SOMA Studios & Family Apartments, a joint venture with Citizens Housing Corporation. TNDC's first new construction project, it was also TNDC's largest project to date, with 88 studio and 74 family units, as well as commercial spaces geared to serving the neighborhood. The building, completed in 2003, won numerous awards for its innovative design and financing. It comprises three different projects, with separate owners and financing structures—studios, family housing, and commercial spaces—on a single lot.

"The city wants to fund affordable housing throughout the rest of San Francisco," says TNDC Executive Director Don Falk. "It's not that the city doesn't want to build and renovate more housing in the Tenderloin. It's that they've done so much in the Tenderloin, and they want to do so in other neighborhoods as well. If we want to keep, develop, and preserve more affordable housing, we must work outside the Tenderloin."

Then, from the mid-1970s through the 1980s, a new population put increased pressure on the housing stock and other resources in the neighborhood—thousands of Southeast Asian refugees fleeing violence and persecution in the aftermath of the Vietnam War.

This increased density led TNDC's five founders to identify affordable housing as the most critical need in the Tenderloin. They were also dedicated proponents of the cooperative model of ownership and believed that an affordable-housing nonprofit organization in the Tenderloin would be ideal for carrying out this vision.

Tom Lauderbach was a VISTA volunteer. Bruno Hicks was an activist Franciscan friar. Tom Rosenberger, also a Franciscan friar, was associated with Franciscan Charities. They hired two consultants, Jaques Kaswan, one of the pioneers of the housing co-op movement, and Hal Feiger, who owned a real estate brokerage that identified properties ripe for conversion into cooperatives. With the help of generous funding from Franciscan Charities, TNDC purchased its first four properties in 1981.

In 1981, when the self-proclaimed "Five Musketeers" decided to purchase properties in the Tenderloin and transition them into tenant-run co-ops, they were feeling their way. Clio Tarazi, who at the time was working as a loan officer for the City and County of San

Francisco and later served as chair of the TNDC Board, likes to tell the story. "One day in 1981 this hippie [Tom Lauderbach] walked into our office and said, 'We want a housing nonprofit, too, for the Tenderloin.' I told him, 'You can't have a nonprofit—you have to have a property.' To my amazement, a few months later, he walked back in with site control of the Aarti Hotel."

TNDC soon bought three other properties and began the process of establishing a cooperative model: Eventually, each tenant would have a small ownership interest but a limit on appreciation, to keep the co-op affordable. And by virtue of being co-owners, they'd have a greater stake in the success of the building and greater community. It also meant that tenants would share management responsibilities.

The idealism that drove the founders of TNDC to adopt this model, however, was not enough to overcome the on-the-ground challenges. The level of decision making required proved to be too time-consuming for the vast majority of the tenants, who were more focused on managing the daily tasks of working and raising their families and, for many, adapting to a new country.

By the early 1990s TNDC had abandoned the co-op model. However, the seeds were sown—TNDC would remain committed to grassroots community

organizing and seek opportunities for tenants to amplify their voice, become civically engaged, and have an impact on their community.

The organization's founding coincided with the contentious downzoning battle of the early 1980s, when three hotel chains proposed building market-rate tourist hotels on the edge of the neighborhood. Tenderloin community organizations and residents put pressure on City Hall to require the hotel chains to provide funds for affordable housing and significant community benefit agreements in exchange.

At the time, Brad Paul was the executive director of the North of Market Planning Coalition, which led the fight against the hotels and to change the zoning in the Tenderloin.

"TNDC played a critical role in the eventual downzoning victory," says Paul. "All the local nonprofit groups and service providers worked to get Tenderloin residents to show up at the hearings. But TNDC easily brought in the most. Sometimes, we could get as many as a hundred people to show up at City Hall. And because they were low income and lived in the Tenderloin, their voice was the most powerful. TNDC tenants were very eloquent about how market-rate hotels and housing moving into the Tenderloin would severely impact their ability to stay in the neighborhood."



Brother Kelly Cullen and former TNDC executive director Catherine Merschel.

The Maturation of TNDC

Entering the 1990s as a struggling, emerging organization, TNDC began an important evolution with the hiring, in 1993, of Franciscan Brother Kelly Cullen as executive director. His philosophy was that the organization should buy as much property as quickly as possible, to remove it from the speculative market. TNDC was not afraid of risk—the work had to be done. It was controlled chaos. The organization would act, then solve whatever problems followed. TNDC was growing at a dizzying rate, raising funds and building capacity to manage its increasing size as it went.

"Kelly had the philosophy that if we're going to fight gentrification, we're going to buy as much as we can, as fast as we can, because it's only going to be more expensive tomorrow," says Don Falk, TNDC's current CEO. "He and [Board president] Clio Tarazi were willing to accept the risks of trying to do too much, in the interests of permanent affordability. They were courageous."

By 1996, TNDC had more than 10 projects in development and was effectively managing to keep pace with its

{ **TNDC Date of Incorporation:**
June 16, 1981. }

1981

Neighborhood activists incorporate TNDC

1989

Owns eight buildings with 489 units and employs 75 people

1993

Launches TNDC's Tenderloin After-School Program (TASP)

1993

Sponsors first Celebrity Pool Toss to benefit TASP

1996

Brings social work services in-house through hiring of first social workers

1996

Kelly Cullen co-chairs the successful Proposition A campaign to generate \$100 million in bond proceeds for affordable housing

2000

Acquires Antonia Manor, Maria Manor, and Alexander Residence in December, growing to 1,450 units and 148 staff

2001

Completes 864 Ellis Street, first permanent housing for homeless youth in California

2003

Opens SOMA Studios & Family Apartments, first new construction project, followed two years later by opening of Curran House, second new construction project serving families

2007

Launches Community Organizing Department

2008

Registers 300 new voters in the Tenderloin District and, two years later, organizes the neighborhood's "Yes We Count" census campaign



TNDC logos over the years.

growth and ambitions. In 1994, Brother Kelly hired Don Falk as housing director and, in 2001, former executive director Catherine Merschel as deputy director. She brought in the organization's first chief financial officer, Paul Sussman. Merschel led a strategic planning process and professionalized many internal systems, which strengthened TNDC's financial and organizational capacity to operate its existing business while continuing to grow.

Growth Spurts and Growing Pains

By the turn of the 21st century, TNDC had expanded dramatically. The organization had more than doubled its units under management and employed 148 staff. As it turns out,

its greatest growth was yet to come.

In December 2000, in partnership with the San Francisco Redevelopment Agency, TNDC purchased a cluster of three buildings—Antonia Manor, Maria Manor, and Alexander Residence. They were known as the Preservation Properties because, prior to TNDC's acquisition, they had been at risk of conversion from affordable to market-rate housing. As a result of TNDC's acquisition, they were preserved for long-term affordability.

