


**CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS**

BUDGET AND LEGISLATIVE ANALYST

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POLICY ANALYSIS REPORT

To: Supervisor Kim
From: Budget and Legislative Analyst 
Date: October 8, 2013
Re: Review of the Impact of Increasing Rents in San Francisco on Local Nonprofits

SUMMARY OF REQUESTED ACTION

You requested that the Budget and Legislative Analyst review the impact of perceived increasing rental rates for commercial spaces in the City of San Francisco on San Francisco-based nonprofits. It was requested that the following overview be provided: (1) a description of the shift in average commercial rental rates in the City for Class A, B, and C buildings, (2) an analysis of the shift in average commercial rental rate for all commercial spaces in the City over the past year, and (3) a review of the current commercial vacancy rates in the City's District 6.

Specifically regarding the City's nonprofit sector, the request included: (1) how many City-funded nonprofit agencies there are Citywide, (2) where these organizations are located throughout the City, (3) the total of all City funds contracted to nonprofits in San Francisco, and then, (4) the overall proportion of those funds allocated for rent. You also asked that the number of nonprofits that own commercial space be provided.

EXECUTIVE SUMMARY

As of July 2013, there were 6,005 nonprofits in San Francisco, accounting for 4.1 percent of the total 146,383 nonprofits in California, according to the Internal Revenue Service. In Fiscal Year (FY) 2013-14, there are a total of 1,425 nonprofits, or 23.7 percent of all reported nonprofit organizations in San Francisco, reported by the City and County of San Francisco as contractors for FY 2013-14 and/or one or more of the past two fiscal years. Total payments to nonprofit organizations by the City and County of San Francisco are projected to be \$528.8 million in FY 2013-14.

According to data provided to the Budget & Legislative Analyst's Office by the real estate firm Cushman & Wakefield:

- Job growth between 2011 and 2013 has been strong in San Francisco, with 41,300 new jobs added in the twelve months ending in January 2013, primarily in professional and business services. This job growth has fueled demand for commercial real estate. Forecasts are for job growth in San Francisco to continue and to outpace national job growth in the coming three years.
- Commercial vacancy rates decreased Citywide from 12.4 percent in 2011 to 9.3 percent in 2013.
- Average Citywide commercial rental rates increased between 2011 and 2013 from \$39.67 per square foot per year to \$52.69 per square foot per year, a 32.8 percent increase.

- Commercial vacancy rates decreased and rental rates increased for all building classes between 2012 and 2013, as shown in Exhibit A. Class C buildings were subject to the greatest rate of increase from an average of \$31.40 per square foot per year to \$42.94 per square foot per year, an increase of 36.8 percent.

**Exhibit A: Commercial Vacancy and Average Gross Rental Rates
in San Francisco, by Building Classification
2012 and 2013**

Building Classification	Vacancy Rate		Rent/sq. ft./year		% Change
	2012	2013	2012	2013	
Class A	10.5%	8.9%	\$49.26	\$54.23	10.3%
Class B	13.6%	12.0%	\$40.07	\$45.93	14.6%
Class C	8.4%	8.3%	\$31.40	\$42.94	36.8%

Source: Market data provided to the Budget & Legislative Analyst's Office by Cushman & Wakefield for second quarter 2012 and 2013.

The Budget & Legislative Analyst's Office conducted a survey of nonprofit organizations in San Francisco, with the assistance of the San Francisco Human Services Network, to identify rents being paid by these organizations and to determine how they are being affected by current commercial real estate market conditions. The following key survey findings are summarized from a total of 90 unduplicated, usable responses to the survey:

- A total of 71 out of 90 responding organizations reported being a current contractor with the City and County of San Francisco, providing a mix of mental health, health, housing, legal and other services. Respondents were located throughout the City. Of the 46 respondents who reported the zip codes associated with their leases, 17, or 37 percent of the 46, were located in either 94103 or 94105, the two zip codes primarily comprising the South of Market neighborhood. SOMA was the neighborhood with the highest density of survey respondents.
- The average total budget for respondents for their current fiscal year was \$4,856,166. Average rent for the organizations in their current fiscal year was \$224,738, or 4.6% of their total budget.
- For the 14 survey respondents who reported renewing or entering into a new lease in 2012 or the first nine months of 2013, their rent increased from an average of \$16.12 per square foot per year to \$21.53 per square foot per year, a 33.6 percent increase.
- Survey respondents reported that 25 of their leases will be expiring in the last three months of 2013 or during the course of 2014. Most respondents reported that they do not know what their new rents will be but they will be facing the decreasing commercial vacancy rate and increasing commercial rental rates described above.
- A total of 32 out of 45 respondents to this question, or 71.1 percent, indicated that they need to remain in their current location or area to fulfill their mission.
- Of 58 respondents to this question, 35 reported leasing their facilities, nine respondents reporting owning their own facilities, and 14 reported a combination of owning and leasing facilities.

Some key findings from other pertinent research on nonprofit organizations include:

- A 2000 study by CompassPoint Nonprofit Services published results from a San Francisco-based survey regarding facilities that showed 52 percent of respondents were at least somewhat likely to leave San Francisco due to then increasing rental rates, and 69 percent of respondents expressed an interest in co-location.
- A 2003 publication produced jointly by CompassPoint and the Silicon Valley Council on Nonprofits identified three nonprofit co-location models to help mitigate the impact of rising rental rates and control other administrative costs, including: 1) neighborhood centers, in which multiple agencies co-locate; 2) multi-tenant office buildings in which one or more organizations (or a foundation) bands together to buy a building and leases it other nonprofits; and 3) incubators, which provide temporary co-located space to nonprofits.
- A 2012 national survey of nonprofit organizations by GuideStar showed that approximately 37 percent of respondents experienced a decrease in total contributions to their organization in 2012, and about 13 percent of organizations had merged with other organizations to weather the economic downturn.
- A 2013 national survey by Nonprofit Finance Fund reported 77 percent of respondents experienced a slight or greater increase in demand for their services, and a total of 52 percent of survey respondents reported being unable to meet the demand for their services in 2012. A total of 16 percent of survey respondents reported collaborating with other organizations to reduce administrative expenses in 2012; 21 percent of respondents stated they planned such collaborations for the next 12 months.

POLICY OPTIONS

The Board of Supervisors could consider the following options to address the issue of escalating commercial rents impacting nonprofit organizations and their ability to maximize their resources available for services. While the options above are for the Board of Supervisors to consider, all of the possible roles for the City government to take to reduce the impact of the escalating rents on nonprofit organizations would require some further research and input from various City departments, nonprofit organizations, and other stakeholders.

