



TNDC Strategic Plan

2013

Our foundation. Our future.



"Successful organizations cannot stand still in times of disruptive change. They maintain their core goals and values but readjust their strategies and tactics to reflect new realities." — Bruce Katz, Brookings Institution



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Introduction

BACKGROUND

We learned in 2008 that the world changes quickly. The economic tumult of the last five years informed our decision led us to undertake a strategic planning process that differed from past efforts. Recognizing that many of the assumptions underlying the 2008–2012 Strategic Plan were had quickly fallen out-of-date, we chose with this Plan to replace in place of static multi-year objectives and work plans we have chosen with this Plan to lay out broad strategic directions and to commit ourselves to a regimen of continuous strategic planning. We believe that by clarifying our identity, developing our strategic skills and challenging ourselves to remain focused on the future, TNDC will become an organization where strategic thinking and behavior are embedded in our culture.

METHODOLOGY

We began by revisiting our organizational identity (mission, vision, values and operating principles) and identifying market conditions and our competitive advantages. We then analyzed TNDC's lines of business in order to understand and evaluate under diverse conditions how each part contributes to and interacts



with the whole. We concluded by establishing our broad strategic directions and developing criteria for evaluating future opportunities and choices. Ongoing strategic planning at TNDC will be a living, evolving dynamic that will situate us to make good decisions and bring about the social and economic change that lies at the heart of TNDC's mission.

PARTICIPATION

Active participation by a wide spectrum of voices was a hallmark of

the work. We began with an all-staff meeting, attended by nearly half of our employees, to generate a vision for TNDC. We also invited any interested staff member to join our existing Strategic Planning Committee, which met more than 25 times over the course of the year. TNDC's Board of Directors reviewed and provided input, concentrating on one critical element of the Plan at each of its 2012 meetings.

In addition, to educate ourselves about market conditions and opportunities, and to understand how TNDC is perceived by our direct customers and external stakeholders, we conducted 24 external interviews and five tenant focus groups. The feedback and suggestions we gathered played a significant role in determining our key strategic directions and competitive advantages.

"TNDC grew from a tiny organization to a huge institution. They haven't lost the original kernel of why they started; their core values have remained." — Tenderloin activist and former Board member

Executive Summary

TNDC's Strategic Plan establishes the foundational principles for continuous strategic planning.

MISSION

TNDC provides affordable housing and services for low-income people in the Tenderloin and throughout San Francisco, to promote equitable access to opportunity and resources.

VISION

- In San Francisco, TNDC envisions diverse communities where people with low incomes can fulfill their potential and have their basic needs met effectively.
- In the Tenderloin, TNDC stands as a catalyst for advancing community interests and a force for expanding the choices that enhance livability, such as housing, employment, education, food, cultural activities and open spaces.
- As a healthy organization, TNDC is viewed as a trusted and well-organized community ally locally and a practice leader nationally.

VALUES

Integrity
Excellence
Diversity
Collaboration
Equity

IDENTITY

We are a Tenderloin-based community organization, with a citywide scope. We focus primarily on the lowest-income populations. We are a community development organization, focused on housing. We are among a small handful of neighborhood-based organizations nationally that operate at scale.

STRATEGIC DIRECTION

TNDC's strategy will be implemented over the course of the coming years, informed by the Plan and responding to the changes in the organization and environment.

LEADER

TNDC has a responsibility to inform and advocate on behalf of its constituents.

OWNER, OPERATOR, SERVICE PROVIDER

TNDC must continue to focus attention on the significant portfolio of housing and services that we have successfully developed over the past 30-plus years.

HEALTHY ORGANIZATION

TNDC's long-term impact requires that we focus on both delivering on our mission and continuing to strengthen the organization.

COMMUNITY DEVELOPER

With a renewed commitment to community development, TNDC will actively engage in the Tenderloin and other communities.

IMPLEMENTER

In times of change, resource constraints and heightened competition, it is imperative that we continue to innovate and improve how we conduct our business.

AFFORDABLE HOUSING

In the face of a challenging environment, TNDC projects will be consistent with our mission, vision, values and principles.

TNDC History



ORIGINS

TNDC was founded in 1981 to achieve two ambitious and intertwined visions: to transform the lives of the poor and marginalized residents of unsafe and inadequately maintained housing in the Tenderloin, and to protect the Tenderloin from the seemingly inevitable gentrification that then loomed over the neighborhood.

To address the aspirations and needs of residents, TNDC began to purchase buildings, ensuring their long-term affordability by removing them from the speculative market.

But our vision was more ambitious: TNDC would foster a series of cooperatively owned and managed communities.

