

MEETING OVERVIEW

MEETING: Meeting with Tenderloin Business Coalition

MEETING DATE: Tuesday, February 7, 2023

STAFF ADVANCE/CELL#: Ivy Lee, [REDACTED]; Sean Elsbernd,
[REDACTED]

NOTES PREPARED BY: Ivy Lee, Amy Sawyer, Jackie Hazelwood, Shalini Rana, Brandon Davis, Katy Tang

LOCATION: City Hall, Room 201

START/END: 2:30 PM – 3:30 PM

MLB START/END: 2:30 PM – 3:30 PM

ATTACHMENTS: N/A

MAYOR'S ROLE: PARTICIPATE IN MEETING WITH COALITION MEMBERS
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Madam Mayor: You will be participating in a meeting requested by the Tenderloin Business Coalition, which is a self-organized group of mostly business and property owners in the Tenderloin neighborhood.

The coalition requested this meeting after also going to the press and creating a petition with four main demands:

- A refund of all sales tax and property taxes paid to San Francisco in fiscal year 2022
- An immediate “removal of all drug dealers from the streets of the Tenderloin”
- “Ongoing and rigorous law enforcement to bring an end to street-level drug dealing”
- A meeting with you to discuss the city's strategies to improve public safety and street conditions in the Tenderloin

Staff suggests the following agenda for this meeting after speaking with several of the confirmed attendees:

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ATTENDEES

Chief Bill Scott
Sheriff Paul Miyamoto
Assistant Chief David Lazar (*tentative*)
Deputy Chief O'Sullivan, *Deputy Chief of Field Operations Bureau*
(*tentative*)
Captain Sergio Chin, *Captain of Tenderloin Station*
Ana Gonzalez, Chief Assistant District Attorney

Tenderloin Merchants Coalition Attendees
Emman Diab, Owner of Da Hot Spot
Fadhl Radman, Owner of Radman Produce
Kathy Looper, Owner of Cadillac Hotel
Randy Shaw, Director of Tenderloin Housing Clinic
Sam Patel, Property Owner
Azalina, Owner of Azalinas
Van, Owner of All Star Donuts

Lupe, Owner of Mi Morena and resident of the Tenderloin
Cyntia, Resident of the Tenderloin (translating for Lupe)
Eric and Peter, Owner of Out of Sight pizza
Brandon and Dermot Murphy, Property Owners
Santosh, Owner of Himalayan Pizza
Monica, Owner of TBT taxes
Isabel Manchester, Owner of The Phoenix Hotel
Jamie Flanigan, Owner of The Phoenix Hotel
Rob Ready, Owner of PianoFight
Dan Williams, Owner of PianoFight

BACKGROUND

On December 5, 2022, Small Business owners launched a petition addressing the issue that despite some gains established through the Tenderloin Emergency Initiative, businesses are still facing catastrophic loss of revenue and that there was little impact of the Tenderloin Emergency Initiative.

Two weeks later, over 150 businesses had signed on. A San Francisco Chronicle article on the matter highlighted issues businesses face, including the fact that La Cocina spends more than \$300,000 annually for private security guards to arrive early and clear packs of drug dealers, people high on fentanyl, and the needles, foil and trash they leave behind.

The group, which calls itself the Tenderloin Business Coalition, is still establishing itself and is led by Dan Williams, owner of Piano Fight along with owners of the Phoenix Hotel, Isabel Manchester and Jamie Flanigan.

Randy Shaw, who is one of the attendees for this meeting, wrote and published an article about the upcoming meeting with you. In the article, dated January 23, 2023, he makes several allegations that are incorrect and the SFPD in particular should address those inaccuracies during the meeting:

- “Signers seek a refund of the fees they paid to the city in 2022 if *they continue to get less public safety services than other neighborhoods.*” The city actually invests exponentially more services in the Tenderloin than other neighborhoods and departments will be prepared to provide quantifiable details to show this fact, including the number of officers and community ambassadors deployed in the Tenderloin.
- “San Francisco spent \$4.6 million in police overtime at Union Square in December 2021 and 2022. Last month’s overtime coincided with a *sharp reduction in visible police beats in the Tenderloin and SOMA.*”

SFPD will be prepared to clarify how OT was deployed and any impacts on Tenderloin police staffing as a result.