1. The Board of Supervisors could request input from the City Attorney's Office and the Planning Department to consider imposition of development impact fees that would require that certain fees be paid by commercial developers to be used to renovate or acquire facilities to be occupied by nonprofit organizations with controls on the amounts these organizations would pay in rent.
2. The Board of Supervisors could request input from the City Attorney's Office and Planning Department to consider establishment of inclusionary zoning requirements instituting incentives for commercial developers, who would (1) be required to provide a certain amount of space for nonprofit organizations in their developments at below-market rates, or (2) be required to provide fees in-lieu of space with those fees redistributed by the City to nonprofit organizations for the acquisition or rehabilitation of buildings to be occupied by one or more nonprofit organizations with controls on the amounts these organizations would pay in rent.

3. The Board of Supervisors could request input from the City Attorney's Office to consider the establishment of City incentives for commercial facility landlords to offer below market rents to certain nonprofit organizations, with particular consideration to those with ongoing contracts with the City.
4. The Board of Supervisors could request input from the Mayor's Office of Housing and Community Development and Office of Economic and Workforce Development to consider enhancing existing City programs or creating new ones to provide loans and/or grants to nonprofit agencies to acquire or rehabilitate facilities for nonprofit organizations with controlled rent costs. These could include enhancements to the existing Facility Capital Improvement and Public Space Improvements program administered by the Mayor's Office of Housing and Community Development or business assistance programs administered by the Office of Economic and Workforce Development.
5. The Board of Supervisors could request input from the Department of Real Estate to identify unutilized or underutilized City property that could potentially be occupied by nonprofit organizations at controlled rent.
6. The Board of Supervisors could request Mayor's Office of Housing and Community Development and/or other appropriate City staff to establish an approach to collaborations with foundations, private donors, and others to pool property and financial resources in the interest of providing other ownership or leased facilities opportunities to nonprofit organizations with low or controlled rent.

IMPACT OF CHANGES IN COMMERCIAL RENTAL RATES ON SAN FRANCISCO NONPROFIT ORGANIZATIONS

BACKGROUND

For purposes of this report, nonprofits are defined as an organization that meets the requirements of U.S. Internal Revenue Code, Section 501(c), as registered with the U.S. Internal Revenue Service (IRS). Organizations with 501(c) status, of which there are over 20 different qualifying types in the United States, such as religious organizations and labor organizations, are tax-exempt.¹ It is likely that the most common nonprofit organization contracting with the City and County of San Francisco would qualify as a 501(c)3 organization with the IRS, which can be "corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition...or for the prevention of cruelty to children or animals..." and which cannot exist to benefit private shareholders or an individual and cannot promote propaganda nor intervene on a political campaign.

As reported by the Internal Revenue Services in July 2013, there were 1,424,918 nonprofit organizations in the United States. In 2010, nonprofit organizations accounted for 9.2% of all wages and salaries paid in the United States, and contributed a total of \$804.8 billion in the United States economy, comprising nearly six percent of the U.S. gross domestic product. According to *The Nonprofit Almanac 2012* published by the Urban Institute Press, while employment in the United States business sector declined

¹ U.S. Internal Revenue Code, Title 26, Subtitle A, Chapter 1, Subchapter F, Part I, § 501.

six percent from 2000 to 2010, employment in the nonprofit sector increased by a full 17 percent from 2000 to 2010.

The Internal Revenue Services reported 6,005 nonprofits in the San Francisco as of July 2013. As shown in Exhibit 1, these 6,005 nonprofits account for 4.1 percent of the total 146,383 nonprofits in California.

Exhibit 1: Number of Nonprofit Organizations in San Francisco Relative to Number of Nonprofits in California, 2011-2013

Year	Number of Nonprofits in San Francisco	Total Number of Nonprofits in California	Percent of California Nonprofits in San Francisco
2011	7,865	161,832	4.86%
2012	7,612	161,139	4.72%
2013	6,005	146,383	4.10%

Source: U.S. Internal Revenue Service, Exempt Organizations Business Master File (2013, July)

There was a general downward trend in the number of nonprofits in California from 2011 through July 2013. There was also a downward trend in the proportion of nonprofits in California located in San Francisco during that time period. From 2011 to 2013, the number of nonprofits located in San Francisco decreased from 7,865 to 6,005, or by a total of nearly 24 percent.

As of July 2013, 5,003 of the 6,005 nonprofits in San Francisco reported revenue to the Internal Revenue Service totaling \$31.6 billion, or an average of \$6.3 million in revenue per organization, shown in Exhibit 2. It should be noted that these are average revenues, not expenditures, and the amounts shown do not mean that each reporting organization necessarily spends that much in a year in San Francisco, or elsewhere. The reported revenue received includes funds that are invested by some organizations for future use as well as monies that are spent outside San Francisco in the case of nonprofit organizations with national or international operations.

Exhibit 2: Total IRS-Reported Revenue for Nonprofit Organizations in San Francisco, 2013

Number of Nonprofits in San Francisco	Number of Organizations Filing Form 990 or 990-N	Total Reported Revenue on Form 990 or 990-N	Dollar Per Filing Organization
6,005	5,003	\$ 31,569,010,017	\$ 6,310,016

Source: U.S. Internal Revenue Service, Exempt Organizations Business Master File (2013, July)

Note: The IRS reports revenue for a given Tax Period, which is defined as the organization's most recently completed tax period. The date is typically the last day of the organization's fiscal year.

The City and County of San Francisco (“the City”) contracts regularly with nonprofit organizations to provide goods and services. For FY 2013-2014, there are a total of 1,425 nonprofits registered with the City as receiving payments for goods and services for Fiscal Year 2013-14 and/or one or more of the prior two fiscal years (some contracts span multiple years). Exhibit 3 shows that total payments made to nonprofit organizations by the City and County of San Francisco ranged from approximately \$485.2 million in FY 2011-12 to a projected \$528.8 million for FY 2013-14.

**Exhibit 3: Total City and County Payments to
 Nonprofit Organizations in San Francisco, FY 2011-12 through 2013-14 (projected)**

City Payments to Nonprofit City Vendors			
	FY 2011-2012 Actual City Payments	FY 2012-2013 Actual City Payments	FY 2013-2014 Actual + Projected City Payments
Dollar Amount	\$ 485,189,353	\$ 497,522,089	\$ 528,777,363

Source: San Francisco’s Controller’s Vendor Payment Summaries Website Report for Nonprofits, 09/29/13

Of the 1,425 nonprofits registered with the City as receiving payments in Fiscal Year 2013-14 and/or one or more of the prior two fiscal years, some number of these organizations may not be located in San Francisco. Therefore, the fiscal year payments reported above may not be paid solely to San Francisco-based organizations.