To protect the neighborhood, TNDC joined with other community activists to oppose the development of three luxury hotels proposed for the eastern edge of the neighborhood—harbingers of a future in which

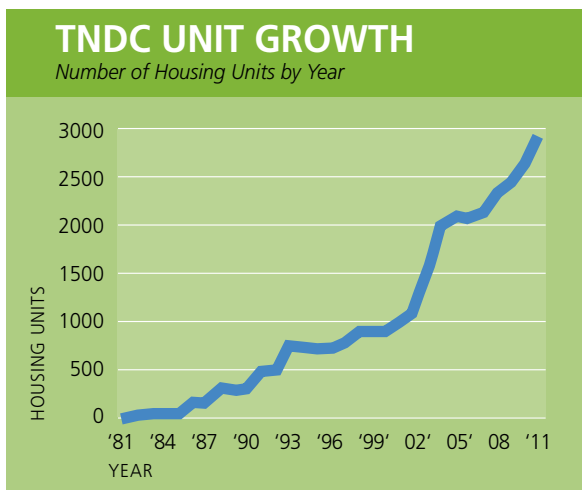
dramatic numbers of low-income residents would be displaced by high-rise developments and rising property values. TNDC and its allies negotiated a unique solution on the neighborhood scale: one of the nation's first "community" benefits agreements, wherein the hotels contributed millions to fund affordable housing and job creation for Tenderloin residents. In addition, the activists' work led to a down-zoning of the neighborhood that limited building heights and uses.

GROWTH

With grants from Franciscan Charities, the new organization quickly purchased four buildings, preserving nearly 300 units of affordable housing. By 1988, the portfolio included eight buildings (450 units), and TNDC shifted its focus to major capital improvements within its existing portfolio.

Beginning in 1994, the focus once again turned to expansion. Under the leadership of Executive Director Brother Kelly Cullen, TNDC grew significantly, nearly tripling its number of housing units and employees over the ensuing decade.

In 2009, TNDC absorbed the San Francisco affordable housing portfolio of a sister organization, Citizens Housing Corporation. TNDC's portfolio grew by 30% (six properties totaling 540 units), strengthening the organization through the economies of scale and further diversification.



BEYOND HOUSING

TNDC understood early on the critical importance of integrating housing with services and became a national pioneer in supportive housing. This initiative began in 1993 with a contract with an established service provider. TNDC social work staff now offers housing-based, voluntary support services throughout the portfolio. We work in close partnership with other specialized service providers and with governmental agencies pursuing parallel goals. In 1993, TNDC established the Tenderloin After-School Program (TASP), which serves children ages five to 17.

In 2007, TNDC hired its first full-time community organizer, deepening the organization's commitment to activism. Our community organizing work has steadily grown, supporting tenant leadership, advocating for affordable housing and working to establish Community Benefits Agreements with businesses expanding into the Mid-Market area—a return to TNDC's original efforts. Most recently, we have grown our food security work, establishing community gardens in a number of TNDC properties, as well as in a vacant lot near City Hall. Thousands of pounds of fresh produce are harvested from these gardens and distributed free to the community.

In recent years, TNDC has been developing housing of increasing complexity and size, with more units designated for seniors, families and formerly homeless people (including youth, single adults and families). We have increasingly focused on partnerships with other community-based organizations and have also begun to explore partnerships to develop mixed-income housing with market-rate developers. In 2012, we

completed our most complex project to date: the rehabilitation of the former Central CityYMCA, an adaptive re-use and historic preservation project comprising 172 units for formerly homeless individuals, along with the Department of Public Health's new Federally Qualified Health Center. Kelly Cullen Community, named for TNDC's former 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.

TNDC continues to build upon our legacy. We are proud to be the largest community-based development corporation in San Francisco, and among the largest in the country. We have continued to expand our geographic reach beyond the Tenderloin while maintaining our anchor in the neighborhood where we began. We complement this achievement in scale with high-quality supportive services and property management and a strong commitment to increasing the quality of life for people in the broader neighborhood.

TNDC MILESTONES

- | | |
|-------------|---|
| 1981 | Neighborhood activists incorporate TNDC. |
| 1989 | Owens eight buildings with 489 units and employs 75 people. |
| 1993 | Starts TNDC's Tenderloin After-School Program (TASP). Sponsors first Celebrity Pool Toss to benefit TASP. |
| 1996 | Brings social work services in-house through hiring of first social workers. |
| 2000 | Acquires Antonia Manor, Maria Manor and Alexander Residence in December, growing to 1450 units and 148 staff. |
| 2001 | Completes 864 Ellis Street, first permanent housing for homeless youth in California. |
| 2003 | Opens SOMA Studios & 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, and two years later organizes the neighborhood's "Yes We Count" Census campaign. |
| 2009 | Hosts first Annual Neighborhood Block Party at Boeddeker Park. |
| 2009 | Acquires Citizen Housing Corporation's San Francisco affordable housing portfolio, including six buildings and three developable sites. |
| 2010 | Launches Food Justice program with the transformation of a vacant lot into a vibrant community garden. Three other gardens follow within two years. |
| 2012 | Opens Kelly Cullen Community, 172 units for chronically homeless individuals, partnering with on-site Department of Public Health managed health and wellness clinic. |

Mission

TNDC provides affordable housing and services for low-income people in the Tenderloin and throughout San Francisco, to promote equitable access to opportunity and resources.