- “San Francisco must keep Union Square safe. But is it fair to Tenderloin businesses to spend \$2.6 million in overtime on top of regular staffing to police an area with no open air drug markets? All while *making no visible effort to stop dealers costing money to Tenderloin businesses?*”

SFPD and the DA’s office will be prepared to speak to the active enforcement activities happening in the Tenderloin, both with and without the involvement of federal authorities.

Tenderloin Business Coalition Requests and City Response

Request: *A refund of all sales tax and property taxes paid to San Francisco in fiscal year 2022*

While there is no question that there is more to do, the city has invested significant resources in the neighborhood. The rest of the notes detail this work.

Given the broad description and individualized nature of each business's tax portfolio, at this point in time, the Assessor Recorder's Office and Treasurer do not have an accurate projection of the value of this amount.

Request: An immediate "removal of all drug dealers from the streets of the Tenderloin"

National Drug Control Strategy:

Mayor, you spoke on the issue of national and state activations at the US Conference of Mayors, including President Biden's National Drug Control Strategy, announced April 2022. The Strategy focuses on **two critical drivers** of the epidemic: **untreated addiction and drug trafficking**. It instructs federal agencies to prioritize actions that will save lives, get people the care they need, go after drug traffickers' profits, and make better use of data to guide all these efforts – **this is the same strategy that we are applying locally as a best practice: services and disruption/accountability.**

State Partnership to Safeguard Communities

The Northern California Regional Intelligence Center (NCRIC) and High Intensity Drug Trafficking Area (NCHIDTA) are public safety government programs that operate in partnership to help safeguard our communities from organized crime, drug trafficking, and other harmful threats, through collaboration, preparedness, training, and investigative support services.

The San Francisco Police Department (SFDP) actively participates in the HIDTA Commanders Symposium in which information and intelligence on narcotics traffickers is shared between various Law Enforcement Agencies throughout California.

Local Drug Dealing: Disruption/Accountability

You appointed a new District Attorney, Brooke Jenkins, who is taking a more aggressive stance on public safety, including holding repeat

offenders accountable, targeting open-air drug markets, and addressing theft.

District Attorney Jenkins has implemented new policies to hold drug dealers accountable and disrupt open-air drug markets including revoking over 30 lenient plea deals, prohibiting drug dealers arrested with more than five grams of drugs from being referred to the Community Justice Center and adding school enhancements for drug dealers accused of selling deadly drugs near schools.

In the Tenderloin over the last three months (late November 2022 to late January 2023):

- Plainclothes officers made 566 arrests for possession and/or possession for sale
- 102 kilograms seized, including 65 kilograms of fentanyl
- \$175,000 in drug money seized
- 103 engagements by officers resulting in 68 arrests: 60 for drug sales, 2 for shoplifting, 6 for open warrants, and 30 individuals cited for open air drug use (drug user citations are within the last 45 days from mid-December to February 1, 2023)
- The District Attorney's Office has increased felony narcotics charges filed by 95% over the same time period from the previous year.
- In October 2022, Police Chief Scott and DA Jenkins announced that our police officers seized nearly 8 pounds of fentanyl in one arrest. This is an amount sufficient to kill more than the entire population in San Francisco.

In the last 2 years in and around the Tenderloin:

2022:

- Over 200 pounds of illegal drugs, primarily fentanyl
- 144 pounds or 75% fentanyl
- 144 pounds = 65,317 grams = 65,317,000 milligrams
 - 2 mg of fentanyl can be fatal dose
 - 144 pounds is enough fentanyl to kill 32,658,500 people or 36 times the population of San Francisco or nearly enough to kill the entire population of California (39 million)
- 26 firearms seized
- 250 individuals taken into custody

2021:

- 105.3 pounds of illegal drugs, primarily fentanyl
- 58.64 pounds or 56% fentanyl
- 58.64 pounds = 26,599 grams = 26,599,000 milligrams
 - 2 mg of fentanyl can be a fatal dose
 - 58.64 pounds is enough fentanyl to kill 13,299,500 people or nearly 15 times the population of San Francisco and more than the entire population of the state of Pennsylvania or Illinois
- 38 firearms seized
- 250 individuals taken into custody

Note: The above statistics are reported by SFPD as drug and gun seizures resulting from buy-bust operations as well as investigations conducted by the SFPD Narcotics Unit.