PERTINENT PRIOR RESEARCH ON NONPROFITS ORGANIZATIONS

The following reports provide background information on recent trends impacting the nonprofit sector, demonstrating the problematic trends of increasing scarcity of affordable commercial space for nonprofits in San Francisco and decreases in revenues for nonprofits nationwide.

In October 2000, CompassPoint Nonprofit Services published a report, “Nonprofits At Risk: The Space and Occupancy Crisis Facing San Francisco’s Nonprofit Community” which presented issues facing nonprofit organizations utilizing commercial rental space in San Francisco. The report reviewed the impact of the then increasing rental rates on the nonprofit sector in the City. The study included 301 written surveys, five focus groups, 15 key informant interviews, and six case stories. The following are key points from the CompassPoint study that continue to be relevant today:

- Results from the CompassPoint survey showed that, in 2000, 87 percent of nonprofits in San Francisco leased space. About 22 percent of nonprofits leasing space were located Downtown, 16 percent were located in the South of Market district, and 13 percent were located in the Mission district.
- Of the respondents to the survey, 52 percent reported that they were either somewhat likely, moderately likely, or already committed to leaving San Francisco with the expiration of a current lease because rental rates were becoming prohibitive.
- With regard to solutions in the CompassPoint survey, a total of 69 percent of respondents expressed an interest in co-location with other nonprofit organizations. Nonprofits also expressed the need for low-interest loan capital and for technical assistance on raising funds and purchasing buildings.

A 2003 publication produced jointly by CompassPoint and the Silicon Valley Council on Nonprofits provided advice for nonprofits on how to conduct capital campaigns to acquire their own real estate in the interest of stabilizing their locations and lease costs². This report was published in the aftermath of

² “A Nonprofit Space Odyssey: A Capital Projects Primer”, CompassPoint and Silicon Valley Nonprofit Council, 2003

the economic boom of the late 1990s when, “many nonprofits found their office, program delivery and performance spaces at risk.” The report references nonprofit co-location models including: 1) neighborhood centers, in which multiple agencies co-locate to provide several different services at a single site; 2) multi-tenant office buildings in which one or more organizations (or a foundation) bands together to buy a building and leases it other nonprofits; and 3) incubators, which like business incubators, provide temporary co-located space to nonprofits along with support services to get them launched.

According to the study, ownership of nonprofit buildings, can be structured as: 1) single ownership, such as a foundation or nonprofit owning and occupying the building, 2) an owner/lessor model, with the owner occupying some of the building and leasing out the rest to other nonprofit organizations, 3) a co-op model, in which a separate corporation is formed and nonprofit tenants own a share of the corporation, and 4) a condominium model in which the building is divided into condominiums, each of which is owned separately by a nonprofit occupant.

The 2003 study discusses the potential role of local government and suggests that cities and counties could possibly provide some of its property for nonprofit co-location sites. The study cites Preservation Park in Oakland, an area redeveloped through a public-private partnership that now provides office space primarily for nonprofit organizations.

The following two surveys reported are national surveys, the “2013 State of the Nonprofit Sector Survey” by the Nonprofit Finance Fund and “The Effect of the Economy on the Nonprofit Sector, an October 2012 Survey” by GuideStar. Given that a portion of the organizations surveyed are California-based organizations, and given that of those California-based organizations, there are likely to be some San Francisco-based organizations, the results of the survey were included in this report as they illustrated relevant trends for nonprofit organizations in San Francisco, even if the trends reported are more general, national trends.

In October 2012, GuideStar, an organization that collects and reports data on the nonprofit sector, published their 11th annual survey of nonprofits, “The Effect of the Economy on the Nonprofit Sector, an October 2012 Survey,” to review of the impact of the United States’ economy on nonprofits across the country. The survey yielded 500 responses from both public charities and private foundations. A total of almost 10 percent of respondents were located in California, the state with the highest concentration of nonprofits. The following are key observations from the 2012 report:

- The responses showed that about 37 percent of respondents saw a decrease in total contributions to their organization in the first nine months of 2012. The 2012 results are a moderate improvement from the results of the same survey in 2009, which showed that over 50 percent of respondents in 2009 were seeing a decrease in overall contributions.
- Of the 37 percent of respondents who saw a decrease in the total contributions to their organization, a total of about 77 percent of respondents said that gifts from individuals were smaller in the first nine months of 2012 and 75 percent said that fewer individuals gave in that period. Only 17 percent reported a decrease in government grants and 13 percent reported discontinuations of government grants.

- The October 2012 GuideStar report showed that as of October 2008, about 13.4 percent of organizations had merged with other organizations to weather the economic downturn.

Finally, in a 2013 Nonprofit Finance Fund national survey of 5,983 nonprofit organizations, including 749 located in California³, the following key results were presented:

- For 2012, 44 percent of respondents reported a slight increase in demand for their services and 33 percent of respondents reported a significant increase in demand for their services. The organizations predicted similar trends for 2013.
- A total of 52 percent of survey respondents reported being unable to meet the demand for their services in 2012; 54 percent predicted they would be unable to meet the demand for their services in 2013.
- Many respondents reported a decrease in state and local government funding in 2012 compared to 2011. Over a third of the respondents, or 38 percent, reported receiving slightly or significantly less funding from state and local government sources in 2012 than they had in 2011 (24 percent reported receiving slightly less and 14 percent reported receiving significantly less). Only 16 percent reported a slight increase in state and local government funding in 2012 compared to 2011 and only 6 percent reported a significant increase for the same comparison period.
- To continue to meet the demand for their services with reduced resources, 16 percent of survey respondents reported collaborating with other organizations to reduce administrative expenses in 2012; 21 percent of respondents stated they planned such collaborations for the next 12 months.

COMMERCIAL RENTAL MARKET IN SAN FRANCISCO

According to Center for Economic Development, a department of the San Francisco Chamber of Commerce that collaborates with the Mayor's Office of Workforce and Economic Development, there are approximately 75 million square feet of commercial real estate in the City. Over the past two years, vacancy of the City's commercial real estate has been declining at a rate of approximately 14.5 percent. Exhibit 4 below shows the trend of decreasing vacancy across building classifications and then for the City overall. Commercial buildings are classified as A, B or C by realtors and others based on their location, amenities, building finishes, efficiency and other factors. There is no standardized set of criteria for these classifications.