TNDC's work is continually evolving, and we took the opportunity with this Plan to align our decade-old mission statement with our practice. We revised it in two important ways: by recognizing the expansion of our geographic reach beyond the Tenderloin (our core neighborhood) and by re-framing the ultimate purpose, and impact, of our work in housing and services.

TNDC PROVIDES AFFORDABLE HOUSING AND SERVICES...

After more than 30 years of growth and change, this still encompasses the core of our work. Affordable housing is the platform from which our tenants build stability and move forward in their lives, and integrating services as an essential component is deeply rooted in our work.

...FOR LOW-INCOME PEOPLE...

TNDC was founded to serve people who face the greatest economic challenges, and that commitment stands.

...IN THE TENDERLOIN AND THROUGHOUT SAN FRANCISCO...

TNDC retains its foundational commitment to the Tenderloin, and also recognizes our role beyond our core neighborhood. TNDC's current portfolio and development pipeline include projects in four other neighborhoods, and the mission statement reflects openness to opportunities throughout the city.

...TO PROMOTE EQUITABLE ACCESS TO OPPORTUNITY AND RESOURCES.

The ultimate purpose, and impact, of TNDC's housing and service activities is to open paths to personal development and enhanced resources for our constituents.



Vision & Values

INTEGRITY

We strive for candor, respect and honesty. We seek to stand as a model of ethical behavior.

EXCELLENCE

We continuously push ourselves to improve and to produce high-quality work.

DIVERSITY

We treat all people with respect and believe that different experiences and perspectives add value.

COLLABORATION

We enhance our impact by working together and with others. We create partnerships, solicit and respond to input, and share our knowledge.

EQUITY

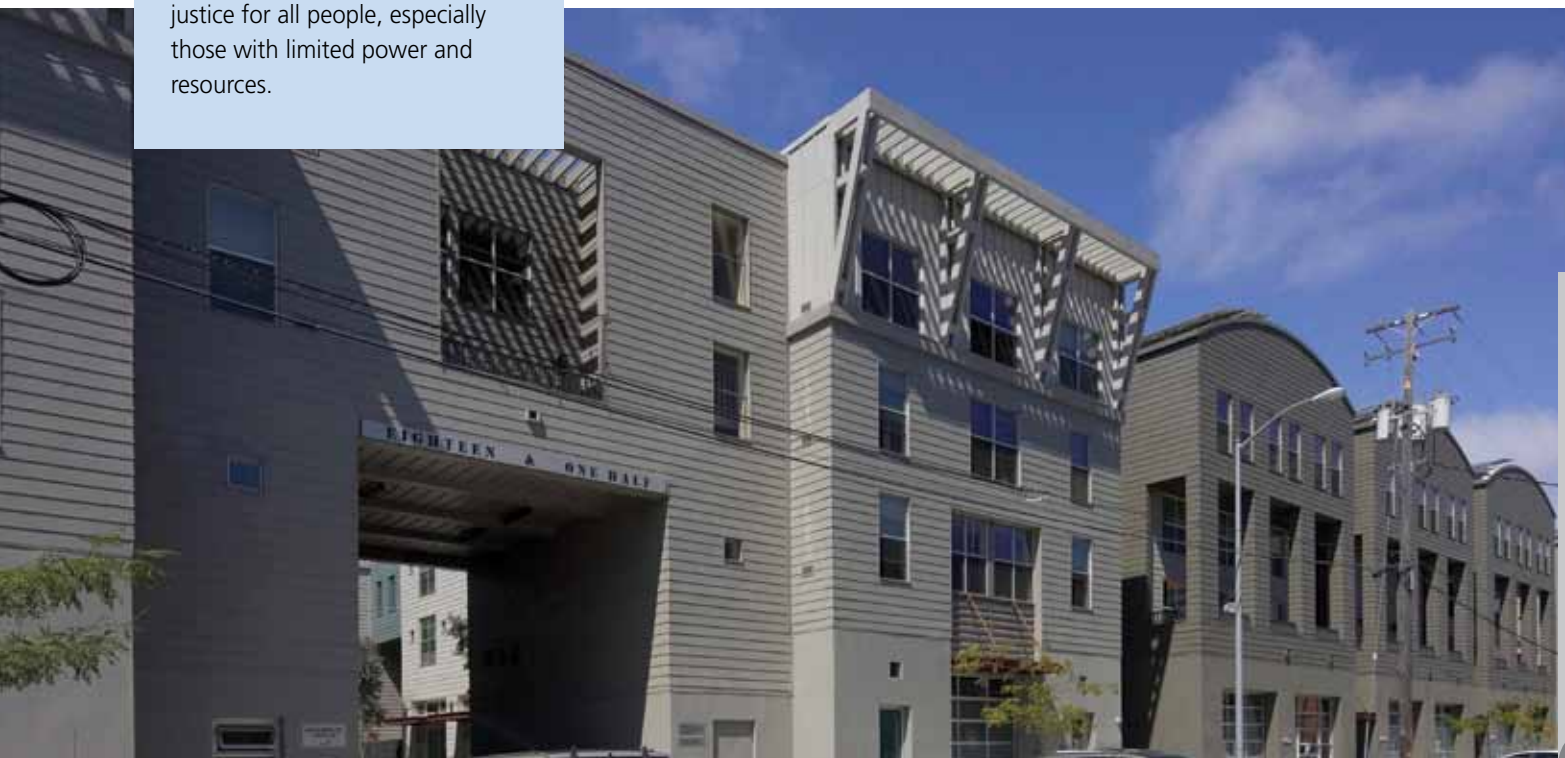
We strive for economic and social justice for all people, especially those with limited power and resources.