Over the next five years, TNDC continued to initiate and complete development projects, adding to its portfolio and improving its systems and internal operations. But in 2005, a crisis threatened the stability of the organization. Brother Kelly, TNDC's longtime executive director, decided to

leave (see profile, page 16). His departure posed a significant risk, as he was the public face of the organization and the primary force behind its fundraising success.

Following a nationwide search, Falk was hired to take his place. Over the next 10 years, under his leadership, TNDC continued its remarkable trajectory of growth. In 2005, Curran House, TNDC's first newly constructed family apartment project, opened. In 2009, TNDC took over the portfolio of the Citizens Housing Corporation, adding 540 units on three development sites to its portfolio. In 2013, the nationally acclaimed Kelly Cullen Community opened—TNDC's first large-scale property serving a 100 percent homeless population.

In 2015, TNDC added another significant cluster, buying from the San Francisco Housing Authority five public housing properties containing over 700 units and financed under the new federal Rental Assistance Demonstration program. With this purchase, TNDC became part of a citywide effort and national model for redeveloping public housing. Along with a dozen other properties in its development pipeline, this would put TNDC on a path towards owning nearly 3,500 units by 2017, roughly doubling its portfolio from 2005 (not including another 700 units developed with or for other organizations).



TNDC employed over 350 people by the middle of 2016.

“As TNDC proved its ability to complete projects successfully, new opportunities kept emerging,” says Falk. “We swing for the fences, focusing on big projects with big risks and big impacts.”

Growing and Thriving

As TNDC grew, the increased income and stability that came through the property management function allowed

it to significantly expand the scope of its tenant services and community organizing departments. From its inception, TNDC believed that providing a roof was not enough; it also must offer services to support tenants with access to opportunities and resources.

Today, each building has access to a social worker trained to work with tenants around issues they identify,

such as substance use, HIV/AIDS, or other chronic health challenges. In addition, the TNDC Tenant Services Department works to connect tenants with their neighbors and the greater community by offering a wide variety of programs, including TNDC's Tenderloin After-School Program.

The Next 35 Years

Today, TNDC is nationally acknowledged as a pioneering organization and a model for its role in equitable development, neighborhood preservation, homeless housing, and support services.

The organization is unique, not only in the Bay Area but nationally, because it combines a grassroots focus and sensibility with building and operating at the scale more typically seen from a regional developer. Few community-based developers have TNDC's financial wherewithal and breadth of expertise—its ability to combine housing development, property management, supportive services, and community planning and organizing under the same roof.

“Thirty-five years ago, TNDC was a neighborhood-based organization,” says former Board president Clio Tarazi. “TNDC has clearly grown and evolved and changed as a result of its experience and its success, and because of that ability to change and grow, it will be a force in affordable housing for years to come.”

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| <p>2009 Acquires Citizens Housing Corporation's San Francisco affordable housing portfolio, including six buildings and three developable sites</p> | <p>2010 Launches Food Justice program with the transformation of a vacant lot into a vibrant community garden; three other gardens follow within two years</p> | <p>2011 990 Polk Street is a finalist in the World Habitat Awards</p> | <p>2011 Chartered as member of NeighborWorks America, one of only two organizations in San Francisco to be admitted</p> | <p>2012 Opens Kelly Cullen Community, 172 units for chronically homeless individuals and on-site health and wellness clinic, in partnership with Department of Public Health</p> | <p>2012 Social Innovation Fund Award: TNDC receives one of four contracts awarded nationwide by the Corporation for Supportive Housing for health and housing work</p> | <p>2013 Receives a National Preservation Honor Award from the National Trust for Historic Preservation for Kelly Cullen Community</p> | <p>2014 Awarded control of five San Francisco Public Housing properties containing over 700 units occupied by seniors and people with disabilities</p> | <p>2014 Awarded projects in Mission Bay and Transbay, further expanding TNDC's growth</p> | <p>2015 Hires first Health and Wellness Program manager to strengthen work on home and health</p> | <p>2015 Secures financing for Eddy and Taylor Family Apartments project, making TNDC the first awardee in San Francisco of new State Cap-and-Trade funding</p> | <p>2016 TNDC celebrates its 35th year, has a portfolio of 33 buildings, provides housing for 3,600 people, and employs over 350 people</p> |
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A Tenderloin Icon

TNDC's longtime executive director Kelly Cullen devoted his life to the people of the Tenderloin

Franciscan Brother Kelly Cullen, the late longtime executive director of TNDC, was that rare human being who was as comfortable in the grand ballroom of a Pacific Heights mansion as in a Tenderloin soup kitchen. Brother Kelly's energy and vision helped shaped TNDC into one of the leading community development nonprofits not only in San Francisco, but in the United States.

When he became the executive director in 1993 (having served on the board before then), TNDC was an organization struggling to survive and manage its modest portfolio of eight buildings and 498 units. When he stepped down in 2005, TNDC owned 23 properties, comprising about 1,700 units.

"Kelly put his passion for protecting housing in the Tenderloin to work at TNDC," says former TNDC Board member Radha Stern. "He was the sweetest, most charismatic person. He was a magnetic fundraiser, and able to engage the wealthy of San Francisco to invest in TNDC's mission, calling on the old money that loved the city and wanted to see it thrive, including the Tenderloin. He was never in it for himself. He did it all for the poor of the Tenderloin."

Brother Kelly came to the Bay Area from Seattle in the mid-1970s to study theology at Berkeley's Graduate Theological Union and received a master of divinity degree from the Franciscan School of Theology there in 1982. Barry Stenger, executive director of St. Anthony's Foundation, remembers his former classmate as a dynamo: "Kelly had to find an expression of his spirituality in neighborhoods, in the city. For Kelly, becoming a Franciscan friar was not monastic. Instead, it meant becoming part of the world and part of the policies and procedures and politics that described the world."

In his 25 years living and working in the Tenderloin, Brother Kelly was on the frontlines of many successful initiatives. He joined forces with another community leader—Midge Wilson, co-founder and current executive director of the Bay Area Women's and Children's Center (BAWCC)—in 1981 to establish the first neighborhood playground and to assist BAWCC in building the Tenderloin's first

Brother Kelly Cullen Service Award List of Recipients

A traditional highlight of TNDC's annual Birthday Dinner is the community service award, presented each year to a deserving individual who has shown exemplary support and commitment to TNDC and the Tenderloin neighborhood. To honor Brother Kelly Cullen for his many years of outstanding service to TNDC and his unwavering commitment to the Tenderloin neighborhood, this award has been named in his honor.

- 2016 Felicia Elizondo, LGBT pioneer and advocate
- 2015 Fadhl Radman, owner of Radman's Produce Market
- 2014 Darryl Smith and Laurie Lazer, co-founders of the Luggage Store Gallery/509 Cultural Center and Tenderloin National Forest
- 2013 Hastings College of the Law, President Frank Wu accepting
- 2012 Mimi Yee, Manor House Restaurant
- 2011 Franciscan Friars of St. Barbara Province, Fr. John Hardin accepting
- 2010 Brad Paul, long-time Tenderloin advocate
- 2009 Art Evans, A. F. Evans Development
- 2008 Midge Wilson, Bay Area Women's and Children's Center
- 2007 Rev. Glenda Hope, San Francisco Network Ministries
- 2006 Chip Conley, Joie de Vivre Hospitality

elementary school. He was instrumental in establishing the first police substation in the Tenderloin and in the multi-million-dollar capital campaigns to rebuild St. Boniface Catholic Church and rebuild the main San Francisco Public Library.

