

SAVE THE DATE!

ENVISIONING THE FUTURE OF MIDTOWN PARK APARTMENTS!

SATURDAY, SEPT 7, 2024, 11am – 1pm

MIDTOWN COURTYARD (by the deck)

Lunch provided



Please join us for our sixth Midtown community visioning workshop on September 7. We will share an outline MOU for COMMUNITY CONTROL, and the full set of DRAFT RECOMMENDATIONS for residents to review and provide feedback. This is an invitation to come together to collectively decide the way forward!!

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Summary of Midtown Community Vision Workshops 1-5

Consultants Fernando Martí and Steve Suzuki for Midtown Tenant Association and LAFCo

Midtown Park Apartments is – first and foremost – a community, home to 120 families. Midtown Park is not simply a collection of “units,” but a community that has weathered the hardships of urban renewal, seen their community disinvested for decades, confronted developers and attempts to redevelop their property, move them into tiny apartments, and increase their rents, and endured habitability and health issues in their homes, including mold, leaks, and lack of heat. At the same time, they have continued to build and strengthen community: creating a Midtown Park Tenant Association that meets weekly (since COVID, typically by Zoom) with meetings are open to all Midtown residents and to the public, gathering for barbecues in the central courtyard, distributing food and supplies during COVID, organizing for rent strikes and rallies to protect their beloved community. In 2020 the community won a legislative win, by formally incorporating Midtown into the City’s rent control ordinance. And the city’s selected developer abandoned its plans, creating an opening for the community to reconvene to shape its own community vision for its future.

In 2022, Supervisor Dean Preston set aside funding for an independent Property Conditions Assessment (PCA) to review the current and future physical needs for Midtown’s six buildings, including capital costs and ongoing reserve costs, and to facilitate an in-depth conversation among Midtown tenants on what they want for the future of Midtown. This is a summary of the first five workshops, facilitated by the consultant team of Fernando Martí and Steve Suzuki, leading up to a mini-workshop on September 7 to review the draft recommendations, and a final meeting in October to unveil a draft report. In addition to the workshops, a resident survey was conducted in June/July of 2024. The workshops were held on Saturdays at the Gateway High School cafeteria, immediately across the street from Midtown Park. Each workshop was attended by about 20 Midtown residents. The team thanks all the residents who showed up to represent their community and make their voices heard.

One thing we heard over and over from residents was a feeling of being ignored and disrespected, and little accountability, especially when agreements were not put in writing. Therefore, it is our intention here to document – IN WRITING – the residents’ goals and priorities, as a starting point for the next phase of Midtown Park’s future. The recommendations outline a series of steps that need to be taken and, critically, the order by which those steps should be taken, to ensure that the community’s goals and vision are carried out.

As a supplement to this report, LAFCo has set up a web page archiving current and historical documents relating to Midtown Park Apartments, which can be found here:

<https://sfgov.org/lafco/midtown>.

PRE-WORKSHOP: NOVEMBER 22, 2022

Even before the community visioning process formally began, the Midtown Tenants Association hosted a workshop in the Midtown courtyard, with over 30 Midtown residents. The workshop was meant to kickstart the visioning process and to begin developing a set of standards to guide future conversations. The workshop began by laying the groundwork of things important to the Midtown community: identifying **COMMUNITY VALUES**, identifying the things about Midtown Park that residents want to **PRESERVE**, and the things residents want to **TRANSFORM**. The core of the workshop was a discussion of what **COMMUNITY CONTROL** means to the Midtown residents and community:



1. Dignified homes that are (a.) well-maintained, (b.) with up-to-date plumbing and electrical systems, and (c.) with elevators and handicap accessibility.
2. Decision-making, working collectively to make decisions in regards to (a.) control of property-management and management of common space, (b.) decisions on vacant apartments and moving between apartments, (c.) decisions concerning development or physical changes to Midtown Park, and (d.) decisions about ownership or rents.
3. Ownership, expressed as (a.) every resident who wants can have a title to their unit (but acknowledging that some residents may wish to remain renters), (b.) residents can pass units down to children, and (c.) adult children of residents get preference for open units.
4. Affordability in perpetuity



WORKSHOP #1: JANUARY 20, 2024

Community Goals. We began the January 20 workshop discussing Resident Goals. In small groups, residents came up with a more comprehensive list of Community Goals to guide future decisions. These goals include: 1.) Permanent affordability, 2.) City responsibility for healthy, state-of-the-art renovation, 3.) Aging in place, 4.) Community control of property

decisions, 5.) Resident leadership and capacity-building, 6.) Community leasing priorities, 7.) Community ownership & equity, and 8.) Community economic opportunities.