IN SAN FRANCISCO, TNDC ENVISIONS DIVERSE

communities where people with low incomes can fulfill their potential and meet their basic needs. Their housing is affordable and near amenities and services that enhance the quality of their lives. People feel safe, and supported by their community. All are invited to offer their voices in the issues that shape their lives.

In the Tenderloin, TNDC stands as a catalyst for advancing community interests and a force for expanding the choices that enhance livability, such as housing, employment, education, food, cultural activities and open spaces.

As a healthy organization, TNDC is viewed as a trusted and well-organized community ally locally and a practice leader nationally. We contribute throughout San Francisco by providing affordable housing and other resources, by partnering effectively with other organizations and by supporting resident leadership.





Identity, Beliefs & Operating Principles

WHO ARE WE

We are a Tenderloin-based community organization, with a citywide scope.

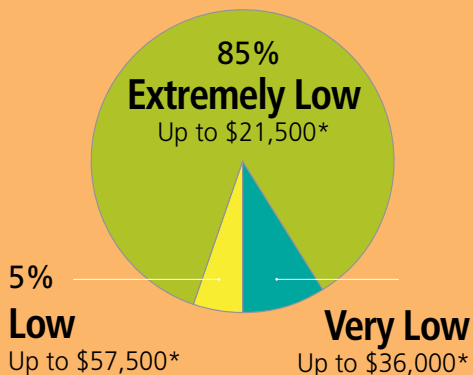
Our core community is the Tenderloin. Our offices and the bulk of our properties and programs are situated in the Tenderloin, which serves as the primary focus of our community development work and the base of our advocacy and organizing efforts. We will also continue to operate in other neighborhoods, where our housing development capacity, services, programs and commitment to community building can have positive impacts.

We focus primarily on the lowest-income populations.

Our developments, services, programs and advocacy are focused on benefiting the lowest-income populations. We will pursue opportunities to serve a broader population when the result would also benefit low-income people or advance TNDC's capacities and sustainability.

RESIDENT INCOME DISTRIBUTION

Total households — 2,350



*Annual Incomes in 2012 for a single individual according the Mayor's Office of Housing income limits.

We are a community development organization, focused on housing.

While most of TNDC's activity is in affordable, supportive housing, we have a larger purpose as a community development organization: to promote opportunity and choice in the neighborhoods within which we operate.

We are therefore involved in a range of issues and participate in a variety of ways. The breadth and depth of our work will vary according to the availability of resources and the presence we have in a particular neighborhood. We directly operate programs where our abilities can address unmet needs—our after-school and food programs are examples. We support others who initiate efforts consistent with our beliefs. We work in coalition with residents and other stakeholders to strengthen collective efforts to achieve change, bringing resources and influence when we can.

We are among a small handful of neighborhood-based organizations nationally that operate at scale.

Our strength derives from combining the best of both. From operating at scale, we gain efficiencies, impact and sustainability. From being community based, we gain responsiveness to our constituents and a broader vision beyond our primary work in housing.

WHAT WE BELIEVE

Affordable housing provides the essential foundation for people and communities.

We believe affordable housing is the foundation on which better lives are built, and without it, people cannot address the other challenges and goals in their lives. Quality, affordable and safe housing supports personal development, health, community livability, education and income growth.

All communities have assets upon which to build.

We approach community development from a perspective of assets, not needs. The Tenderloin has many assets upon which we can build: a diverse community of residents; hotels and theaters that bring disposable income to support neighborhood businesses and jobs; restaurants spanning cuisines and price; a dense population that represents substantial purchasing power; a central location adjacent to Union Square, the Civic Center and the city's busiest public transportation and pedestrian hubs; the largest concentration of historic Single Room Occupancy hotels in the world; demonstrated political influence; and a high concentration of neighborhood-serving businesses in ground-floor commercial spaces.