³ "2013 State of the Nonprofit Sector Survey", Nonprofit Finance Fund, 2013

**Exhibit 4: Citywide San Francisco Commercial Vacancy Rates
 from 2012 to 2013 by Building Class***

Citywide San Francisco Commercial Vacancy Rates			
Building Classification	2012 Overall Vacancy	2013 Overall Vacancy	Change
Class A	10.5%	8.9%	-15.2%
Class B	13.6%	12.0%	-11.8%
Class C	8.4%	8.3%	-1.2%
All Classes	11.0%	9.4%	-14.5%

Sources: Market data provided to the Budget & Legislative Analyst’s Office by Cushman & Wakefield for second quarter 2012 and 2013.

Note: Rental rate data by building class was only provided for 2012 and 2013. Overall Citywide rental rate data presented below in this report was provided for 2011-2013.

*Citywide is defined to include the traditional downtown Financial District (or Central Business District) and the following submarkets: SOMA Financial District, Jackson Square, North Waterfront, South Beach/Rincon Hill, San Francisco South of Market, West of Kearny Street, the Presidio, Union Square, Van Ness Corridor/Civic Center, Portrero Hill/Inner Mission and Mission Bay.

The decrease in available space in the City and the constant, if not increasing, demand for space in the City are the forces likely driving the increase in rent. Cushman and Wakefield, along with other organizations, report that 41,300 new jobs were added in San Francisco in the twelve months ending in January 2013, a 4.3 percent increase, led by growth in professional and business services.⁴ The firm also reports that leasing activity was very strong in 2012 and that employment in San Francisco is forecast to grow by an average of 2.7 percent per year over the next three years, outpacing the national average of 1.9 percent. As Exhibit 5 demonstrates, overall average gross rent for all building classes in San Francisco increased by 11.4 percent between the second quarter of 2012 and the second quarter of 2013. Notably, Class C buildings saw an increase of an average 36.8 percent in gross rent from second quarter 2012 to second quarter 2013.

**Exhibit 5: Citywide San Francisco Commercial Average Gross Rent Rates
 by Building Class, 2012 to 2013**

Citywide San Francisco Commercial Rent Rates			
Building Classification	2012 Overall Average Gross Rent	2013 Overall Average Gross Rent	Change
Class A	\$49.26	\$54.32	10.3%
Class B	\$40.07	\$45.93	14.6%
Class C	\$31.40	\$42.94	36.8%
All Classes	\$46.49	\$51.81	11.4%

Source: Market data provided to the Budget & Legislative Analyst’s Office by Cushman & Wakefield for second quarter 2012 and 2013.

Note: Rental rate data by building class was only provided for 2012 and 2013. Overall Citywide rental rate data presented below in this report was provided for 2011-2013.

⁴ MarketBeat Office Snapshot, San Francisco, CA, 1st Quarter of 2013. Cushman and Wakefield.

The San Francisco Center for Economic Development also reports that the bulk of the City’s 75 million square feet of commercial space is located in the Financial District, or Central Business District, which is split between the area north of Market Street and the area south of Market Street.

It should be noted that the original request for this report included a request for specific data on vacancies in Supervisorial District 6, but the data available is not categorized by Supervisorial District. However, the data in Exhibit 6, generated by the real estate firm Cushman & Wakefield, provides rental market data on at least a portion of Supervisorial District 6.

While the vacancy rates of the Financial District, both north and south of Market Street were relatively steady between 2011 and 2013, there was a dramatic shift in commercial vacancy rates for the broader South of Market (SOMA) neighborhood, from 23.1 percent in 2011 to 10.1 percent in 2012. This downward trend in vacancy rates continued from 10.1 percent in the SOMA neighborhood to 6.7 percent and 2.8 percent, respectively, in the Cushman & Wakefield newly defined submarkets of East and West SOMA, in 2013.

**Exhibit 6: Commercial Vacancy Rates Citywide and for the South of Market Area
2011 to 2013**

Third Quarter Vacancy Rates for Three Years			
Neighborhood	2011 Overall Vacancy Rate	2012 Overall Vacancy Rate	2013 Overall Vacancy Rate
<i>Citywide</i>	12.4%	10.4%	9.3%
Financial District north of Market Street	12.1%	9.3%	9.0%
Financial District south of Market Street	8.1%	8.9%	8.3%
SOMA *	23.1%	10.1%	East SOMA*: 6.7%
			West SOMA*: 2.8%

Source: MarketBeat San Francisco Office Report for third quarter of 2011, 2012, and 2013 provided to the Budget & Legislative Analyst’s Office by Cushman & Wakefield.

Note: Citywide and South of Market submarket rental rate data was provided for the third quarters of 2011-2013. Overall Citywide rental rate data presented above, by building class, was provided for the second quarter of 2012 and 2013 only.

* Submarket designation discontinued or initiated by Cushman & Wakefield 2013. While the boundaries of the new 2013 neighborhoods, East SOMA and West SOMA, do not necessarily align precisely with the discontinued broader SOMA neighborhood, the Budget & Legislative Analyst’s Office is comparing metrics for these neighborhoods to be able to speak broadly to trends in that particular region of the City.

As commercial vacancies decrease, corresponding increases in rents occur. During the period between 2011 and 2013, when commercial vacancy rates Citywide decreased from 12.4 percent to 9.3 percent, as shown in Exhibit 6 above, average annual commercial rents increased from \$39.67 to \$52.69 per square foot, a 32.8 percent increase, as presented in Exhibit 7 below. Similarly, while the commercial vacancy rate for SOMA as a whole was 23.1 percent in 2011, the vacancy rate for just East SOMA was 6.7 percent by 2013 and only 2.8 percent for West SOMA. Commercial rents were \$38.54 for SOMA as a whole in 2011, but \$56.65 for just East SOMA and \$44.56 for West SOMA only in 2013.

**Exhibit 7: San Francisco Commercial Average Gross Rent Rates
 Citywide and for the South of Market Area
 from 2011 to 2013 (dollar per square foot per year)**

Third Quarter Overall Weighted Average for All Classes Gross Rental Rate for Three Years					
Neighborhood	2011	2012	2013	2011 to 2012 Percent Change	2012 to 2013 Percent Change
Citywide	\$39.67	\$48.18	\$52.69	21.5%	9.4%
Financial District north of Market Street	40.35	48.83	55.03	21.0%	12.7%
Financial District south of Market Street	42.97	48.83	54.50	13.6%	11.6%
SOMA *	38.54	50.57	East SOMA*: 56.65	31.2%	12.0%
			West SOMA*: 44.56		-11.9%

Source: MarketBeat San Francisco Office Report for third quarter of 2011, 2012, and 2013 provided to the Budget & Legislative Analyst’s Office by Cushman & Wakefield

Note: Citywide and South of Market submarket rental rate data was provided for the third quarters of 2011-2013. Overall Citywide rental rate data presented above by building class was provided for the second quarter of 2012 and 2013 only.

* Submarket designation discontinued or initiated by Cushman & Wakefield 2013. While the boundaries of the new 2013 neighborhoods, East SOMA and West SOMA, do not necessarily align precisely with the discontinued broader SOMA neighborhood, the Budget & Legislative Analyst’s Office is comparing metrics for these neighborhoods to be able to speak broadly to trends in that particular region of the City.

If comparing average gross rental rates in East SOMA to the original SOMA 2012 rates, there is a 12 percent increase in average gross rental rates. Conversely, if comparing the average gross rental rates in West SOMA to the original SOMA 2012 rates, there is an 11.9 percent decrease in gross rental rates. This likely reflects the fact that rental rate increases in SOMA overall were fueled largely by increases in East SOMA between 2011 and 2013.

RESULTS OF BUDGET AND LEGISLATIVE ANALYST’S RENT SURVEY OF SAN FRANCISCO NONPROFIT ORGANIZATIONS

The Budget & Legislative Analyst conducted a survey in collaboration with the San Francisco Human Services Network to assess the ongoing impact of the increasing rental rates and the decreasing availability of commercial rental space in the City on nonprofits currently located in San Francisco. The San Francisco Human Services Network, established in 1997, self-identifies as “an association of over 110 community-based nonprofit agencies united into a public policy organization dedicated to addressing issues critical to the health and human services sector of San Francisco.” The survey instrument used is included as an attachment to this report.

The Survey was administered over six days in September 2013 and included questions to assess the market pressures facing nonprofit organization renters with leases that recently expired, with leases set to expire in the coming year, or property owners. The results show that, like all tenants, nonprofit organizations in San Francisco have been subject to the City’s rising rental rates, particularly in instances where the organizations have renewed or entered into new leases, either in 2012 or the first nine months of 2013. Out of 90 total survey respondents, 23 responded to a survey question about the state of their current leases, reporting that their organizations have leases expiring in the next 15 months and will thus face the rental market forces described above.

In total there were 121 responses submitted to the survey. Of those 121 responses, 90 unduplicated responses were sufficiently complete to utilize for the analysis. Despite receiving 90 responses to the

survey, though, not all of the respondents completed all questions asked. The following tables distilling the survey results report the number of respondents that answered each question to give the results a sense of scale.

In some cases, unanswered questions were explained in a discussion box at the close of the survey. The responding organizations occasionally were unable to answer the specific questions because their occupancy arrangements were not traditional occupancy arrangements and did not conform to the questions posed. Alternative occupancy arrangements varied and reportedly included: (1) some organizations reported their landlords provided them with subsidized leases in exchange for the organization taking on the burden of maintaining all parts of the rental structure, such as plumbing and electrical fixtures, except for the foundation and roof, and (2) some organizations reported receiving rental space as an in-kind donation from the landlord.

The respondents represented a variety of organizations, as shown in Exhibit 8.

Exhibit 8: Survey Respondents by Service Provided

Service Provided by Respondent Nonprofit Organization						
	Health Services	Mental Health Services	Housing Services	Legal Services	Other	Total
Number of Respondents	7	16	11	5	33	72

Source: Survey administered by Budget & Legislative Analyst of San Francisco Nonprofits on Rent Increases, September 2013.
Responding Sample Size: 72

A total of 71 responding organizations out of 90 reported being a current City contractor, with 19 reporting not being a City contractor.

Respondents were located throughout the City. A total of 46 respondents reported 13 zip codes associated with reported leases. Of those 46 responses, 17 responses, or 37 percent of the 46 total, were located in either 94103 or 94105, the two zip codes primarily comprising the South of Market neighborhood. SOMA was the neighborhood with the highest density of survey respondents.

Respondents reported annual budgets for the current and most recent prior fiscal years. The average total budget for the respondents for their current fiscal year was approximately \$4.9 million, as shown in Exhibit 9. Average rent for the organizations in their current fiscal year was \$224,738.

Exhibit 9: Average and Median Respondent Current Fiscal Year Rent as Percent of Total Current Fiscal Year Budget

Average Nonprofits Rent as Percent of Total Budget		
Total Annual Budget	Total Annual Rent	Percent Budget
\$ 4,856,166	\$ 224,738	4.6%

Source: Survey administered by Budget & Legislative Analyst of San Francisco Nonprofits on Rent Increases, September 2013.

Responding Sample Size: Current Fiscal Year Total Budget: 59; Current Fiscal Year Budget for Rent: 41

A total of 29 of the 90 survey respondents reported 45 leases that either expired in 2012 or through September 2013, or are going to expire in the last quarter of 2013 or in 2014, as shown in Exhibit 10.

Exhibit 10: Total Number of Respondent Leases Expiring in 2012, 2013, or 2014

Number of Leases Expiring by Year				
	2012	2013	2014	Total
Total Number of Leases Expiring in a Given Year for All Respondents	4	18	23	45

Source: Survey administered by Budget & Legislative Analyst of San Francisco Nonprofits on Rent Increases, September 2013.

Responding Sample Size: 29

For the 14 respondents that renewed or entered in to new leases in 2012 or the first nine months of 2013, their average annual rent increased by 33.6 percent from \$16.12 per square foot per year to \$21.53 per square foot per year. Average monthly rents were reported to have increased from \$8,599 to \$10,503, but the new higher rents were for a smaller amount of space, decreasing from an average of 6,401 square feet to 5,853 square feet. The median figure for the sample also shows, similar to the average, a 32.6 percent increase in cost per square foot from the previous lease to the current lease. Exhibit 11 presents the results of these changes in rents.

Exhibit 11 also shows that the organization with the lowest rent of \$1,000 per month for 700 square feet of space, or \$17.14 per square foot per year, reported an increase to \$2,250 per month in rent, or \$33.75 per square foot per year, an increase of 96.9 percent, for a slightly larger 800 square feet. The lease for the respondent organization reporting the largest monthly rent increased from \$34,231 for 17,771 square feet, or \$23.11 per square foot per year, to \$51,117 for the same space, or \$34.52 per square foot, a 49.3 percent increase.

Exhibit 11: Changes in Monthly Rent for Respondents with Leases that Expired in 2012 or 2013

	Old Lease				New Lease				% Change
	Monthly Rent	Annualized Rent	Square Footage	\$/Sq. Ft./Year	Monthly Rent	Annualized Rent	Square Footage	\$/Sq. Ft./Year	\$/Sq. Ft./Year
Average	\$ 8,599	\$ 103,188	6,401	\$ 16.12	\$ 10,503	\$ 126,036	5,853	\$ 21.53	33.6%
Median	\$ 4,190	\$ 50,280	3,315	\$ 15.17	\$ 5,461	\$ 65,532	3,258	\$ 20.11	32.6%
Minimum	\$ 1,000	\$ 12,000	700	\$ 17.14	\$ 2,250	\$ 27,000	800	\$ 33.75	96.9%
Maximum	\$ 34,231	\$ 410,772	17,771	\$ 23.11	\$ 51,117	\$ 613,404	17,771	\$ 34.52	49.3%

Source: Survey administered by Budget & Legislative Analyst of San Francisco Nonprofits on Rent Increases, September 2013.

Responding Sample Sizes: Old Lease Monthly Rent: 20; Old Lease Square Feet: 19; New Lease Monthly Rent: 14; New Lease Square Feet: 14

Overall, 23 respondents reported 25 leases will be expiring in the last three months of 2013 or during the course of 2014. Of those 25 expiring leases, respondents are planning: to renew 14 leases and to not renew five leases. For six leases the future plans are reported as unknown, as shown in Exhibit 12.

Exhibit 12: Lease Plans for Survey Respondents with Leases Set to Expire in 2013 or 2014

Number of Expiring Leases to Be Renewed		
Yes	14	56.0%
No	5	20.0%
Unknown	6	24.0%
Total	25	100%

Source: Survey administered by Budget & Legislative Analyst of San Francisco Nonprofits on Rent Increases, September 2013.

Responding Sample Size: 23

The majority of survey respondents with leases set to expire in 2013 or 2014 did not report their anticipated new rent, but unless they are able to make other arrangements, they are likely to face the commercial real estate market and average rents described above.

The number of organizations planning to renew their existing leases may reflect the need of the organizations to remain in their current locations to serve their clients. While for some organizations, their location is not critical to the organization's mission, most survey respondents indicated that their location is essential. As shown in Exhibit 13, out of 45 total respondents to this question, a total of 32 respondents with leases that either expired in 2012 or 2013 (through September) or that will expire in the last quarter of 2013 or in 2014, or 71.1 percent, indicated that they need to remain in the particular neighbor in which they are currently located to fulfill their organization mission.

**Exhibit 13: Number of Organizations Needing to Remain in Same Area
when Lease Expires**

For a Particular Lease: Is This Location Essential to Organization Mission?		
Yes	32	71.1%
No	13	28.9%
Total	45	100.0%

Source: Survey administered by Budget & Legislative Analyst of San Francisco Nonprofits on Rent Increases, September 2013.
Responding Sample Size: 45

As shown in Exhibit 14, a total of nine out of 58 respondents to this question reported owning one or more buildings or facilities instead of renting spaces; 14 respondents reported both leasing and owning facilities in San Francisco. All respondents to this question reported renting space.

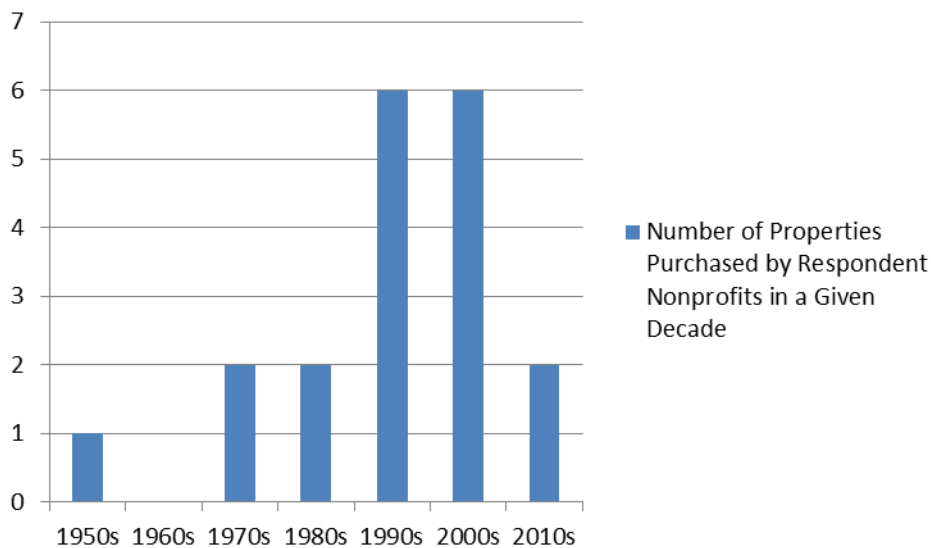
**Exhibit 14: Number of Respondent Nonprofit Organizations Renting and Owning
Properties in San Francisco**

	Rent	Own	Both
Number of Respondents	35	9	14
Total Properties	98	34	-

Source: Survey administered by Budget & Legislative Analyst of San Francisco Nonprofits on Rent Increases, September 2013.
Responding Sample Size: 58

Exhibit 15 demonstrates that most of the respondent organization property purchases took place in the 1990s or 2000s. As discussed above in this report, building ownership was analyzed and promoted for nonprofit organizations during that period by a number of organizations due to steep increases in commercial rents during some years during that period.

Exhibit 15: Decade in which Respondent Organizations Purchased Currently Owned Properties



Source: Survey administered by Budget & Legislative Analyst of San Francisco Nonprofits on Rent Increases, September 2013.
Responding Sample Size: 14

POSSIBLE ROLES FOR CITY GOVERNMENT IN REDUCING THE IMPACT OF COMMERCIAL RENT INCREASES ON SAN FRANCISCO NONPROFIT ORGANIZATIONS

With nonprofit organizations facing decreasing vacancy rates and rising commercial rents in San Francisco, likely eroding their resources available for services, the Board of Supervisors could consider a number of actions to stem this impact. Though it raises many complicated questions, commercial rent control for nonprofit organizations is one legislative option that would seemingly put controls over escalating rents. However, State law prohibits commercial rent control so, without an amendment to State law, commercial rent control is not a feasible option at this time⁵.

Other legislative approaches to controlling nonprofit organization facility costs include imposition of developer exactions, or impact fees, that would require developers of certain private commercial buildings and facilities to pay fees to the City which could be used to provide stabilized rents for nonprofit organizations and/or for acquisition and rehabilitation of buildings and facilities to be leased at controlled amounts for nonprofit organizations. Such fees are currently imposed by the City for purposes such as affordable housing, parks, child care, public artworks, schools, and other purposes. State law requires that a local jurisdiction imposing developer impact fees must first demonstrate the nexus between the fee and the impact of the development. This would require showing how the need for nonprofit organization services and affordable facilities are related to private development.