Ownership Scenarios. Consultant Fernando Martí presented six possible future scenarios for ownership and governance of Midtown Park Apartments, beginning with the current ownership structure and discussing various other structures that gave residents increasing amounts of control and ownership. Residents were clear that the previous model with a nonprofit tax-credit housing developer (such as 2014-2019 Mercy Housing proposals) did not fit “the Midtown model” of community control. While permanent affordability and stability was of primary concern, some residents were also interested in a mixed ownership/investment model that would ensure generational ownership.

Residents pointed out that there should be different approaches for those who chose to own and those who chose to remain renters.

Building Renovations. Consultant Steve Suzuki summarized the work to be done by the third-party architecture and engineering team, including cost estimates for renovations for all six buildings, and a reserve study to determine the ongoing costs for maintenance and replacement. Accessibility was a major concern for tenants, given that there is no wheelchair access to the units. Residents were concerned about the structural safety and age of building, as well as other life safety issues. Residents noted the need for additional security cameras and a transparent process for handling the footage. There was a particular desire for improvements to the laundries, including that machines be located closer to each building, especially given the lack of elevators. Residents desired that the landscape be more family-friendly. City staff from the Mayor’s Office of Housing (MOHCD) clarified that they are currently providing ‘Emergency’ repairs, but did not have funds for “Substantial repairs,” which they defined as costs above \$100k/unit.

Property Management and Operations. A large amount of time was spent discussing the vacant units, relocation concerns, and operating costs. MOHCD staff clarified that 34 of the total 140 units are currently vacant. Residents expressed that the vacant units need to be rented as soon as possible to increase cash flow to help cover operating costs. Nonetheless, residents felt that it was the City’s responsibility to support operating costs, not just the renovations, and the city should guarantee operational costs for next 30-50 years, since they already do that for their portfolio of Master Leased buildings, but that they could also seek a ‘continuous giving’ model of funding from local philanthropies.

City relationship. Residents expressed their overriding concern that trust needs to be rebuilt, and invited the MOHCD Director to share what the City itself wants for Midtown.



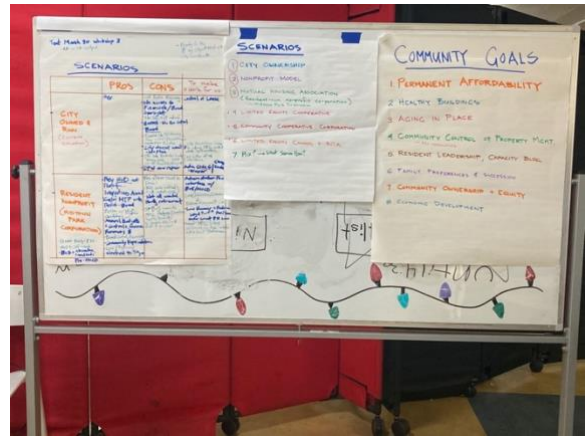
WORKSHOP #2: FEBRUARY 24, 2024

Building Renovations. Architect Steve Suzuki led a discussion of the range of accessibility improvements desired by residents, as well as possible additional improvements to the property (laundries, storage, community room, courtyard). In particular, residents were concerned about

previous plans to convert the current multi-bedroom townhouse units into smaller flats, even if those flats might be more senior-friendly or even fully accessible. Residents reacted negatively to the lack of participation in those decisions, and the loss of space and bedrooms for existing residents. The decisions seemed to be guided more by a desire to add more and smaller units to the complex, rather than giving residents an opportunity to discuss alternatives that tried to meet the accessibility goals while respecting resident’s wishes to maintain the general size of their units. The consultant team agreed to develop a Building Renovations scope premised on keeping the units as the current predominantly townhouse model.

