



Equitable Neighborhood Change Action Plan

San Francisco, California

Developed in partnership with



Mission

The mission of La Cocina is to cultivate talented low-income food entrepreneurs as they formalize and grow their businesses by providing affordable commercial kitchen space, industry-specific technical assistance and access to market opportunities.



Equitable Neighborhood Change Action Plan

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01 | Introduction


Overview of planning process, neighborhood, vision, and goals

Food businesses have offered an opportunity for immigrants and low-income entrepreneurs to make a living, but as cities have become increasingly expensive, barriers to entry in that marketplace have risen to unsustainable levels. If we hope to dismantle income inequality, we need to create pathways for low-income communities to achieve economic freedom through business ownership. To do so, there is an urgent need to create affordable commercial rental spaces. At the same time, cities have become increasingly hostile to low-income individuals and families, building without their needs in mind.

The mission of La Cocina is to cultivate talented low-income food entrepreneurs as they formalize and grow their businesses by providing affordable

commercial kitchen space, industry-specific technical assistance and access to market opportunities. Launched in 2005, we work to solve the problems of equity in business ownership by focusing our work on women entrepreneurs from communities of color and immigrant communities. Our vision is that entrepreneurs will gain financial security by doing what they love to do, while at the same time creating an innovative, vibrant and inclusive economic landscape.

To extend the impact of our core incubator program, La Cocina is gearing up for the biggest leap in its history: In spring 2020, we will open the new La Cocina Municipal Marketplace in the Tenderloin neighborhood of San Francisco. The Marketplace at 101 Hyde offers an alternative; a community gathering space, economic leadership from the ground up, job opportunities for residents, and a sense of pride and ownership in what we can build together. We can build a city and a food hall for all.



The 7,000-square-foot Marketplace would be the first women-led food hall in the country and a chance to prove that cities can serve all residents. La Cocina's Municipal Marketplace will be a home for seven La Cocina graduate businesses and provide affordable brick and mortar space in an expensive market. A food hall, much like an incubator kitchen, offers a path with which to lower the barriers to entry, mitigate the risk imposed on low-income entrepreneurs and increase equity in business ownership.

The food hall model also enables business owners to share the cost of maintenance and to reduce the individual burden felt by high rent, electricity bills, dishwasher salaries, general maintenance and other operating costs that often cut into already thin margins. Those savings create more assets for the business owners and pass on lower costs to consumers, making cities more livable.

The La Cocina Municipal Marketplace seeks to provide benefits for the Tenderloin community with regard to jobs, health, safety, and community. We anticipate generating upwards of \$4M in annual economic activity as well as creating 30-40 jobs for Tenderloin residents and pay over \$1.35M in wages annually. The Marketplace will provide affordable meals to 200 people daily and create a space that focuses on serving affordable, freshly prepared food options that reflect the diversity of the Tenderloin while promoting leadership in women, immigrants and people of color. The Marketplace will create a uniquely inclusive, safe, healthy, equitable and welcoming space for families, tenants and workers in the Tenderloin. The hope is that Tenderloin residents will use their purchasing power to support the growth of these businesses, investing money back into their own community. The Marketplace will be the stage/center to ongoing community programming.