HOW WE OPERATE

We take the long view.

We are engaged in difficult work that requires long-term planning and patience. We aim to develop systems and processes that are durable. We know that the choices we make today may not bear fruit immediately and will affect our neighborhoods and their residents for many years, and we take this responsibility seriously.

We support our mission through engagement and participation.

We actively support our constituents in their efforts to organize and advocate for their interests. TNDC is also a direct participant in the political process, supporting the interests of our constituents through public policy debate, advocacy and joint efforts with other organizations aligned with our mission.

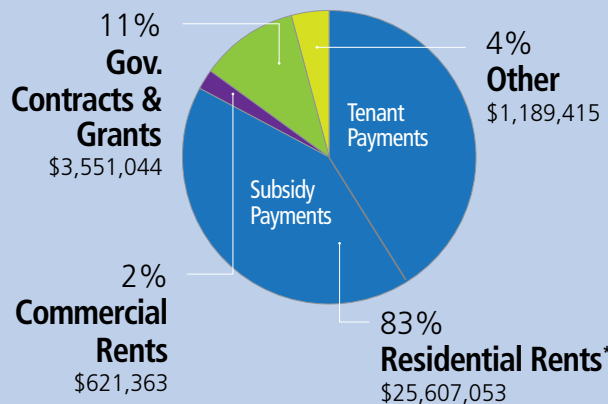
We offer our staff opportunity, resources and support for personal and professional growth.

TNDC's staff delivers its mission daily; retaining, motivating and developing staff are paramount to meeting that mission.

SOURCES OF REVENUE

PROPERTIES

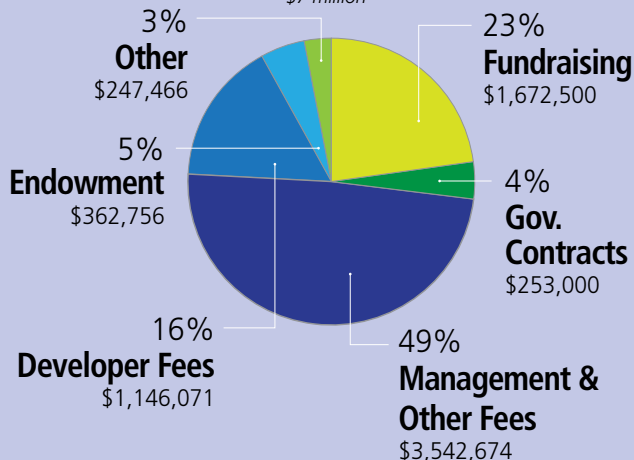
\$31 million



*Half from rental subsidies.

GENERAL FUND

\$7 million



Equitable development creates a path to opportunity.

TNDC began its work more than 30 years ago as a neighborhood preservation organization, combating gentrification. While displacement remains a serious threat, we are also committed to improving the quality of life for neighborhood residents despite the gentrifying potential that accompanies such improvements. The principles of equitable development insist that low-income people must share in the benefits and be protected from the negative consequences of development. TNDC will play an active role in ensuring that these principles are honored.

Pairing housing and services is critically important.

We helped pioneer the service-enriched housing movement in the early 1990s, and we believe that offering voluntary support services is essential to engendering successful communities and lives. Our goals in working with our tenants are to maximize housing retention, build community and foster personal development. Affordable housing alone is not enough.

We recognize risk as necessary to achieving our mission; we analyze carefully and mitigate where possible.

We cannot achieve our goals without taking risks. At TNDC, we can tolerate mistakes, provided they are the result of worthy efforts. We recognize that failures are the price of experimentation and proceeding without certainty. We maintain a financial buffer appropriate to the risks we take.

We seek to work in partnership with the City and local residents.

TNDC seeks opportunities where our mission aligns with the priorities of the City and the communities within which we work.

We are cost-effective.

We recognize that cost-effective operations ultimately increase our impact while strengthening our organization.

We strive to provide equitable access and opportunity for all, respecting the cultural and linguistic identity of our constituents.

To effectively work in service to and in partnership with people, we must be both self-reflective and curious about the cultural backgrounds and life experiences of others. We use these qualities, together with a commitment to equity, in our daily interactions and work designing programs, projects and policies.

We maintain a financially sustainable organization in order to meet our mission.

Our continued financial strength allows us to invest in programs and people, to take risks and to avoid disruptions due to short-term volatility. Our sustainability derives from diverse streams of revenue and a disciplined approach to operations.

We are committed to environmental sustainability.

TNDC's commitment to being an environmentally sustainable organization encompasses the efficient use of resources and energy in our operations, attention to the health and safety of our staff, and the application of green and integrated design principles. This includes the prioritization of healthful materials and practices, life-cycle assessment during design, and the development of dense, infill and transit-oriented projects. Our definition of "green" encompasses not merely resource conservation, but also the sustainability of individuals and communities.

Market Trends & Demographics



redevelopment agencies in 2012; the San Francisco agency was by far the largest local source for TNDC. That reduction was only partially restored by the November 2012 approval of Proposition C, the San Francisco Housing Trust Fund.

The significant decline in public and tax credit funding available for affordable housing has greatly slowed the pace of housing production and rehabilitation. On the operational side, too, the constrained economic conditions have had an accelerating detrimental impact. Although San Francisco has been a national leader in dedicating health and social service dollars to housing-based delivery models, the dramatic cuts to the City's Department of Public Health and Human Services Agency have curbed their respective abilities to sustain these innovations. Furthermore, stagnation in rental and operating subsidies threatens our ability to serve additional people in need.

THE 2007–2009 GLOBAL FINANCIAL crisis has had significant and lingering effects on the housing and community development field and the people who are served by it. The significant reductions in public funding available to develop new affordable housing have been unprecedented in TNDC's history. Funding for rental subsidies and supportive services are declining, too, with deeper cuts anticipated. These cuts are mirrored for the people who rely on public support for their income and critical support services.

"In 2009, we all said, 'What can we do to survive until the economy comes back to normal?' Then we realized there was no going back—it was a new normal." — Housing Developer

RESOURCES

San Francisco's funding for affordable housing dropped a staggering 85% from 2009 to 2012.¹ Reductions in federal and state sources were compounded by the calamitous elimination of California's

Our tenants are suffering. The economic downturn has caused new hardships for people with limited incomes who rely on public resources for both income and medical and support services. Supplemental Security Income (SSI) in California, for

¹ "Housing for San Francisco Families with Children," San Francisco Mayor's Office of Housing presentation, March 2012.

example, fell by 8.5% between 2009 and 2011, while In Home Support Services and other vital supports continue to be cut.

REAL ESTATE

San Francisco is arguably the highest-cost real estate market in the nation, with a large proportion of residents paying well over 30% of their income toward housing. At this writing, San Francisco is experiencing skyrocketing land costs and rents in both residential and commercial markets. The rising housing costs are in part being fueled by the revitalization of the Mid-Market commercial district adjacent to the Tenderloin, which is drawing tech companies along with an influx of young, high-earning workers who fuel the demand for rental housing.

Despite the emphasis that the City has placed on ending homelessness, the number of people who are homeless in San Francisco has remained at an estimated 6,500 people in a citywide population of approximately 800,000.

San Francisco's political leadership has emphasized the retention of moderate- and middle-income families, and the recently approved Housing Trust Fund reflects those priorities. Although the fund will provide much-needed resources for affordable housing, it is weighted less toward the lowest-income San Franciscans than past local efforts.

POPULATION BREAKDOWN BY AGE

AGE	Tenderloin		San Francisco	
	Number	Percent	Number	Percent
Children (0–14)	2,182	7.0	89,964	11.2
Teens and Youth (Age 15–24)	3,723	11.9	95,224	11.8
Adults Ages 25 to 64	20,948	67.2	510,205	63.4
Older adults (65+)	4,323	13.9	109,842	13.6
Total Population	31,176		805,235	

POPULATION BREAKDOWN BY RACE AND ETHNICITY

RACE AND ETHNICITY	Tenderloin		San Francisco	
	Number	Percent	Number	Percent
White	14,147	45.4	390,387	48.5
Asian	7,922	25.4	267,915	33.3
Hispanic or Latino (of any race)	5,893	18.9	121,774	15.1
Black or African American	4,343	13.9	48,870	6.1
Two or more races	1,469	4.7	37,659	4.7
Some other race	2,866	9.2	53,021	6.6
American Indian and Alaska Native	306	1.0	4,024	0.5
Native Hawaiian or other Pacific Islander	123	0.4	3,359	0.4
Total population	31,176		805,235	

Source: U.S. Census 2010

The combination of shrinking resources for affordable housing and the City's interest in supporting middle-income housing development has contributed to heightened competition with large regional nonprofit housing developers for projects in San Francisco. In addition,

market rate developers are showing interest in affordable development as a result of San Francisco's local Inclusionary Ordinance, opting to set aside affordable units in their new developments rather than pay in-lieu fees. Although joint development opportunities exist as a result, the



actual level of participation that will be afforded nonprofit partners remains a question.

In summary, TNDC will be challenged to secure the resources necessary to continue our focus on San Francisco's lowest-income residents, given the decline in deeply targeted funding and the City's growing prioritization of moderate- and middle-income housing assistance. Moreover, the forces engendering involuntary displacement of low-income people—so prevalent during the era of TNDC's founding—have forcefully reemerged.

DEMOGRAPHICS

In 2012, San Francisco's median annual income for a single-person household was more than \$70,000. Income polarization in the city is stark and growing, resulting in few households actually earning in the

middle-income range.¹ More than a quarter of households earn less than 50% of the Area Median Income, and the average local monthly rent is more than twice the amount that would be affordable for these households. While San Francisco is one of the most racially and ethnically diverse cities in the country, there is evidence of widening income disparities along racial and ethnic lines.

The Tenderloin's population declined by about 15% from 2000 to 2009. During the same period, the neighborhood saw a rising proportion of Latino residents and a recent influx of immigrants from Yemen and other Middle Eastern nations. The increasing proportion of community members who speak English as a second language or are monolingual in a non-English language informs TNDC's policies and programs.

DID YOU KNOW

? San Francisco is the most expensive place in the country to rent housing.

Source: *Out of Reach*, National Low Income Housing Coalition, 2012

In the 2005–2009 Census, only 13% of the Tenderloin's residents were 18 years old or younger, similar to San Francisco as a whole. About 16% of Tenderloin residents were above the age of 65, slightly higher than the percentage citywide. The neighborhood still has a high level of poverty, particularly concentrated in the central core just north of Market Street, with higher incomes on the western and northern perimeters. Households are predominantly small, and a high percentage of people live with disabilities.

WORKPLACE

TNDC continues to grow its portfolio, programs and staff. Staff has increased by a third—to 300—in the five years since we completed work on our previous Strategic Plan. Growth has brought economies of scale, and it has necessitated new ways of doing business—improving our processes, developing new means of tracking data and impact, and changing aspects of our collective management style. We will need to develop ways to generate new revenue, find efficiencies and otherwise curtail costs. At the same time, public and private funders will push us to better demonstrate in quantifiable terms the impact of our work and the proof of strong performance.

¹ San Francisco Mayor's Office of Housing, Consolidated Plan, 2010 – 2014.

Competitive Advantages

We believe that TNDC's roots, experience and expertise provide us with several key competitive advantages.



SUSTAINING MISSION

Our mission combines a commitment to people with the lowest incomes, a model of integrated housing and services, and an ultimate purpose of equitable opportunity. This sustaining mission feeds our reputation, generates financial support and provides us with a voice in shaping the future of the Tenderloin neighborhood.

TENDERLOIN AS FOCUS

The Tenderloin has unique qualities and assets that give advantage and focus to our work. It is a very high-density neighborhood centrally located near transit, known for its historic architecture and is enlivened by a vibrant and diverse culture.

HOUSING AND SERVICES

SCALE COMPARED TO PEERS:

TNDC is one of the largest, most prolific community-based community development organizations in the country. We have the breadth of experience and competency as a housing developer that approach the capabilities of some of the regional and statewide affordable housing developers. This makes us competitive in our efforts to develop more housing and supports the success of our projects.

CONNECTION TO COMMUNITY:

TNDC remains rooted in our community-based approach, and we recognize our larger purpose in serving the community at large and not just TNDC tenants. Our after-school program and community organizing work serve the wider community and provide tangible examples of our dedication to addressing community needs.

FOCUS ON SUPPORTIVE HOUSING:

TNDC was an early national pioneer in the integration of services and affordable housing, and has increasingly played a key role in housing people who were formerly homeless. Our model is unique among housing developers and operators that do not exclusively or primarily serve this population.

EFFICIENCY OF OUR SERVICE MODEL:

TNDC's lean service model has made us especially resilient to reductions in the level of funding available for supportive services, while continuing to deliver high-quality services.

FINANCIAL RESOURCES AND FUNDRAISING

FINANCIAL HEALTH: TNDC

has successfully built a diverse revenue stream and a deep reserve of unrestricted funds, which allow us to weather challenging economic times, take risks and seed new initiatives.

FUNDRAISING CAPACITY:

TNDC is unique among peers in the strength and breadth of our fundraising. Our events are widely known and broadly attended, and TNDC has successfully built and sustained wide support among individual and institutional donors.

SAN FRANCISCO BASE:

San Francisco's progressive culture, political environment and local government have historically supported affordable housing. The

"The Tenderloin has unique qualities and assets that give advantage and focus to our work."

city's relative wealth will continue to be a strong resource base, in concert with our strong fundraising program.

LEADERSHIP AND BRAND

PRACTICE LEADER: TNDC is a national practice leader, particularly in our effective integration of housing development, property management and support services; in our rehabilitation of existing, occupied properties; and in our successful development and management of dense, urban housing—particularly Single Room Occupancy hotels.

TNDC'S BRAND: TNDC's name is well known and well respected, particularly in San Francisco. This has brought attention and support to the organization, as well as to the cause of affordable housing in San Francisco and beyond.

PERFORMANCE: TNDC is broadly seen as a desired partner in an era when collaboration among organizations is highly valued and rewarded in competitive funding opportunities. Our reputation as a competent organization helps us recruit a talented staff and board and proves attractive to individual and institutional donors who support our work.



Big Questions

We integrated our discussions of corporate identity, market, competitive position and business line competencies to distill the key questions that we face going forward. The Strategic Directions in the final section of the Plan address these questions, and they remain a test of the effectiveness of our continuous planning process.



1. How will TNDC address the needs and aspirations of our constituents? How will our mission's ultimate goal of promoting equitable access to resources and opportunity be furthered through our work over the coming years?
2. How will TNDC respond to diminished and changing resources available for housing and services? How will we find new resources and respond to new opportunities?
3. How will TNDC become a more adaptive organization while remaining competent and true to mission?
4. How will TNDC continue to innovate and evolve as a healthy and financially sustainable organization?
5. How will TNDC ensure the physical and financial health as well as the affordability of our properties and portfolio as they continue to age?
6. How will TNDC respond to changes in the external market and environment that impact the quality of life and affordability of the neighborhoods we serve, particularly the Tenderloin?
7. How will TNDC sustain and put into action the knowledge gained, as a result of this planning process?

Strategic Directions

WE CONCLUDED THE PLANNING PROCESS by integrating the environmental, market, business line and competitive analyses for the purpose of defining Strategic Directions to guide TNDC's future work. As part of our commitment to building ongoing strategic planning into our daily operations, we will develop and adjust as necessary concrete implementation plans for each Strategic Direction.

AS AFFORDABLE HOUSING DEVELOPER

As public sector housing subsidies—both capital and operating—continue to decline, TNDC faces a challenging development environment. Our capacity, relationships and control of developable sites will provide potential opportunities, but competition for resources will be fierce. Although project profiles may evolve in new directions, all TNDC projects will be consistent with our mission, vision, values and principles.

1. Continue to aggressively pursue and execute development opportunities, openly considering new approaches (such as joint ventures, income and tenure mix, mergers and acquisitions, and technical assistance).
2. Explore development opportunities throughout San Francisco, while retaining a focus on the Tenderloin.

AS COMMUNITY DEVELOPER

With a potential decline in development activity and a renewed commitment to community development, TNDC will actively engage in the Tenderloin and other communities. This effort will require creative solutions and effective partnerships.

1. Identify and develop alternative approaches and tools to promote access to opportunity and resources for low-income neighborhood residents.
2. Invest significant TNDC resources (financial, human and advocacy) in community development initiatives.

AS OWNER, OPERATOR, SERVICE PROVIDER & STEWARD

TNDC must continue to focus attention on the significant portfolio of housing and services that we have successfully developed over the past 30-plus years. With likely erosion of operating subsidies and public investment in recapitalization, we will be challenged to ensure the long-term health of the portfolio and our levels of service to our constituents.

1. Reinvest in the housing portfolio to ensure long-term quality and affordability for tenants, while ensuring TNDC's long-term presence.
2. Protect existing services and explore linkages to healthcare and other sectors.

AS IMPLEMENTER

Our mission is clear, and our programmatic directions have great potential. But the way we work is a key determinant of how we serve our constituents, our long-term impact and our financial sustainability. In times of change, resource constraints and heightened competition, it is imperative that we continue to innovate and improve how we conduct our business.

1. Implement a continuous and transparent effort to increase efficiency, reduce cost, improve quality and advance competitive position throughout the organization. Standardize where appropriate, and benchmark continuously.
2. Integrate outcomes and measures into planning and evaluation wherever feasible.
3. Increase the speed of decision-making and implementation processes, while continuing to be adaptable and open and to offer a voice to all.
4. Focus attention and resources on the environmental sustainability of our work in all areas: operations, health and safety, and green and integrated design.

AS HEALTHY ORGANIZATION

TNDC's long-term impact requires that we focus on both delivering on our mission and continuing to strengthen the organization. TNDC must continue to develop, change and thrive. This is particularly important in times of change in the environment, market and business model.

1. Increase investment in the organization: in its people, technology and facilities.
2. Recruit, develop and retain people who will be energized by their work at TNDC and be able to succeed in meeting the challenges ahead.
3. Enhance and manage the organization's resources in a financially sustainable manner that ensures our long-term presence and impact.

AS LEADER

Community change may take decades of patient work; meanwhile, opportunities and threats may appear suddenly, requiring concerted responses. Because we have expertise, influence and a credible voice, TNDC has a responsibility to inform and advocate on behalf of our constituents.

1. Provide a solid and reliable force for holding self, community and government accountable for continuing the critical investment in the Tenderloin and throughout San Francisco.
2. Promote and advance the voice, brand and role of TNDC as a practice leader.

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