Resident Control – the Midtown Park Corporation

experience. Residents heard from fellow residents who had been deeply involved in the Midtown Park Corporation. From 1968 through 2014, Midtown Park Apartments was run through a resident-run nonprofit, the Midtown Park Corporation (MPC). Under the Midtown Park Corporation, residents had access to all financial information, had a board that hired the property manager and provided oversight over management decisions. MPC operated under HUD regulatory agreements, which provided protections and oversight, including annual inspections. The City of San Francisco, through the Board of Supervisors, was still the owner of the property, and was the only entity that had the power to allow rent increases – and vetoed several requests for resident-approved rent increases to deal with repairs and improvements. In 2014, after the HUD loan was retired, the City ended its lease with the Midtown Park Corporation. Under the new situation, the residents no longer have access to financial information, do not have a say in property management decisions, and have no say about the future of Midtown. The new system removed the previous wait-list for new rentals, and moved to implement income certification of all existing tenants. Moreover, the City has chosen to keep over 30 units vacant, leading to short-term strangers arriving in the complex, creating security issues, and affecting the operating income of the property. Residents wished to return to a model like the previous Midtown Park Apartment model, with an elected board or association with formal standing, and to establish a (paid) Resident Administrator position to interface between Midtown and MOHCD.



WORKSHOP #3: APRIL 6, 2024

Building Renovations. The consultant team prepared a resident-led “scope of work” for system renovations and accessibility improvements according to the resident’s wishes. Integral to this was the incorporation of ramps and elevators to the substantial repair plan.

Resident Control. Based on the in-depth discussion from the February workshop on the lessons learned from the experience of the Midtown Park Corporation, the consultant team presented a draft set of community control goals. The key elements of a resident control plan include: 1.) resident review and approval of contracts with property management, and review and approval of financial documents; 2.) resident review and approval over leasing policies for vacant units, including preferences and succession rights for family members; and 3.) a funded resident administrator position, and capacity building and training for resident leadership.

Community Ownership through Community Land Trusts. Residents heard from Kyle Smeallie, policy director at the San Francisco Community Land Trust (SFCLT), on achieving community control and ownership through limited equity housing cooperatives in partnership with community land

trusts. SFCLT emphasizes creating BIPOC homeownership in SF through a limited equity housing cooperative (LEHC) and community land trust (CLT) partnership model. In this model, residents are able to develop equity through cooperative ownership, but are guaranteed permanent affordability and technical assistance support through the community land trust.



WORKSHOP #4: MAY 4, 2024

Building Renovations. Architect Steve Suzuki presented drawings and preliminary cost estimates for the building upgrades, including accessibility improvements.

Community Ownership through Housing Cooperatives: The experience of St. Francis Square. Conny Ford presented on the experience of St. Francis Square, a nearby Western Addition complex, that was built at roughly the same time as Midtown Park Apartments. Conny spoke about the original vision for St. Francis Square, financed by the Longshoremen’s Union. St. Francis Square was originally a limited equity cooperative, with resale prices limited in order to maintain affordability from one generation to the next. Unlike Midtown, it had no support from the City or any nonprofit entity. In the early 2000s, the coop members voted to drop the limited equity restrictions, essentially “going market-rate,” with no income or resale restrictions. Over time, this has affected the demographics of the complex, and resident priorities. Now, like Midtown and many other Western Addition buildings from the 1960s, St. Francis is facing the need for major renovations for building systems (plumbing, mechanical, electrical) and also for accessibility upgrades, involving large cost impacts.