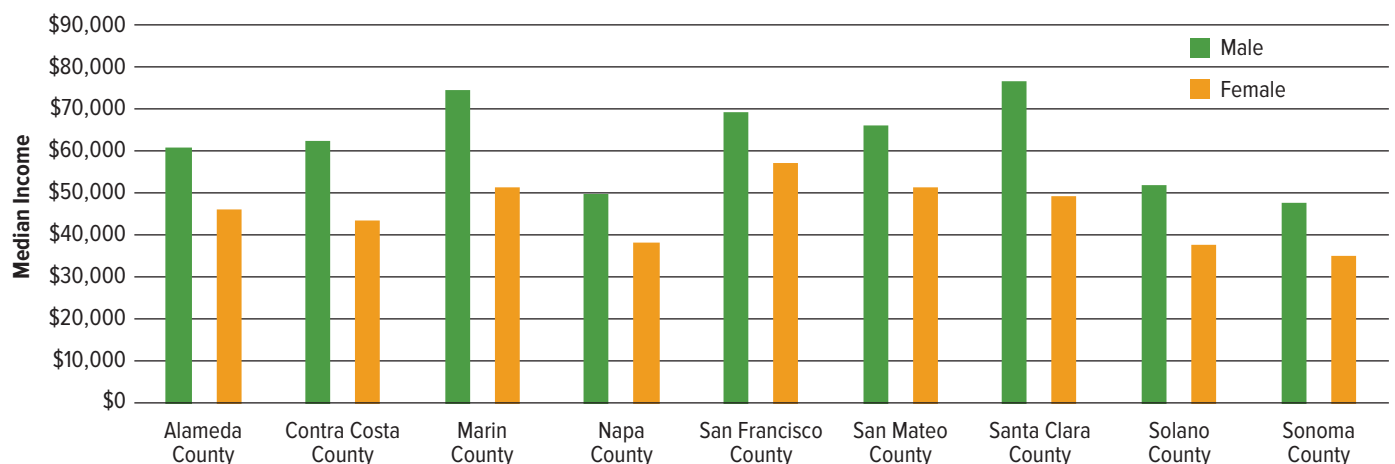
02 | About the Neighborhood

San Francisco

The number of women-owned firms in the US has risen by 114% in the past 20 years, 78% of new women-owned businesses are owned by women of color, and immigrants start more than 40% of businesses in California. Despite this growth, women of color are still denied bank loans more frequently than their white, male counterparts and receive only 2% of investor and venture capital funding. In San Francisco County specifically, there is still a \$12,000 gap between the average incomes of men and women:

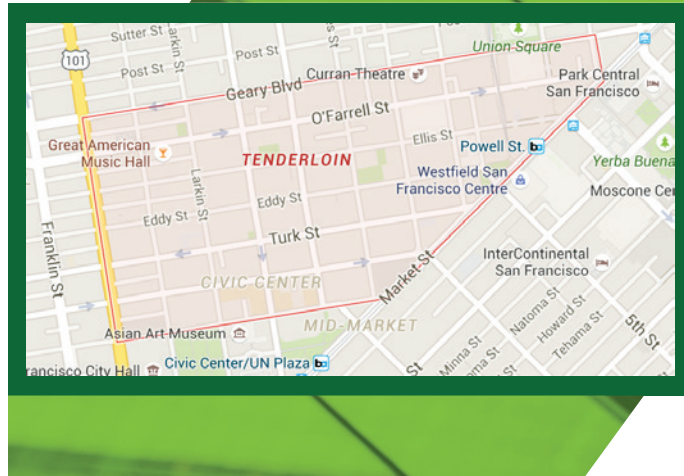
To add another barrier, rents in San Francisco have become increasingly expensive due to an influx of demand from the tech sector and a limited supply space. In 2018, commercial rent in San Francisco hit an all-time high at \$81.25 per square foot. As a result, aspiring low-income food entrepreneurs are priced out of the market and therefore unable to grow their business past a certain point or are forced to close. La Cocina's incubator program seeks to tackle the cause of racial and gender disparities in the food industry and offer equitable opportunity for business ownership and asset generation.

Median Earnings 2018



The Tenderloin

According to the San Francisco Community Health Assessment & Profile 2016, the Tenderloin had the highest population density in San Francisco, the highest density of children, and one of the highest poverty rates in the city. The unemployment rate for Tenderloin residents was nine percent, almost double the California unemployment rate, and four times the vicinity (June 2017) as measured by The Bureau of Labor Statistics. According to the 2014 American Community Survey, the median income in the Tenderloin was about \$31,000—a fraction of the San Francisco median of \$78,000. Only 76 percent of Tenderloin residents had access to a refrigerator and only 39 percent had access to a stove. Additionally, 70 percent of Tenderloin housing is SRO (Single Room Occupancy), 39.4 percent live below the federal poverty line, and 1 of 3 of those employed work in the restaurant industry. Forty-nine percent of San Francisco's homeless population lives in the Tenderloin. Community safety is also a huge issue in the Tenderloin; the number of preventable ER visits per 10,000 adults is twice the national average, and the number of self-inflicted ER visits per 10,000 adults is three times the national average. Fifty-nine percent of Tenderloin residents feel safe.



The Tenderloin is an incredibly diverse neighborhood; thirty-three percent of the Tenderloin's 30,000 residents are Asian Pacific Islander, 32 percent are Caucasian, 10 percent are African American, 18 percent are Latino, and 6 percent are listed as "other."

Here is a *deeper dive into neighborhood statistics*.

It's also worth noting that the Tenderloin is a community with enormous possibility. This *KQED piece highlights* the richness of kindness, culture, history and personality of this neighborhood.

03 | Vision for the Neighborhood

We envision a neighborhood will be a place where people of all economic classes, ages, races, and ethnicities can successfully grow their businesses and support a thriving local economy.

We envision that the marketplace provides a safe space for the neighborhood residents, access to fresh, balanced and affordable meals and the ability to participate in community programs that educate and foster relationships.





Our goal is to develop a creative economic community-led engine that can be a transformational and replicable model to alleviate poverty in inner cities nationwide, which would start in our own city with the Tenderloin neighborhood.