He was also a tireless community organizer and advocate for the residents of the Tenderloin, a savvy political operative who frequently led the charge to preserve low-income housing. He had an incredible appetite for buying property in order to take it off the open market, and tolerance for risk, says Don Falk, TNDC's current chief executive officer, who worked

alongside Brother Kelly for a decade directing its housing development work.

Brother Kelly left TNDC in 2005, and Falk succeeded him. He remains grateful for Brother Kelly's contributions: "Kelly led TNDC with a set of values that infuse the organization to this day—compassion, service, focus on the most vulnerable and marginalized, and a love for the people of the Tenderloin. To this day, I see his influence in all that TNDC does and the way we operate."

Brother Kelly died in 2010 at the age of 57 while on a trip to Rome.



Fighting to Preserve San Francisco for All

“In a city that’s economically doing so well, you have to fight to carve out a role for affordable housing—TNDC does that so very well.”

Carla Javits, former president and CEO, Corporation for Supportive Housing

For more than 50 years, low-income people have struggled to live in San Francisco in the face of rising property values. TNDC’s founding in 1981 was a community-based response to the larger issues playing out in the city in the preceding decade. Tensions in San Francisco and the Tenderloin centered around rising rents. Gentrification and displacement were at a fever pitch in the late 1970s and early 1980s, when three hotel chains planned to build massive tourist hotels on the edge of the neighborhood. This, many argued, would have opened the floodgates of upscale market-rate development, leading to the displacement of many low-income residents and the “Manhattanization” of the neighborhood.

TNDC’s formation was the natural outgrowth of the community activism of its era. It was formed not only to develop affordable housing, but also to preserve the low-income nature of the Tenderloin. TNDC was among the first wave of nonprofits in San Francisco—the first in the Tenderloin—to purchase property to take it off the speculative real estate market and develop housing affordable to low-income people in perpetuity.

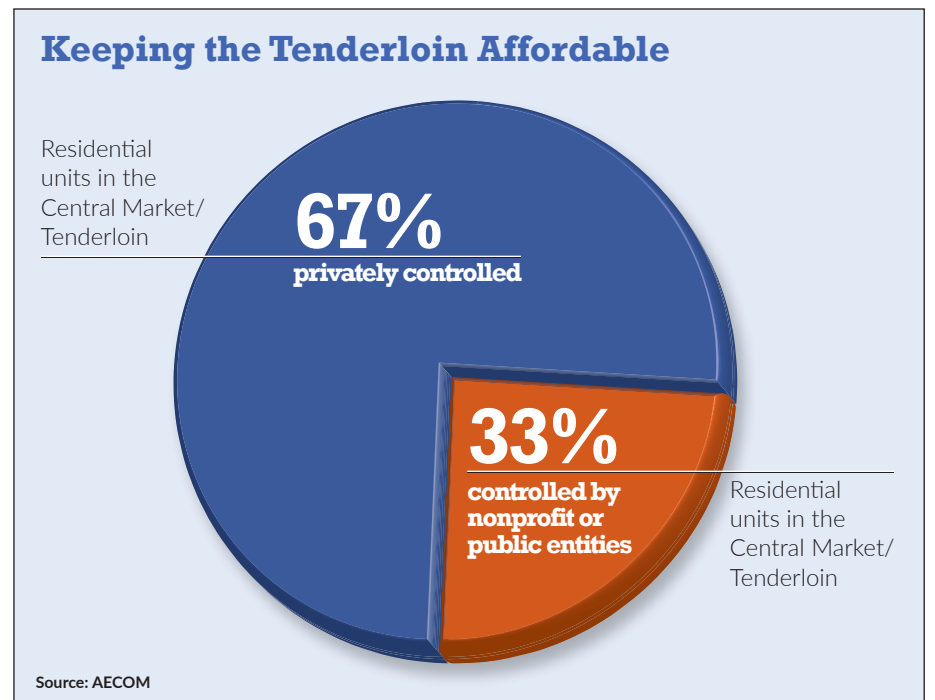
At different times over the past 35 years, TNDC, alongside other Tenderloin residents and organizations, has relentlessly advocated and organized to change laws, pass propositions and initiatives, raise civic and public awareness, and secure hundreds of millions of dollars to preserve affordable housing in the Tenderloin.

Today, approximately one-third of the Tenderloin housing stock is preserved as affordable. Thousands of units have been removed permanently from the stock of market-rate housing, thereby preventing the displacement of a significant proportion of the Tenderloin’s low-income residents. Since 1981, TNDC alone has preserved and provided affordable housing for tens of thousands of low-income San Franciscans.

The Manhattanization of the Tenderloin

For many years, market-rate developers eyed the edge of the Tenderloin that borders Union Square. In 1980, with the support of City Hall, three national hotel chains made their move. At the time, the Tenderloin’s zoning permitted both tourist hotels and high-rise commercial buildings. Civic leaders had long seen an opportunity to expand Union Square south and west into the Tenderloin.

The hotel developers soon learned that building in the Tenderloin wasn’t going to be easy, as Tenderloin residents galvanized. An influential community advocacy organization, the North of Market Planning Coalition (NOMPC), led the



battle against the hotels. NOMPC brought more than 100 Tenderloin residents to the initial San Francisco Planning Commission hearing to voice their opposition. The high turnout, coupled with another hearing a few weeks later attended by 200 elderly residents, impressed the city and laid the groundwork for concessions.

The Planning Commission approved the three hotels, which today are the Hilton, Nikko, and Parc 55. However, as a result of the groundswell of community opposition, the Commission required each hotel developer to contribute for low-cost housing “replacement units.” They also were required to sponsor a \$4 million federal Urban Development Action Grant (UDAG) to buy and renovate four Tenderloin SROs. These were landmark concessions, for such mitigation was unprecedented at the time. Today, these agreements are increasingly common throughout the United States.

Winning these concessions was just the first step, though. The ultimate goal was to rezone the Tenderloin as residential to prevent future commercial encroachment. In 1981, NOMPC submitted to the Planning Department a proposal to limit

the height of buildings and rezone the Tenderloin as residential and to ban the development of new tourist hotels, prevent commercial use above the second floor, and maintain the Tenderloin’s existing eight-story height limit. In March 1985, the rezoning was signed into law.

The Table Is Set

These monumental victories opened the door to more opportunities for affordable housing advocates. The next logical step for the coalition, including TNDC, was to rally for the passage of the Hotel Conversion Ordinance (HCO). The Tenderloin neighborhood (along with South of Market) has always had the greatest number of single-room occupancy units (SROs) in the city. In the early 1980s, owners of hotels and real estate speculators were eager to turn SROs into market-rate hotel rooms or condos.