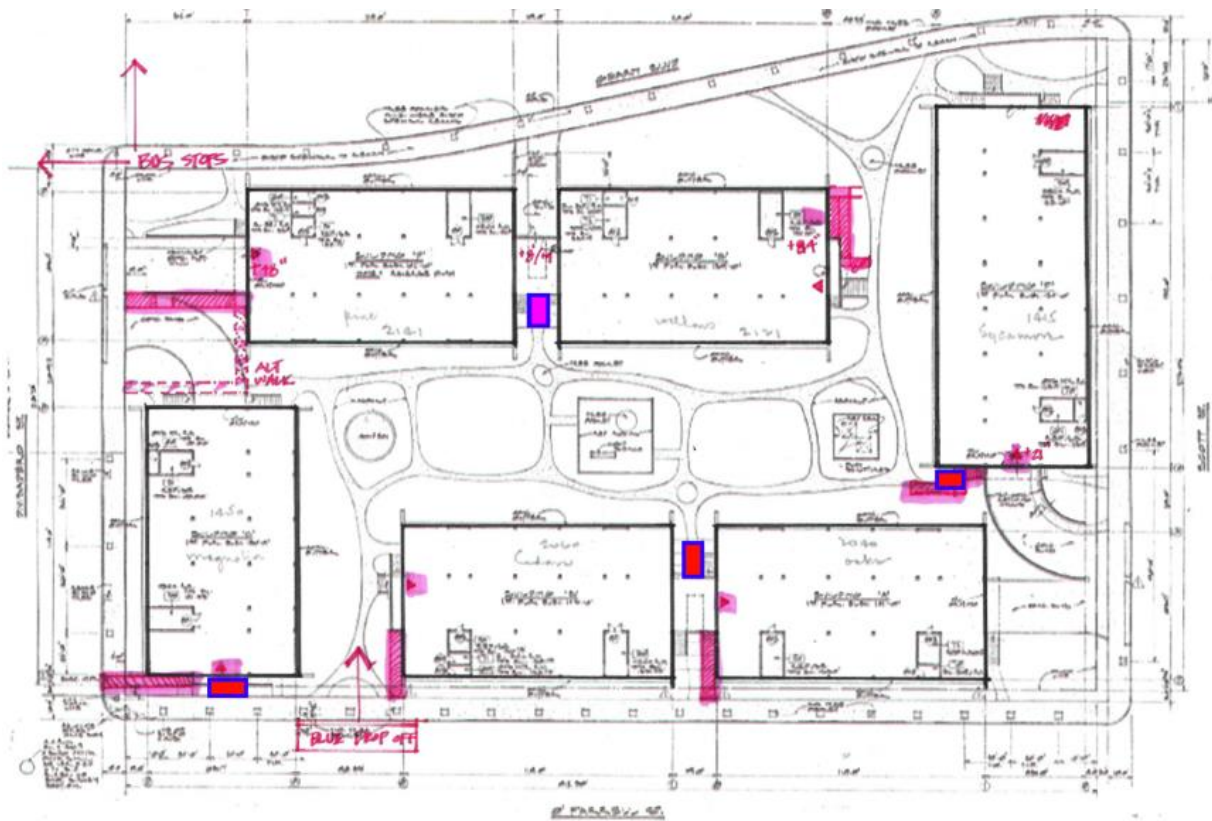


Figure 1: amp and elevator location study

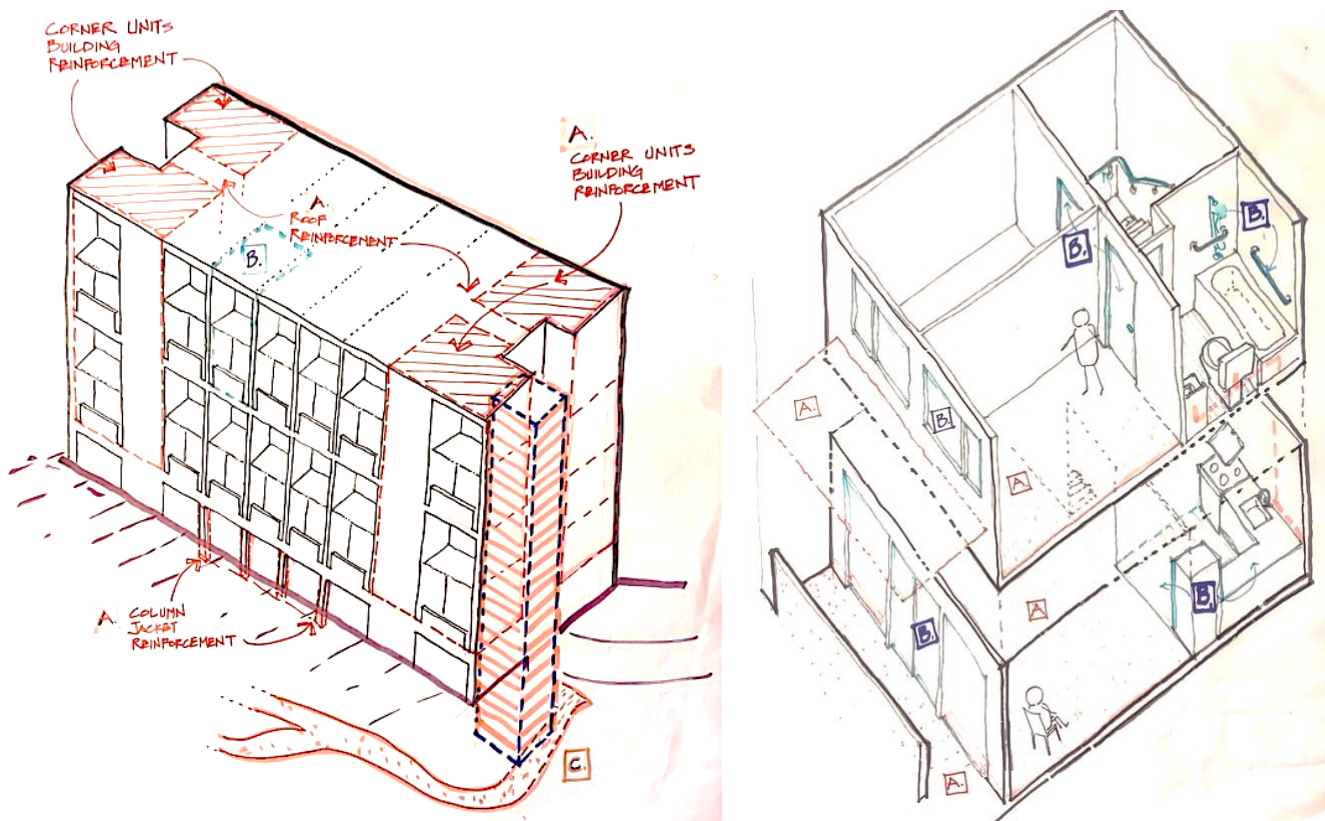


Figure 2: Left, elevator and structural improvements; right, universal design improvements

MIDTOWN PARK RESIDENT SURVEY RESULTS

Over the summer 2024, we conducted a survey to receive feedback from those who may not have been able to attend the workshops. The responses help to round out where the folks who are interested in the future of Midtown stand. 19 people responded. The questions and responses are summarized here.

1. ***Please rate the quality of the physical conditions of your own apartment.*** Almost half responded “Fair,” with about a quarter each responding “Poor” and “Good.” Reasons included habitability issues: insulation at doors, walls bubbling, leaks from the balcony above, leaks at sink, ventilation, noise abatement, mold and asbestos removal. Others had to do with cabinets, counter space, storage, window screens, and either new carpeting or replacement with wood flooring.
2. ***Please rate the responsiveness of the current property management at Midtown Park Apartments.*** Almost half responded “Fair,” with a few more saying “Good” and “Excellent,” indicating overall satisfaction with current property management staff.
3. ***Should Midtown residents have a say on property management decisions through monthly Tenant Association meetings with the property manager and the City?*** 79% responded “YES.”
4. ***Should Midtown go back to the waiting list system that prioritized family and relatives to fill vacant units?*** 84% responded “YES,” though one person made a note, “Depends on family need.”
5. ***Should adult children of Midtown tenants be allowed to continue their parent’s lease, even if they were not named on the original lease?*** An overwhelming 89% responded “YES,” noting, “more info needed,” and “more older tenants.” The responses to these two questions indicate a very strong desire to prioritize families in the complex, but the notes also point to a concern about the process.