Request: “Ongoing and rigorous law enforcement to bring an end to street-level drug dealing”

The goal of the Police Department is to identify the dealers based on observed activity, make arrests, build strong cases, and save lives. In the downtown and Tenderloin neighborhood, which is the most heavily impacted by the drug crisis, SFPD has supplemented uniformed patrol officers with members from its Narcotics Unit, Traffic Company, and civilian ambassadors.

SFPD will be engaged in **“Operation Disruption”**, beginning Saturday, February 4, 2023:

- Focus will be on targeting 2-3 problem locations 7 times a week (i.e., 300 block of Hyde, 600 block of Eddy, 7th and Mission, etc.)
- Two plainclothes teams, led by two dedicated sergeants, to focus on enforcement against sellers and illegal sales
- Uniformed officers and footbeat officers to focus enforcement on users and those in possession of paraphernalia
- Narcotics Unit of SFPD conducting operations twice weekly (will not be visible or uniformed)

- Three sergeants and thirty officers dedicated to issuing citations and taking other enforcement actions to maintain clearance of blocks

Sheriff

- Will be deploying sheriff vehicles to the Tenderloin for deterrence and disruption of sales, coordinated with SFPD
- Making available wagons for transport of arrestees
- Will deploy deputies to pivot their patrol footprint from Civic Center to Tenderloin

District Attorney

- Two prosecutors assigned full time to narcotics prosecutions
- Working with SFPD to address new defense of trafficking
- Reinvigorated asset forfeiture unit to deal with cash seizures
- Continue to seek detention when facts warrant
- Will continue to use the criminal legal system to get users connected to services and treatment through the Community Justice Center by bundling misdemeanor public drug use citations and requiring any individual with three to five citations be referred to the Community Justice Center for mandatory treatment

Reducing Demand

To wholesalers in 2020, fentanyl is 100 times less expensive than heroin. A critical way to interrupt the market is to address substance use. Further, it will save lives. Last year, a record 100,000+ people died due to overdose in the US.

Over the last year, over 4,500 people in San Francisco have been connected to specialty services for substance use, and the Department of Public Health is expanding services through the City's new Overdose Prevention Plan, which includes:

- Expanding access to the continuum of substance use services, such as buprenorphine and methadone
- Increasing social support for people at risk of overdose

- Improving the conditions in communities where drug use occurs.

The goal is to reduce overall overdoses by San Francisco by 15%, increase the number of people receiving medications for addiction treatment by 30%, and reduce racial disparities by 2025.

Joint Field Operations are happening daily in the Tenderloin

The Joint Field Operations (JFO), led by the Department of Emergency Management and launched during the Tenderloin Emergency Initiative, now serves as a model to address street conditions across the City of San Francisco.

In this structure, daily joint field operations comprised of the Departments of Homelessness and Supportive Housing, Public Health, Public Works, Fire, Police, San Francisco Municipal Transportation Agency, and community-based organizations work together seven days a week to:

- Conduct outreach to offer an array of services including referrals to shelter, housing, medical, mental health, and substance use disorder treatment resources. Teams speak to 50-75 people a day.
- As many as 25% of people outside have housing. The JFO focuses on decreasing tents in the Neighborhood – the last tent count in September, 2022 identified 42 tents in the Tenderloin as opposed to 81 the year before.
- Promote cleaner sidewalks and streets through waste and debris pick up, power washings, street light repair, needle collection and graffiti abatement – the joint field operations alone remove 5-truck loads of waste every day.

The Tenderloin Community Action Plan is underway

Creating a thriving community is an important strategy to helping the Tenderloin. The Tenderloin Community Action Plan, supported by the Planning Department, aligns partners and is currently supporting

a participatory process to allocate \$3.5 million in funds to support the community.

These funds are to be programmed by members of the Tenderloin community for community-led public safety improvements, neighborhood activation, open space improvements.