The ordinance, passed in 1981 (and strengthened in 1990), required owners of residential hotels to pay a fee to the city’s Affordable Housing Replacement Trust Fund or to provide replacement units before they converted their hotels for tourist use. Over the years, in the

Tenderloin alone, the ordinance has preserved thousands of SRO units, thereby maintaining a stable housing environment for low-income residents.

Another land-use battle was brewing. In 1981, Mayor Dianne Feinstein contracted with a for-profit developer to purchase and rehabilitate four SRO hotels—the Ritz, the Dalt, the Hamlin, and the William Penn, all in the Tenderloin. The city also put together a consortium of local banks, which agreed to lend more than \$5 million to provide financing to the developer. The city added a nearly \$5 million subsidy from the UDAG as well as other monies from city grant programs. The project included 467 affordable hotel rooms.

Finally, after nearly two decades of organizing and negotiations by TNDC and other neighborhood organizations, the activists forced concessions. TNDC and Chinatown Community Development Center took control of the four UDAG hotels on behalf of the community. Ultimately, all four were preserved as affordable in perpetuity.

TNDC played a central role in another long-drawn-out battle, between Hastings College of Law and neighborhood activists in what became known as the “West Block” controversy.

The law school owned a number of properties in the neighborhood. Because it was part of the University of California system, it was not subject to the same land-use controls as other developers, and in some cases it used that protected status to attempt to develop property in ways inconsistent with the neighborhood’s best interests.

The community pushed back. A coalition of neighborhood groups, called START (Save the Tenderloin as Residential Today), including TNDC, confronted Hastings College, citing a city code that prohibited the West Block from becoming commercial properties. The negotiations were acrimonious and marked by heated public protests. Eventually, in 1994, the coalition and public pressure forced the school to concede. It put four West Block properties on the market that largely housed low-income people. TNDC was the high bidder for two—250 and 260 McAllister (now the Plaza & Ramona Apartments)—preserving 63 studio units for low-income residents.

Advocating Outside the Tenderloin

Over the last several years, TNDC has become increasingly involved in broader San Francisco land-use issues. In 2011, Sutter Health proposed constructing the California Pacific Medical Center at Van Ness Avenue, adjacent to the Tenderloin. Community groups feared the displacement of low-income residents, an increase in traffic, and potentially a lessening of quality of life. TNDC’s Community Organizing Department played a leadership role in the protracted negotiations, which in 2013 resulted in a significant community benefit agreement with Sutter.

TNDC now closely ties together its

{ The population density of the Tenderloin is 4 times that of San Francisco as a whole. }

{ Between 1975 and 1988, San Francisco lost 43% of its low-cost residential hotels. }

Sources: *Tenderloin Times* and *San Francisco’s Single-Room Occupancy Hotels: A Strategic Assessment of Residents and Their Human Service Needs*, by Aimee Fribourg

community planning advocacy and its community organizing work to fight displacement in the Tenderloin and throughout San Francisco. Informed by its planning work, TNDC’s advocacy is built on the direct participation of TNDC tenants, who learn how to exercise their power and develop their organizing skills.

As a result, the path that housing activists, in partnership with TNDC, have taken to preserve affordable housing in the Tenderloin is considered a national model. Affordable housing developers nationwide have acknowledged that the Tenderloin and San Francisco have established a blueprint to reduce the effects of gentrification and displacement. Approximately one-third of the Tenderloin’s housing stock is preserved in perpetuity for low-income residents, more than any neighborhood in any other major city in the United States.

Yet land-use challenges remain and have accelerated because of the skyrocketing cost of housing in San Francisco and the scarcity of funding for low-income housing projects. Today, San Francisco is in the midst of a housing crisis of unprecedented severity. TNDC will continue to bring all its resources and acumen to the task of fostering equitable development to help preserve San Francisco as a diverse, welcoming city for all.



Home A Human Right

“Home is not just where you sleep at night, it’s the place from which all other opportunities spring.”

Lorenzo Listana, tenant and community organizer

An affordable home is the foundation for stability, growth, and development for all of us. Without a home, children are more likely to suffer physical, developmental, and mental health challenges, they are less likely to graduate high school, and they are at greater risk of incarceration. Adults suffer similar stresses as well—on their health, jobs, and relationships. Opportunity cannot knock if you don’t have a door.



Alexandra Goldman,
TNDC’s senior
organizing and
planning manager.



From its founding in 1981, TNDC has been staunchly committed to providing affordable housing and preserving the neighborhood for low-income people. Programs and projects have evolved over 35 years, but all of TNDC's work stems from a belief that housing is a basic human right.

In its first 35 years, TNDC purchased and rehabilitated, or built from the ground up, 33 properties that provide homes for 3,600 people. These homes are for formerly homeless adults and youth, seniors, low-income families with children, people with physical or mental disabilities, people with HIV/AIDS, immigrants, and people with substance use issues—a population as diverse as the Tenderloin that is its home. In 2016 TNDC has in its development pipeline more than a dozen properties creating nearly 1,500 units, which will ultimately house 2,500 more low-income San Franciscans.

"Affordable housing lies at the foundation of a person's well-being," says TNDC Chief Executive Officer Don Falk. "Paying too much for housing leaves families with the terrible choice between

{ 33% of Tenderloin households paid more than 50% of their income in rent in 2014, up from 28% in 2010. }

Source: San Francisco Mayor's Office of Housing and Community Development and Office of Economic and Workforce Development

paying for rent and paying for medical care, education, food, and more."

TNDC doesn't just build housing units—it builds homes. TNDC housing provides a platform for boosting well-being beyond the basics of shelter and affordability. As studies have demonstrated time and time again, people who live in safe and secure affordable housing experience better outcomes along a range of factors, from education to health to employment. Megan Sandel, associate professor of pediatrics at Boston University, has called housing a "vaccine" for children's health and well-being. Furthermore, people with health issues who live in supportive housing (affordable housing paired with supportive services) are not as likely to be high users of city health care services and emergency rooms compared to people who are homeless. It is clearly more humane and less expensive for society to house people than to allow them to remain homeless.

As TNDC began managing properties in the Tenderloin, its staff saw firsthand that a service component would be essential, says Falk.

"An early brochure of ours declared on its cover, 'More Than Just Housing,' and that reflected the growing understanding that voluntary services were an essential part of successfully building community and managing property," Falk says.

The overarching goal is always to respond with compassion to the issues raised by the community, to help improve and stabilize the lives of TNDC tenants, and to collaborate in the creation of a healthy and safe community.

San Francisco's Affordable-Housing Challenge

Today, TNDC's core mission—equitable access to opportunities and resources through affordable housing and services—is even more pressing and more challenging. San Francisco is experiencing a severe housing crisis. As the city's economy emerged from the 2008 Great Recession, new companies have moved to San Francisco. With them, job opportunities have expanded, particularly for middle-income and higher-income workers, creating a housing affordability crisis for lower- and middle-income people in the city.

Those on the lowest end of the economic scale have been severely impacted by San Francisco's housing crisis. The Tenderloin, where more than 50 percent of households live with incomes below the federal poverty line, is especially in peril, even with much of the housing being permanently affordable.

In response to these threats, TNDC will continue to do what it does best—pursue and execute new affordable-housing opportunities to minimize displacement. TNDC's track record in successfully navigating the complex process of purchasing, developing, and managing affordable housing puts it in an excellent position to continue to lead the way in equitable development in the Tenderloin and elsewhere in San Francisco. The city recognizes TNDC's vital role in making San Francisco more affordable and livable for low-income people.

"The more buildings TNDC controls, the better those blocks get," says Olson Lee, director of the San Francisco Mayor's Office of Housing and Community Development, who has worked with TNDC for more than 25 years. "The city knows—as does TNDC—that it's not just about housing poor people. It's also about the dignity that comes with having sound and secure housing. TNDC's ability to acquire properties has allowed those properties to be stabilized. They are good stewards of their properties. And being a good manager to one's tenants also means you're looking out for the larger neighborhood. Without TNDC, the Tenderloin neighborhood would be very, very different. Clearly the housing that's owned by TNDC is an island of stability."

TNDC: Housing Diversity

Over the years TNDC has built a variety of housing. Its first eight buildings were all renovations of single-room occupancy hotels (SROs) and apartments. Its first new construction was the SOMA Studios & Family Apartments, completed in 2003. TNDC's first project targeting families, Curran House, welcomed its first families in 2005. In addition to developing properties that it owns and manages, TNDC provides technical assistance to nonprofits that lack the experience or financial strength needed to develop and operate affordable housing on their own. Here is a snapshot of some of TNDC's 33 buildings.



Ambassador Hotel

Long managed by Tenderloin and gay activist Hank Wilson, the Ambassador Hotel was known as a welcoming place for gay, lesbian, and transgender people, as well as those with HIV/AIDS. Encouraged by community and city leaders, TNDC acquired the Ambassador in 1999. It was in serious disrepair, and TNDC completed a full rehabilitation and opened its doors in 2003. The renovation of the 134 SRO units added private baths, along with community kitchens, an upgraded lobby, new laundry rooms, and a 4,000-square-foot social service wing. Fifty of the units are set aside for homeless individuals, and some are set aside for people with a diagnosis of HIV or AIDS.

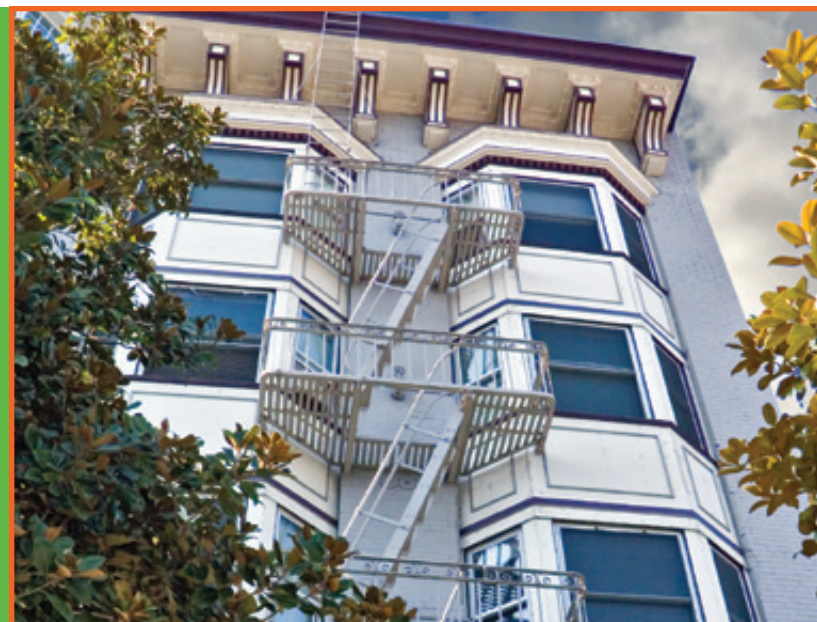


Preservation Properties

The Alexander Residence, Antonia Manor, and Maria Manor, purchased in 2000, are known within TNDC as the "Preservation Properties." They were among many properties across the nation whose affordability have been preserved from threatened conversion to market rate upon expiration of their original subsidies. All three buildings house seniors and people with disabilities.

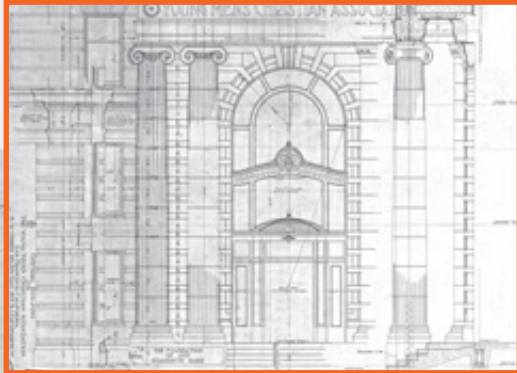
Ellis Street Apartments

Homeless youth, a population with specific challenges, have often been housed with other older homeless individuals or with other youth with differing needs. So often these settings are not appropriate or safe for youth. Or they have been ignored altogether. TNDC's Ellis Street Apartments, with 24 studio units, opened in 2002 as the first permanently affordable housing for formerly homeless youth in California and the third in the United States. Many of its residents receive support services from TNDC's partner, Larkin Street Youth Services.



Curran House

Curran House, TNDC's first solo venture into family housing development, was named in memory of Sister Patrick Curran of the Sisters of Mercy, late executive director of St. Anthony Foundation. Curran House opened in 2005 and was a much-needed addition to the Tenderloin, which is home to more than 3,000 children. Curran House, built on a former parking lot, has 67 units, and nearly 60 percent are two bedrooms or larger. It boasts many amenities, including a spacious lobby, a rooftop garden, a community room, and a tranquil inner courtyard. Curran House has been honored with a host of awards for its innovative design and functionality.



Kelly Cullen Community

Kelly Cullen Community is one of TNDC's most innovative projects. It has been recognized nationally for its deeply intertwined combination of health services and housing. TNDC purchased the magnificent and historic former Central YMCA in 2007 and embarked upon an adaptive reuse, renovating the building and adding rooms while converting offices and physical fitness facilities to affordable housing. TNDC's rehabilitation restored the nine-story building's 1909 Italian Renaissance Revival grandeur with a preserved façade, historic auditorium, gymnasium, lobby, atrium, mezzanine, and grand entry staircase. The first residents were welcomed in 2012. Kelly Cullen Community features 172 units of supportive housing for chronically homeless individuals. This was TNDC's first large-scale property serving a 100 percent homeless population. It offers robust supportive services and an 11,700-square-foot primary care clinic operated by the San Francisco Department of Public Health. Kelly Cullen Community represents the progression of TNDC's ever-evolving integrative housing and social service model—a holistic approach to addressing the medical, mental health, and substance use issues of tenants. It was one of only four projects nationally selected by the Corporation for Supportive Housing's initiative to support innovative solutions at the intersection of supportive housing and health care.