6. ***The City is planning “Emergency Repairs” for all six buildings, including seismic upgrades, fire safety upgrades, heating repairs, and new roofs. The repairs will require temporary relocation of residents. The city is NOT planning accessibility upgrades, ramps or elevators. Should the City include ramps/elevators as part of the immediate repair work, even if it causes a two-year delay in the work?*** 74% responded “YES.” A majority clearly want to see accessibility as part of the work, but many are also clearly concerned about additional delays.
7. ***Midtown residents have expressed an interest in having the property transferred to a community-controlled entity. Should the City commit to fully repairing all of Midtown Park before any kind of transfer?*** Three quarters of respondents want the City to take responsibility for repairing Midtown rather than saddling the community with that risk.
8. ***If Midtown residents form a working group to create a new Midtown ownership entity or partnership, would you be willing to commit the time to be part of this effort?*** Eleven people responded “YES,” and six responded “NO.” Notes included: “Need to be younger,” “I am 92 years old,” and “Only if the repairs are done.” There is a definite desire to put in the time among many residents, but there is also a need for resident organizing and leadership development to identify more folks – especially younger folks – willing to commit to this hard long-term work.

WORKSHOP #5: AUGUST 24, 2024

Construction Cost. The August 24 workshop was held outdoors in the Midtown Courtyard. A cost summary was presented both for the present costs to rehab Midtown (separated by Building 1 and for all six buildings), as well as the reserve needs for the next 20 years. These numbers are included in the table on the next page. The main takeaway is that the addition of elevators, ramps, and universal design in the units would increase the cost to renovating Building 1 to 13.4 million – or about \$335,000 per unit. For comparison, the 2024-25 budget for MOHCD is \$192 million.