Similar to impact fees, inclusionary zoning requirements could be enacted requiring developers of private commercial buildings and facilities to allocate a portion of the space in their new buildings to

⁵ California Civil Code Sect, 1954.27

nonprofit organizations or to contribute to a City fund that would be used to provide facilities for nonprofit organizations at stable, controlled rents. Funds collected through either developer impact fees or inclusionary zoning requirements could be granted to nonprofit organizations as loans or grants to construct or buy buildings and facilities. Low-interest loans would be feasible since the recipient nonprofit organizations would be able to repay such loans in lieu of rent they would otherwise be paying. Low-interest loans would be preferable to the City as it would allow for the reuse of these funds for other organizations. The City could also consider providing incentives to commercial facility landlords that provide below-market rents to certain nonprofit organization tenants.

As discussed above, some nonprofit organizations in San Francisco and elsewhere have undertaken capital campaigns in recent years to acquire their own buildings or facilities which they then either occupy themselves or occupy a portion and lease the rest of the space to other nonprofit organizations with limits on the rate of allowable increase in rent. Many of these initiatives have been funded by foundations and/or private donors, with some involvement by local government. The Tides Foundation of San Francisco established the nonprofit multi-tenant Thoreau Center for Sustainability at the Presidio in 1996, which now houses not only the foundation but approximately 60 primarily nonprofit organizations. The owner and the tenants share certain administrative costs and facilities and have reduced tenant rent costs compared to leasing space on the private market. The Center hosts educational events and activities to develop a community of tenants under the principle that all of the organizations will be more effective by sharing experiences and resources.

The City could potentially contribute to creation of multi-tenant nonprofit centers by making loans and/or grants to organizations for such endeavors either through existing City programs or through creation of new programs. Presently, one of the purposes of the Mayor's Office of Housing and Community Development's Facility Capital Improvement and Public Space Improvements program is to provide funding for rehabilitation or new construction of nonprofit facilities that predominantly serve low-income families and individuals. The Office of Economic and Workforce Development has numerous programs in place to assist businesses in or moving to San Francisco and could potentially enhance some existing programs to help nonprofit organizations control their facility costs. The Office's programs are primarily geared to private sector businesses but many of the program models and approaches could benefit nonprofit organizations as well while contributing to the City's economy. Besides any existing funding that may be available for nonprofit organizations, the Board of Supervisors could consider additional funding from any available source, including the General Fund, for enhancement or development of low-interest loan and grant programs to assist nonprofit organizations in acquiring and rehabilitating facilities to stabilize their costs.

Finally, City property could potentially be made available to nonprofit organizations at low cost to be used for administrative offices, performance spaces, educational sites and other purposes relevant to the organizations' missions. A 2006 San Francisco Arts Task Force study recommended that the City take inventory of its facilities and, where possible, make them available for arts activities through partnerships with community arts organizations.⁶

All of the possible roles for the City government to take to reduce the impact of the escalating rents on nonprofit organizations would require some further research and input from various City departments. The options for Board of Supervisors consideration below include some steps that the Budget and

⁶ San Francisco Arts Task Force Findings and Recommendations, 2006

Legislative Analyst believes would be required to determine each option's feasibility. For any option being considered, establishment of criteria defining which type(s) of nonprofit organizations would be eligible for any funding or programs offered would be needed since there are a reported nearly 6,000 nonprofit organizations in San Francisco providing a wide range of services and ranging from well-endowed multimillion dollar organizations to modest organizations with relatively small budgets. The City may want to give consideration to its nonprofit contactors in such criteria.

CONCLUSION

Decreasing commercial vacancy rates across the City appears to be driving increases in rental rates for the commercial spaces Citywide. This trajectory may be hindering the growth of the nonprofit sector in San Francisco. At the very least, the financial burden of renting in the City may require nonprofit organizations to devote a greater proportion of resources to renting, taking away from resources that could go to providing services to San Francisco residents. This allocation of resources is of concern to the City as well as a concern to those organizations as the City has contracted with and provided financial resources to reportedly about 23 percent of the nonprofits located in the City over the past three fiscal years. Given the large proportion of nonprofit organization leases reportedly expiring in the coming year, this may be a key moment for the City to develop a plan to support nonprofit organizations facing this increasing burden.

POLICY OPTIONS

The Board of Supervisors could consider the following options to address the issue of escalating commercial rents impacting nonprofit organizations and their ability to maximize their resources available for services.

1. The Board of Supervisors could request input from the City Attorney's Office and the Planning Department to consider the imposition of development impact fees that would require that certain fees be paid by commercial developers to be used to renovate or acquire facilities to be occupied by nonprofit organizations with controls on the amounts these organizations would pay in rent.
2. The Board of Supervisors could request input from the City Attorney's Office and Planning Department to consider the establishment of inclusionary zoning requirements instituting incentives for commercial developers, who would (1) be required to provide a certain amount of space for nonprofit organizations in their developments at below-market rates, or (2) be required to provide fees in-lieu of space with those fees redistributed by the City to nonprofit organizations for the acquisition or rehabilitation of buildings to be occupied by one or more nonprofit organizations with controls on the amounts these organizations would pay in rent.
3. The Board of Supervisors could request input from the City Attorney's Office to consider the establishment of City incentives for commercial facility landlords to offer below market rents to certain nonprofit organizations, with particular consideration to those with ongoing contracts with the City.
4. The Board of Supervisors could request input from the Mayor's Office of Housing and Community Development and Office of Economic and Workforce Development to consider enhancing existing City programs or creating new ones to provide loans and/or grants to

nonprofit agencies to acquire or rehabilitate facilities for nonprofit organizations with controlled rent costs. These could include enhancements to the existing Facility Capital Improvement and Public Space Improvements program administered by the Mayor's Office of Housing and Community Development or business assistance programs administered by the Office of Economic and Workforce Development.

5. The Board of Supervisors could request input from the Department of Real Estate to identify unutilized or underutilized City property that could potentially be occupied by nonprofit organizations at controlled rent.
6. The Board of Supervisors could request Mayor's Office of Housing and Community Development and/or other appropriate City staff to establish an approach to collaborations with foundations, private donors, and others to pool property and financial resources in the interest of providing other ownership or leased facilities opportunities to nonprofit organizations with low or controlled rent.