SOMA Studios & Family Apartments

The majority of TNDC's buildings have been developed for extremely low-income people, with more than 80 percent of the tenants with incomes under 30 percent of the area median income (AMI). But in recent years, as housing prices in San Francisco have skyrocketed, TNDC has recognized that it has a role to play in addressing the housing shortage for low-income households with incomes above this level. The SOMA Studios & Family Apartments at Eighth and Howard streets was TNDC's first building targeted at a broader spectrum of low-income households. The family units are for tenants with an average of 55 percent of the AMI; the studio units are pegged at a much lower rate, with nine set aside for people with HIV or AIDS. The building, which opened in 2003, was also significant because it was TNDC's first new construction project, its first major project outside the Tenderloin, and its first joint venture. The complex of 88 studios and 74 family units was developed in partnership with Citizens Housing Corporation. The development also includes a commercial element with a childcare center, grocery store, and jujitsu studio. TNDC's commitment to enhancing the broader neighborhood is reflected in the developments' significant ground-floor commercial activity, and in the range of housing affordability and housing types.



More than 4 Walls and a Roof Pioneering Supportive Housing

“There is a respect for the tenants that plays out in day-to-day life of TNDC, in the expectation that they are first and foremost individuals who are part of a community.”

Helen Dunlap, national affordable-housing consultant

When TNDC was formed in 1981, the concept of offering supportive services in affordable housing was in its infancy. Over the years, TNDC embraced this crucial connection and was among the first organizations in the country to marry housing and services. TNDC offers voluntary supportive services to its tenants, and in 2015, 97 percent chose to access services. They sought support because they were affected by various issues: substance use, mental illness, physical and mental disabilities, HIV/AIDS, domestic violence, a history of trauma or homelessness, and aging.



Through the Tenderloin Healthy Corner Store Coalition, Fadhil Radman's market now offers fresh produce.

The ultimate goal of this housing-based support is to help people retain their housing. Over the years, TNDC has developed and refined its philosophy and model of voluntary supportive services—a model based on principles of cultural humility and harm reduction.

“Cultural humility” means that the TNDC staff don't presume to know what's best for tenants. Staff respect each individual's history, cultural experience, and personal story. Their job is to listen and suggest, not dictate. “Harm reduction” is a principle and set of public health strategies aimed at minimizing the negative consequences of substance use. It is also guided by a commitment to social justice and a belief in and respect for those who are substance users.

In all cases, the aim is to “meet tenants where they are” while demonstrating respect for choice, cultural identity, and self-determination. This includes ensuring that tenants have access to services in the language they are most comfortable communicating in.

TNDC's commitment to its tenants goes well beyond that of most affordable-housing nonprofits, says Helen Dunlap, former deputy assistant secretary of Housing and Urban Development under President Bill Clinton and a longtime housing leader.

“TNDC's respect for its tenants, which plays out in the day-to-day life





Tenderloin residents Marvin Debow and his wife, Davonne, who are amongst those depicted in Mona Caron's mural, *Windows into the Tenderloin*. Courtesy of Central City Extra.

of the organization, is unusual," she says. "It comes across in the expectation that the tenants are first and foremost individuals—individuals who are also part of a community. There isn't any of the patronizing or judging that can be inherent in our work. I won't say TNDC is the only one, but it is certainly one of very few affordable-housing nonprofits in the country that shows this level of respect for its tenants."

Evolution of the TNDC Supportive Services Model

During TNDC's first 15 years, the majority of its tenants sought supportive services, and TNDC contracted with third-party service providers to offer them.

At the time, there was a growing understanding nationally that housing alone was not enough to help tenants build stable and secure lives. Out of that emerged a desire to offer direct and more comprehensive support services to tenants.

In 1996, TNDC decided to phase out the use of third-party services and instead hire staff and offer its own support services to tenants. The tenants would be better

served if their property management and services staff were part of a cohesive team of co-workers, with a unified philosophy and organizational culture.

Services in Housing TNDC Social Workers: a Trusted Resource

The core of TNDC's Tenant Services Department is its social workers. Their primary role is to help tenants maintain secure housing and stabilize their lives. By working closely with property management staff, TNDC social workers assist tenants in avoiding eviction; link tenants to medical, mental health, and substance use services; and help them access public benefits. They also connect tenants to employment and training programs and work at building community within the properties.

Tenants have different issues, and the relationship of social worker and tenant is very personal. Some may need help navigating the San Francisco Unified School District to find the best school for their children. Others may require assistance securing public benefits, finding

employment opportunities, or making and attending medical appointments.

TNDC has been very successful in enabling its tenants to remain housed. Ninety-two percent of the tenants who were in jeopardy of losing their housing as a result of nonpayment of rent, nuisance behavior, or safety issues remained housed or moved out prior to an eviction.



Social and Community Activities

As has been well documented, social connection is one of the keys to well-being and longevity. TNDC offers tenants an extensive and diverse slate of social opportunities: holiday parties within buildings, walking clubs, karaoke events, movie matinees, poetry hours, bingo, and community-organizing opportunities and training. In addition, tenants are encouraged to participate in Tenderloin-wide events. TNDC sponsors or co-sponsors community events such as neighborhood block parties. In 2015, TNDC held nearly 1,500 community events for residents.

Aging Safely: Senior Health and Wellness

In 2014, Tenant Services launched a Health and Wellness Program that supports senior residents around healthy aging in place. It offers classes in managing health conditions such as arthritis, diabetes, high blood pressure, heart conditions, and other chronic health issues, and a program addressing fall prevention.



Senior fitness at Antonia Manor.

Services in the Community Food Security: No One Should Go Hungry

From the very beginning, TNDC made sure its tenants had access to food by connecting them to existing meal programs in the Tenderloin, such as those at St. Anthony's Dining Room and Glide Memorial Church.

Eventually, TNDC launched its own food distribution program, partnered with the Heart of the City Farmers' Market that supplements the San Francisco Food Bank, which for over a decade has been making weekly deliveries to 11 TNDC buildings. In 2015, TNDC distributed around 15,000 pounds of food. TNDC also operates an emergency food pantry, offering 400-plus bags of food on Thanksgiving and Christmas.

Food Justice: Creating a Healthier Tenderloin

In 2007, a TNDC-commissioned survey found that although 40 stores in the neighborhood sold food items, none offered all the basics—fruit, vegetables, dairy products, grains, meats, and canned foods. The nearest full-service grocery was a half mile away, and the closest alternatives were out of the tenants' price range.



TNDC tenant and community organizer Lorenzo Listana in the TNDC's Tenderloin People's Garden.