04 | Action Plan

Goals, Strategies, and Actions

Goal #1

Offer economic opportunity for low-income and immigrant women

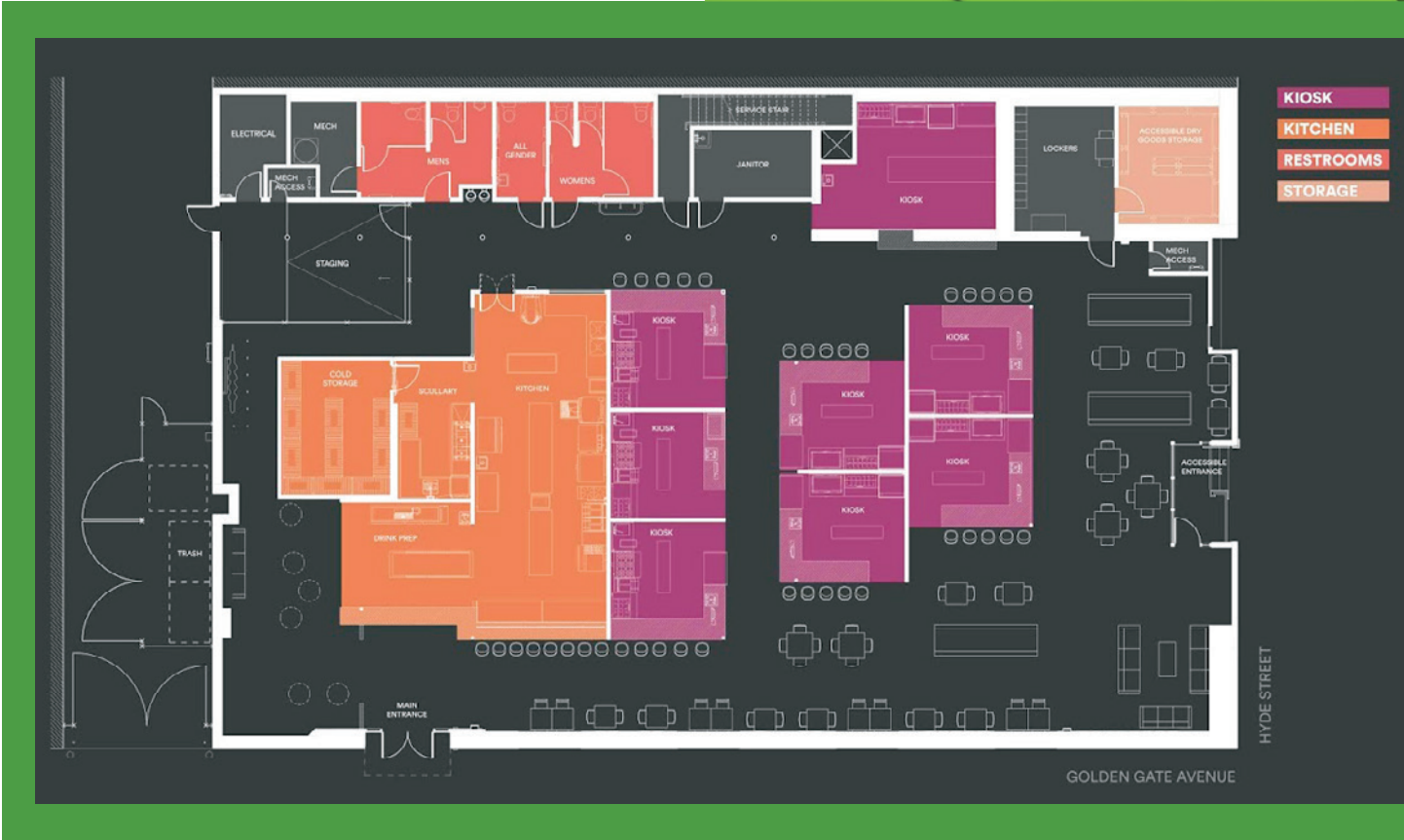
Strategy 1: Build out a fully licensed, below-market rent Municipal Marketplace (also known as a food hall) to serve the labor and business needs of seven local food service businesses owned by low-income entrepreneurs by providing an affordable retail space to generate consistent sales and business growth

Actions:

- Complete construction of building—**May 2020**. Photos of our progress can be [accessed here](#).
- Select vendors for the marketplace—**Completed**. We have determined the businesses who provide a delicious and diverse variety of cuisines from cultures that mirror our immigration waves.

More information about each of these amazing entrepreneurs can be found [here](#). This lineup includes both current program participants who are on the cusp of graduation as well as mature graduate businesses to ensure a continuous mentorship between entrepreneurs.

- » Mi Morena (Mexico City tacos) by Chef Guadalupe Moreno
- » Kayma (Algerian) by Chefs Wafa and Mounir Bahloul
- » Bini's Kitchen (Nepalese) by Chef Bini Pradhan
- » Los Cilantros (Mexican) by Chef Dilsa Lugo
- » Teranga (Pan African) by Chef Nafy Ba Flatley
- » Boug Deli (San Francisco-Style Creole) by Chef Tiffany Carter
- » Estrellita's (El Salvadorian) by Chef Maria del Carmen and her daughter Estrella.



Strategy 2: Provide industry-specific technical assistance in marketing, production, operations, sales and finances to businesses using the facility

Actions:

- Host Municipal Marketplace prep classes for vendors — **Completed**
- Host Municipal Marketplace practice lunches — **Ongoing, conducted as needed, to be completed by June 2020**
- