



July 3, 2012

The Honorable Mayor Edwin M. Lee
City Hall, Room 200
San Francisco, California 94102

Re: Public Financing of Community-Serving Facilities

Dear Mayor Lee:

As community-based organizations we acknowledge and applaud the recent achievements realized by the city in the effort to revitalize our long-neglected stretch of Mid-Market. From our perspective working daily with neighborhood residents, the most important aspect of this remarkable revitalization has been the great leadership you both have shown to protect and continue to invest in our communities' art/education facilities and affordable housing assets.

The rapid emergence of tech companies in our community brings hope of a better future for our community and great anxiety on issues of affordability for space for critically-needed art, culture, education and recreational programming. Many of our organizations providing these programs are likely to be displaced by market forces; some have already lost their leases and are struggling to relocate within the community.

We believe that the unintended consequences of our prosperity can be addressed. With appropriate financial tools, the community hubs that are the glue that integrates our economically diverse community can be protected from displacement. This is particularly important for cultural organizations that require highly specialized facilities that are difficult to find in accessible locations.

Since the demise of Redevelopment we have done preliminary research on alternative financial tools. We recently learned of the possibility to use Infrastructure Financing Districts to support community facilities. These financing tools can be used for community facilities and

infrastructure in ways that are similar to the tax increment financing that was available to Redevelopment Agencies. We would like to work with you to find ways to use this and other potential financing strategies to benefit the long term stability of our organizations.

Recent large property transactions and impending developments offer the immediately-adjacent Tenderloin and SOMA communities a rare and critical chance to benefit from locally-generated funding resources through an Infrastructure Finance District. The impressive list of transactions include: 901 Market; 1321 Mission; Crescent Heights; Avalon Bay; Trinity Place; Panoramic Interests, CityPlace, 875 Stevenson and, of course, the Shorestein's Market Square, a project made successful by your bold and effective collaboration on tax-incentives for Twitter.

Our community has and continues to work hard on stabilizing our organizations' operational security - a concern principally impacted by space affordability. There has also been considerable progress made toward assessing the feasibility of developing new community-serving facilities such as the new Shih Yu-Lang YMCA on Golden Gate



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and the 950 Center for Art and Education. Other important opportunities include the revitalization of the Strand, Golden Gate Theater, Market Street Cinema and Crazy Horse. Each of these blighted or underutilized properties occupy prominent locations along Mid-Market and will inevitably require effective public-private financing strategies to reprogram for positive civic uses.

The opportunity before us is extremely time-sensitive as great private-sector wealth is being created –in part – by public-sector stimulation. We must protect community assets like CounterPulse, the Luggage Store Gallery and other cultural organizations that have been anchors for the community and instrumental in the collective effort to develop a uniquely San Franciscan district for arts and culture. We must also invest in new community-oriented projects like the Shih Yu-Lang YMCA and 950 Center for Art & Education – two projects whose fate will be determined by the strength of public/private sector collaboration.

Let us act before this singular opportunity is lost forever; the time is now for the next bold and effective collaboration between our two most important public leaders.

Respectfully,

A handwritten signature in black ink that reads "Deborah Cullinan".

Deborah Cullinan
Executive Director
Intersection for the Arts