{ In 2015, in buildings in which TNDC offered services, **97%** of tenants used one or more voluntary support services offerings. }

Five years later, TNDC joined other neighborhood organizations to found the Tenderloin Healthy Corner Store Coalition (THCSC). The Tenderloin has the city's highest proportion of retail outlets selling tobacco and alcohol products and is home to residents with the highest rates of chronic illnesses such as heart disease and diabetes. Working with residents, the coalition's Conversion Program lobbies store owners to increase the availability of fresh, healthy food. The Program educates corner store owners about the importance of stocking healthy food—especially fresh produce—and demonstrates that doing so will not hurt

{ Each year, TNDC distributes **3,000** pounds of food that is grown in the TNDC Tenderloin's People's Garden. }

their income, but in fact will be profitable. The coalition also helps the stores redesign their displays to put greater focus on healthier options.

As of the spring of 2016, the coalition has helped four corner stores convert to healthy food markets, with another in the works.

Community Gardens

In 2009, TNDC sponsored a tenant summit to solicit ways to improve and expand its Health and Wellness Program. One of the results, which TNDC enthusiastically implemented, was developing community gardens.

In 2010, TNDC created the Tenderloin People's Garden. Once a vacant lot near City Hall, the garden is now a vibrant and vital community fixture. On just 2,500 square feet, Tenderloin residents have harvested over 3,000 pounds of produce for the community each year, all distributed at no cost to more than 400 low-income residents.



Today, four TNDC buildings have rooftop gardens where tenants can grow fruits, vegetables, herbs, and flowers. Not only are these gardens a source of food, but for some tenants they are a gathering place where they can socialize.

Cultivating a Healthier Tenderloin

TNDC has grown its social services and health and wellness programming tremendously over the last 35 years and has ambitious plans to expand its programming to improve health and wellness outcomes in the Tenderloin.

Increasingly, TNDC will rely on data to direct its resources. TNDC has long been conducting annual tenant surveys and has begun to measure outcomes related to tenants' health. Kelly Cullen Community, at the leading edge of this data-driven initiative, is a national prototype for studying one of the goals of the project: reducing high-cost hospitalization usage rates by homeless people.

"Across the country, people have come to recognize the important connections between health and housing," says Don Falk, TNDC chief executive officer. "TNDC understood and began addressing these connections over a decade ago, but not because we were prescient or brilliant forecasters. It was because so many Tenderloin residents live with chronic illnesses, and we were simply responding to the issues in front of us. As a result, we're now regarded as a leader in this arena. Someday people will commonly understand that housing is health care."



TNDC's Tenderloin After-School Program

Perhaps TNDC's most recognized program has been the Tenderloin After-School Program (TASP). Launched in 1993 to serve the increasing number of children in the Tenderloin, it offers a wide array of programming and serves 250 neighborhood children each year.

TASP has become a critical resource in the neighborhood. The Tenderloin is home to more than 3,000 children, and many young people live in overcrowded housing with limited access to outdoor play spaces and to academic and social enrichment programs. TASP offers an integrated curriculum that includes academic support, cultural appreciation, and recreation to enhance their development and growth.

Consistent with the latest research on child

development and out-of-school-time programming, learning is wrapped into all TASP activities. The programs are designed to integrate with what the children are learning in school and to create opportunities to spark their creativity and critical thinking skills.

Recognizing that young people are working all day in school, TASP is about fun as well. It offers sports, including baseball, basketball, and volleyball, and photography workshops and dance and judo classes. To expose young people to the world outside the Tenderloin, TASP takes students on regular field trips to beaches, museums, sporting events, and even farther afield to places such as Muir Woods and the Monterey Bay Aquarium.



Movie nights, social events, and leadership development activities are among TASP's array of programs designed specifically for teens. The TASP Youth Employment Program offers teens help in résumé writing and job search and interviewing skills.

In 2000 TASP launched a College Exploration Program. Interested teens join a 10-week workshop series that includes guest speakers and programming geared to preparing the students for the college application process. Participants who attend all the workshops, maintain a minimum required GPA, and complete all their assignments are offered the opportunity to participate in a tour of college campuses outside the Bay Area.



Long-term tenant Connie Moy participates in community organizing action.

Amplifying Voices Strengthening the Community

“TNDC helped me find my voice and gave me back meaning and purpose.”

Curtis Bradford, tenant and Board member

TNDC was founded in 1981 with an idealistic vision: The residents in its buildings would not be tenants. Instead, they would manage the buildings, participating in nonhierarchical housing cooperatives. TNDC’s experiment in cooperative housing ultimately failed, as its tenants lacked the time or capacity to become intimately involved in the complex governance of a multifamily building. Nevertheless, the philosophical underpinnings and dedication to the cooperative model that infused TNDC’s early mission have remained integral to the organization to this day.



Diversity celebration at Curran House.

“Residential involvement is in our DNA,” says TNDC Chief Financial Officer and former Board member Paul Sussman. “From the beginning, we were dedicated to building the tenants’ voice and power in the community. There was an electricity to our birth, with this grand experiment of the co-op model. And now that electricity is back, as we have recommitted to community organizing and residential involvement in the past several years.”

Early Tenant Activism

TNDC’s founding coincided with the first wave of a series of land-use battles fought by Tenderloin activists to preserve the low-income nature of the neighborhood. The initial large-scale community action occurred in the early 1980s, when Tenderloin community organizations and residents put pressure on City Hall to reject or amend the proposal of three hotel chains to build market-rate tourist hotels on the edge of the Tenderloin.

In the end, the community pressure worked—and set a precedent that played a key role in preserving the Tenderloin as a haven for low-income people to this day. The three hotels were approved, but the developers were required to make

significant concessions and pay into an affordable housing fund. This protracted case also led to the downzoning of the Tenderloin, which set strict height limits on construction and reclassified it as a residential neighborhood.

Brother Kelly Cullen: Community Organizer Extraordinaire

For much of its first 25 years, TNDC did not put a great deal of resources into community organizing because Board President, and later Executive Director, Brother Kelly Cullen was so effective in that role (see profile, page 16). The charismatic Franciscan Brother Kelly had been active in Tenderloin organizing and advocacy since he arrived in the neighborhood in 1981. He was a leader in the North of Market Planning Coalition and served as its president for a time.

While he was TNDC’s executive director, Brother Kelly was on the steering committee that established the Lower Eddy Street Task Force in 1994 to encourage businesses to invest in the surrounding blocks. He was also instrumental in successfully lobbying the San Francisco Police Department to establish the first Tenderloin substation.

“Kelly was an instinctive, intuitive, and

terrific community organizer,” says Falk. “He knew every Mayor, every Supervisor, every Planning Commissioner, and he wielded a powerful influence on behalf of Tenderloin people.”

A New Generation of Community Advocates

In its 2003-2007 Strategic Plan, the TNDC Board of Directors committed the organization to building a Community Organizing Department. The Board decided that TNDC had a responsibility, as one of the leading affordable-housing developers in the city, to address citywide housing and quality of life issues for low-income people.