Additional Background for reference during this discussion:

Economic Development is supporting Small Business

Over the last two years, OEWD-Community Economic Development (CED) has focused the majority of the Department's investments on safety interventions and the building of economic development infrastructure in the Tenderloin neighborhood, as well as direct responses to small business needs during the pandemic. Investments over the next few years total \$850,000 and include:

- **SF Shines** (110k Baseline carried forward + 80K) 22-24
 - a. Outdoor barriers and furniture (including dividers, barricades, planters), fixtures for health and safety (like acrylic barriers at checkout), interior configurations to help with physical distancing (including counters, furniture, fixtures, and equipment)
 - b. Space planning for physical distancing, Architecture, ADA compliance, permitting, etc.
 - c. Tenderloin Neon sign restoration and rehab
- **Tenderloin Small Business Support Capacity Building Investment** (50k year over year) 22-24
 - Tenderloin Merchants Association support, providing culturally competent business outreach and services to TL's small business community, producing cultural Tenderloin entertainment festivals.
 - RFP 225 in progress for additional support

- **Tenderloin Community Benefit District Economic Development Hub** (50k) 22-23
 - Building upon current CDBG funding, vacancy filling staff, and other community partners—TLCBD will coordinate existing economic development services under one roof in the Tenderloin, for the benefit of small businesses
 - Additionally, funds will go to Piano Fight for small business peer to peer support.
- **Tenderloin/Central Market Business Attraction and Retention Services** (75K) 22-23
 - Staffing to provide storefront retention, business attraction, and lease negotiation services on behalf of small businesses
- **Tenderloin Mid-Market Marketing Plan** (80k year over year) 22-24
 - Tenderloin Community Benefit District works with surrounding businesses and community staples to map the changing landscape of retail, restaurants, and other pedestrian landmarks—designing and deploying a marketing strategy to match
 - The marketing plan has united Tenderloin economic development partners in the form of a collaborative to share one vision and voice for neighborhood economic development efforts
- **Tenderloin Block Safety Groups/Community Pride Through Environmental Design** (160k year over year) 22-24
 - Tenderloin Community Benefit District Leverages Block Safety Group infrastructure to implement hyper localized environmental design projects that positively change the way community interacts with the public realm
- **Environmental design project implementations** that do not qualify for SF Shines, on behalf of block safety groups (80k)

- **Safe Passage Park** (SPark) builds community power and agency through an emergent engagement process resulting in physical streetscape improvements and programming throughout the Tenderloin, building on the Tenderloin Play Streets series.
- **Dodge Alley Improvements** Streetscape painting, overhead lighting, and programming in the alley
- **Larkin Street Lighting & Improvement:** Little Saigon highlights like lanterns, Larkin St neon, overhead lighting, store displays
- **100 Jones** Greenery project in progress
- **300 Ellis** Working on murals, and the south side of the Ellis gate of Boeddeker, permanent street closure
- **300 Golden Gate** La Cocina Parklet
- **TL Arts and Cultural Mini Grant Program** (260k RFP 225) 23-24
 - Continued coordination and programming of Tenderloin arts and cultural events to activate public spaces and entice individuals to local small businesses
 - TL Art Walk-Continued coordination and programming of Tenderloin Art Walk to highlight local businesses, public spaces, and artist residents
 - Stevenson & Jessie Alley Improvements-Design and streetscape improvements for Jessie Alley and Stevenson Street, including but not limited to lighting, furniture, murals, and other enhancements. Programming of Stevenson & Jessie Alley, including but not limited to live music, art, food trucks, and cultural events
 - Dodge Alley Programming
 - TL Sounds Festival-Building on the rich music history of the Tenderloin and a street-based music festival previously supported by Hardly Strictly, Tenderloin Museum will put on a week-long music festival in TL public spaces
 - Thai New Year's Festival

- **TL Walking Tours (45k) 23-24**
 - Building on a model that brings local and corporate staff to tour the Tenderloin's rich history and small businesses, incentivizing them to patronize the neighborhood while providing samples

Bios



Dan Williams, Founder and Owner, Piano Fight
(Piano Fight - 144 Taylor between Eddy and Turk)

Piano Fight launched in 2007, is a community-driven indy arts venue at 144 Taylor Street in the Tenderloin that takes pride in partnering with local artists to make great shows, food, and cocktails.