Operating Costs. The consultants also shared information on how to potentially narrow the operating gap, which is currently covered by \$1.7 million in City subsidies. Renting the vacant units at affordable workforce rents could potentially bring in \$1-\$1.4 million. Lowering insurance costs by upgrading the fire safety systems, and finding other cost-saving measures, could save another \$400,000. However, this may still leave a gap in operations costs, and does not even account for annual reserve costs.

Accessibility and common space design. At the workshop, residents reviewed the proposed plan for locations of ramps and elevators, and gave feedback on changing the proposed elevator location for Building 1. They also pointed out other potential common space improvements, including locations for seating and for dealing with areas that did not have much foliage along the borders, improvements to the deck, better mailbox locations, and better pedestrian-level lighting that did not impact people's ability to sleep at night.

UPCOMING WORKSHOP #6: SEPTEMBER 7, 2024

We will be adding one more mini-workshop on September 7 in the courtyard – if the sunny weather holds! At this mini-workshop, residents will go over the draft recommendations from the report and get your feedback and comments, before re-convening in early October to review the final report. These DRAFT recommendations are included in the last page of this summary. The consultant team will present an expanded set of community control goals that could potentially form the basis of a memorandum of understanding between the residents, MOHCD, and the property manager. These include:

1. MOHCD recognizes the right of residents to organize and elect a tenant association.
2. MOHCD senior staff to attend quarterly residents' meeting.
3. Direct participation of residents in all decision-making, including security, maintenance, repairs, and budget.
4. Resident review of financial documents pertaining to Midtown.
5. Resident review in the selection of contractors, including property management contract and construction contracts.
6. Resident review of leasing policies, including preferences and succession rights for family
7. Funding for resident organizing and leadership development.

Midtown Park DRAFT Community Recommendations – FOR DISCUSSION

Building Renovations

RECOMMENDATION 1: Incorporate the resident’s recommended universal design, common space and elevators into the immediate scope of work for renovations.

RECOMMENDATION 2: Dedicate additional funding in the City’s 2025-26 budget to include the resident’s scope, and dedicate funding in the City’s two-year budget for 2026-27 for the work required for the second phase, including Buildings 2 and 3, and so on until the work is completed.

RECOMMENDATION 3: Avoid delays by resolving MOHCD/DPW issues as quickly as possible.

RECOMMENDATION 4: Avoid delays by working as quickly as possible to resolve PG&E/PUC issues in order to incorporate state-of-the-art green building and electrification renovations into future phases.

Relocation and Return

RECOMMENDATION 5: Commit that temporary relocations should be within the complex, or offsite within a 10-minute walk, depending on the resident’s desire, and that multiple relocations will be avoided by doing all the work for each building at once.

RECOMMENDATION 6: Allow tenants who so desire to relocate upon return to vacant lower floor units or vacant accessible corner flats – but only on their own decision.

RECOMMENDATION 7: Residents will have a written right to return to a unit of the same number of bedrooms for the same rent amount.

Operating Costs

RECOMMENDATION 8: Reduce insurance costs by expediting fire systems renovations as soon as possible.

RECOMMENDATION 9: Perform an audit of property management expenses to identify possible cost savings, with resident review and approval.

RECOMMENDATION 10: Rent renovated vacant units at workforce housing rents with resident review and approval, and seek project-based voucher allocations and subsidies for seniors and people with disabilities.

Community Self-determination

RECOMMENDATION 11: Sign a memorandum of understanding to outline the roles and responsibilities of MOHCD, property management, and the Midtown tenant association.

RECOMMENDATION 12: Develop leasing policies with resident review and approval, including rent amounts, any income certifications, and family preferences and family succession in units.

RECOMMENDATION 13: Dedicate funding in the City’s 2025-26 budget to hire a part-time or full-time organizer to support the tenant association and develop an elected governing body to interact with MOHCD and property management, and oversee any future ownership transition plan.

Ownership Transition

RECOMMENDATION 14: Ensure that all existing households are in stable, senior-friendly rehabbed housing as a prerequisite to implementing an ownership transition.

RECOMMENDATION 15: Ensure that a funding plan is in place to cover any continuing operating income gaps including annual replacement reserve needs, as part of any ownership transition plan.

RECOMMENDATION 16: Dedicate funding in the City’s 2026-27 budget to fund a technical assistance group to help the resident organizer and tenant association develop an ownership transition plan.