In 2007, TNDC hired its first full-time organizer. “TNDC was committed to maintaining the continuity of its early roots, as a resident- and community-centered organization,” says Steve Woo, the second hire in the department in 2007, who went on to serve as community organizing manager until 2012. “As TNDC had grown larger over the previous 15 years, it felt it had started to lose touch with those grass roots, which is such a big part of the organization’s foundation. We wanted to be a catalyst for change in the Tenderloin.”

One of the new Community Organizing Department’s first projects was mobilizing tenants for the 2008 election. It took a group of residents to Sacramento to successfully rally against State Proposition 98, which threatened to limit rent control.

Two years later, the department mobilized tenants and other Tenderloin residents to canvas on behalf of the Tenderloin’s “Yes We Count” census campaign—a campaign crucial to the Tenderloin community. Residents in

{ **More than 90 Tenderloin residents have graduated from the TNDC Leadership Academy.** }

low-income neighborhoods may not have regular mailing addresses and therefore tend to be undercounted. Undercounting has serious ramifications, as population numbers drive funding.

The nascent department's first victory on a large stage was when it gathered together Tenderloin residents to successfully rally in favor of San Francisco's Proposition C, the Affordable Housing Replacement Trust Fund of 2012, which created an annual permanent trust fund for affordable housing.

"It was a huge success," says Woo. "TNDC led a full-on canvassing effort. By that point, we had done voter outreach so much that we had a very sophisticated operation in place. We were using data from the registrar's office to identify likely voters, and we tracked newly registered voters whom we had registered over the past few years. We kept revisiting them and supporting them to turn out to vote."

Cross-fertilization of Land-Use Policy and Community Organizing

From its beginnings, TNDC's community-organizing efforts have worked hand in hand with land-use planning. Some of the protests, hearings, and advocacy actions by TNDC staff and tenants have been in response to proposed market-rate developments that threatened displacement and could have negative impacts on the Tenderloin's residents.

For example, a pivotal organizing effort by TNDC was the protracted battle to ensure a Community Benefits Agreement from California Pacific Medical Center (CPMC), part of the Sutter Health system, which proposed constructing a new hospital building and medical center on the edge of the Tenderloin at Van Ness Avenue and Geary Street. Tenderloin activists were concerned that only affluent people would be served by the hospital, despite the needs of nearby Tenderloin residents. They sought "health equity," that is, assurances that the hospital would

serve Tenderloin residents as well as more affluent patients.

Ultimately, in 2013, CPMC agreed to provide a host of community benefits and financial set-asides for affordable housing.

Building Capacity in the Neighborhood

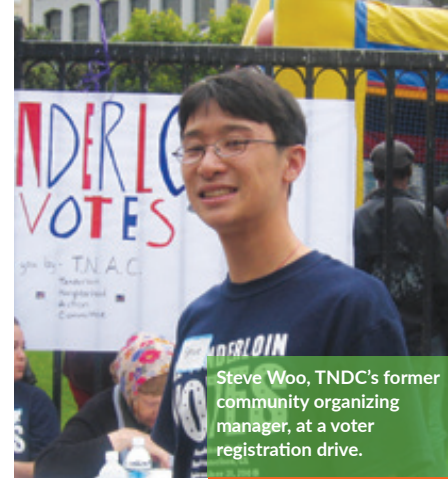
By 2012, TNDC had mobilized hundreds of its tenants and Tenderloin residents around a variety of causes and campaigns. The next step was to systematically train community members, who would then take a leadership role in future land-use and quality of life battles.

TNDC launched a Leadership Academy, a five-month program that balances classroom curriculum with significant on-the-ground field experience. As of spring 2016, the academy has graduated more than 90 participants. Many have spoken at City Hall or in the State Capitol in support of specific legislation.

The purpose of the academy is both to help Tenderloin residents grow in their leadership ability and personal development and to offer them training and organizing tools to increase their impact and effectiveness. Participants take lessons on civics and public speaking and train by working on active campaigns.



Participants in the TNDC Leadership Academy.



Steve Woo, TNDC's former community organizing manager, at a voter registration drive.

The Deepening Housing Crisis

As new construction surges in San Francisco, TNDC's Community Organizing Department will continue to play a critical role, ensuring that the well-being of Tenderloin residents is not ignored. As of the spring 2016, more than a dozen proposals for market-rate developments in the Tenderloin are working their way through the San Francisco Planning Commission. TNDC will be on the front lines, advocating for equitable development that benefits the residents of the Tenderloin.

Today, just like in 1981 when TNDC was birthed, there is an electricity in the air. TNDC's tenants are exercising their power. They know that through their actions, they have the ability to keep the Tenderloin an equitable and thriving community for low-income San Franciscans.

Every Fall,

TNDC hosts San Francisco's wackiest pool party at The Phoenix Hotel/Chambers Eat + Drink ...

with fabulous food, emcees and entertainment ...



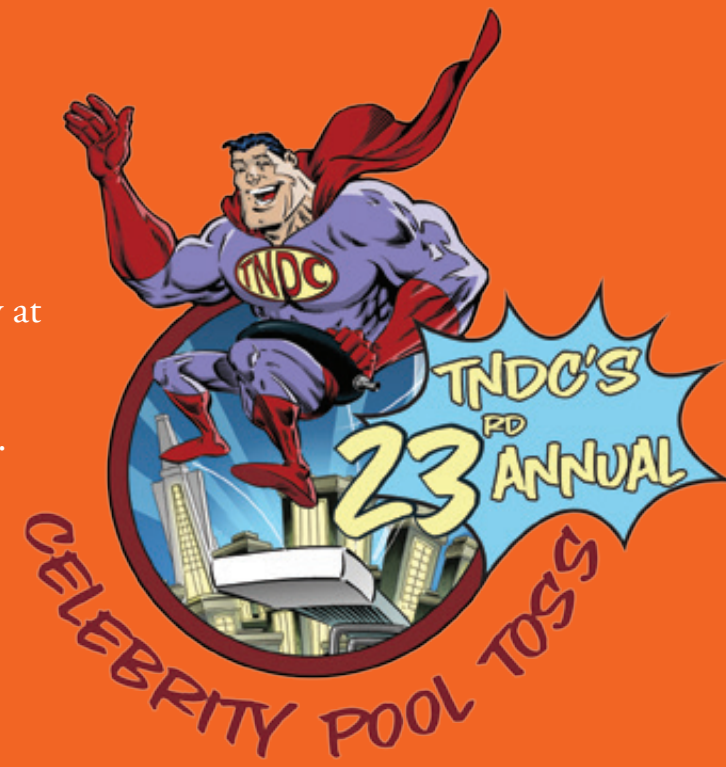
a wet-and-wild celebrity pool toss ...



and high-energy bidding wars and whimsical costumes ...



all to benefit TNDC's programs for kids and their families in the Tenderloin neighborhood.





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