DEFINITIONS

The following definitions, provided by Cushman & Wakefield, may aid in the understanding of the market data presented in the commercial office space data supplied by Cushman & Wakefield and utilized in this report:

- **Inventory:** To build the tracked statistics for the San Francisco office market, Cushman & Wakefield "only track buildings with rentable office space of at least 25,000 Square Feet (sf)...Office stats do not include any warehouse, manufacturing, or R&D space...[or] any retail space...[tracking] only the office portion of [mixed-use] buildings." Inventory is "the overall square footage in the San Francisco office market, as defined above."
- **Overall Vacancy Rate:** The percentage of Inventory that is vacant at the time in question.
- **Vacant:** Leasable space that is not physically occupied by a tenant is classified as vacant (even if a lease has been signed, vacancy depends on whether the tenant is physically in the space).

Attachment: San Francisco Nonprofit Organization Survey Instrument

The San Francisco Board of Supervisors has requested that the Budget and Legislative Analyst's Office analyze the impact of rising commercial rents in San Francisco on the City's nonprofit organizations.

The Budget and Legislative Analyst's Office (BLA) provides the San Francisco Board of Supervisors with budget and legislative analytical support. In this capacity, the Budget and Legislative Analyst's Office receives requests from Supervisors to investigate timely issues and problems in the community to begin the process of exploring legislative solutions to those problems.

The BLA is conducting this survey in conjunction with the San Francisco Human Services Network (HSN). HSN is an association of community-based nonprofit agencies united into a public policy organization dedicated to addressing issues critical to the health and human services sector of San Francisco.

Please respond to the following survey no later than 9:00 am on Tuesday, October 1st. If you have any questions or concerns about this survey, please do not hesitate to contact Katie Short at the Budget and Legislative Analyst's Office via email at Katherine.Short@sfgov.org or by phone at (415) 553-4638.

*** 1. Organization Name**

*** 2. Name and contact information for survey contact**

Name

Email

Phone

*** 3. Is your organization a contractor with San Francisco?**

Yes

No

4. If so, please select the type of service provided.

Type of Service

Service:

Other (please specify)

5. Please specify when your organization's fiscal year period starts and ends.

	Start Month	Year	End Month	Year
Month	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

***6. What is your organization's total budget for San Francisco offices for the following fiscal years?**

Most recent prior fiscal year

Current fiscal year

7. If applicable, what is your organization's total annual budget for rent in the following fiscal years?

Most recent prior fiscal year

Current fiscal year

***8. Please provide the number of properties your organization leases and/or owns in the City of San Francisco at the time of this survey.**

Number of properties leased

Number of properties owned

Other

9. Does your organization only own property in San Francisco and does not lease property in San Francisco?

- Yes
- No

10. If applicable, of the properties your organization leases in San Francisco, please provide the number of properties with leases that expired or will expire in the following years:

2012

2013

2014

*** 11. Does your organization have at least one property lease that EXPIRED in 2012 and/or 2013?**

Yes

No

For each of your organization's rental properties with leases that EXPIRED in 2012 or 2013, please respond to the following questions.

If your organization has more than one qualifying rental property, you can fill in up to five sets of queries for these properties. If your organization has more than five qualifying rental properties, please feel free to use the comments box at the close of the survey to report the relevant data for the extra properties if you choose.

The following questions are for PROPERTY #1 with 2012 or 2013 EXPIRED LEASE:

12. What is the zip code for the space with the expired lease?

Property Zip Code

Property Zip Code

13. Did your organization renew the lease?

Yes

No

If NO, what is the zip code of your new, currently rented space?

14. What was your monthly rent before the lease expired?

15. If your organization renewed the expired lease, what is the monthly rent after the lease was renewed?

16. What is/was the leased space used for by your organization?

Function of Office

Function of Office

Other (please specify)

17. Please report the square footage of the leased space prior to the 2012 or 2013 expiration of the lease.

18. If the lease was renewed, please report the current square footage of the leased space.

19. Is it essential to your mission, program, and/or effectiveness to be located in this particular neighborhood?

Yes

No

Expiring Lease Property 1

*** 56. Does your organization have at least one property lease that WILL EXPIRE in 2013 and/or 2014?**

- Yes
- No

For each of your organization's rental properties with leases that ARE GOING TO EXPIRE in 2013 or 2014, please respond to the following questions.

If your organization has more than one qualifying rental property, you can fill in up to five sets of queries for these properties. If your organization has more than five qualifying rental properties, please feel free to use the comments box at the close of the survey to report the relevant data for the extra properties if you choose.

The following questions are for PROPERTY #1 with a lease that WILL EXPIRE in 2013 or 2014:

57. What is the zip code for the currently rented space with the lease that will expire?

Property Zip Code

Property Zip Code

58. What is the current monthly rent?

59. Does your organization plan to renew the lease for the space?

- Yes
- No
- Unknown

Other (please specify)

60. If your organization does plan to renew the current lease, do you know what the monthly rent on the new lease will be?

- Yes
- No
- Not applicable

If yes, what is the expected new monthly rent for the space?

61. If your organization does not intend to renew the current lease when it expires, does your organization plan to:

- Move the functions of this current space to a new space in San Francisco city limits
- Move the functions of this current space to a new space outside San Francisco city limits
- Not applicable

62. Upon expiration of the current lease, if your organization intends to relocate within San Francisco city limits, has your organization identified a new space?

- Yes
- No

If yes, please report the expected monthly rent for the new space if known.

63. Upon the expiration of the current lease, if your organization intends to move outside San Francisco, has your organization identified a new space outside San Francisco?

- Yes
- No
- Not applicable

If yes, please report the expected monthly rent for the new space if known.

64. What is/was the lease space used for by your organization?

Function of Office

Function of Office

Other (please specify)

65. Please report the square footage of the currently leased space.

66. Is it essential to your mission, program, and/or effectiveness to be located in this particular neighborhood?

- Yes
- No

***67. Does your organization have additional rental properties on which to report?**

- Yes
- No

111. (Optional) For the property/properties owned by your organization, please list the corresponding statistics.

(If more than one property is included, list the statistics as follows:

Mortgage for Property 1, Mortgage for Property 2, etc.;

Year for Property 1, Year for Property 2, etc.;

Square Footage for Property 1, Square Footage for Property 2, etc.)

Current monthly mortgage(s)

The year the property/properties were acquired

The square footage of the property/properties

112. (Optional) Please indicate if you have other arrangements for your leased or owned space that affects any of the amounts shown (such as shared space with other organizations, subleasing a portion of your space, etc.).

Finally, please feel free to add details on additional rental properties that could not be reported in the above survey.

Thank you so much for taking the time to complete this survey. Again, if you have any questions or concerns about this survey, please do not hesitate to contact Katie Short at the Budget and Legislative Analyst's Office either via email at Katherine.Short@sfgov.org or by phone at (415) 553-4638.

Thank you, again!