The venue has two intimate theaters and cabaret stage host music, comedy, plays, dance, film screenings, drag, magic, and variety shows. They provide space and infrastructure to hundreds of artists, who create and stage 1,500 performances for over 50,000 audience members each year. During the day, Piano Fight is the home base for the offices and classrooms of community non-profits like Tenderloin Walking Tours and Code Tenderloin, which runs a job-readiness program for neighborhood residents.



Rob Ready, Owner of PianoFight
(Piano Fight - 144 Taylor between Eddy and Turk)

Rob Ready told The Chronicle recently that attendance at his theater is down 65% and that he's having a hard time finding enough acts to keep the three-stage property open.



Emman Diab, Owner of Da Hot Spot

Da Hot Spot is a sandwich Shop on the Corner at 201a Turk Street between Jones and Leavenworth.



Fadhl Radman, Owner of Radman Produce

Radman Produce is a Grocery Store on the corner of Turk & Jones that opened in 1998. Recently, EatSF has collaborated with Fadhl to bring groceries to low income families.



Kathy Looper, Owner of Cadillac Hotel

The Cadillac Hotel is the first SRO opened west of the Mississippi River in 1907 on the corner of Leavenworth & Eddy.



Randy Shaw, Director of Tenderloin Housing Clinic

Shaw co-founded Tenderloin Housing Clinic in 1980 and has been its Executive Director since 1982. THC manages 24 properties throughout San Francisco, offering safe and supportive housing in the Tenderloin, SOMA, Mission, and Union Square neighborhoods. Over the past three decades, Shaw has written landmark laws and ballot initiatives improving living conditions for tenants, reducing rent increases, and preserving the city's supply of single-room occupancy hotels (SROs).

Shaw is a longtime social change activist who is also the author of five widely praised books on activism including *Generation Priced Out*, *The Activist's Handbook: Winning Social Change in the 21st Century* and *The Tenderloin: Sex, Crime and Resistance in the Heart of San Francisco*. Shaw also serves as the editor of the online daily news source *Beyond Chron*.



Sam Patel, Property Owner

Sam Patel has been in the hospitality business since 1976. He has owned and managed properties ranging from 48 units to 248 units. Born in the United Kingdom, Sam received his Bachelors of Science in Business Administration. He immigrated to the United States in 1976, and immediately started out in his family's business, a 108 unit property in San Francisco. Sam also served as an ambassador for the Asian American Hotel Owner's Association. Currently he serves as President of the Independent Hotel Owners' & Operators' Association and as Chair for the San Francisco SRO Hotel Coalition.



Azalina Eusope, Owner of Azalinas

Azalinas is a Malaysian Restaurant that is on the corner of Ellis & Leavenworth that has been opened since 2010.

Van, Owner of All Star Donuts

There is no picture/bio available for Van.



Guadalupe Moreno aka Lupita, Owner of Mi Morena and resident of the Tenderloin

Cyntia, Resident of the Tenderloin (Daughter/translating for Lupita)

Mi Morena is one of seven La Cocina entrepreneurs on the corner of Hyde and Golden Gate and is ran by Mother/Daughter Combo Lupita & Cyntia.



Eric and Peter, Owner of Out of Sight pizza

Out of Sight Pizza is on Larkin Street in between Turk & Golden Gate. It started as a Pop up in 2020 and the physical location opened in September 2022.



Brandon and Dermot Murphy, Property Owners

Brandon (Pictured) works as a Sr. Project Manager for CBRE. There is no bio/picture for his brother, Dermot.



Santosh, Owner of Himalayan Pizza

Himalayan Pizza is on the corner of Golden Gate & Hyde and was opened in 2018.

Monica, Owner of TBT taxes (No Photo Available)

TBT Taxes is on the corner of Hyde & Ellis. There is no picture available for Monica.



**Isabel Manchester & Jamie Flanigan,
Owners of The Phoenix Hotel**

The Phoenix Hotel is on the corner of Eddy & Larkin and it was originally opened in 1956. Isabel and Jamie have been Owners of the Phoenix Hotel since 2010.

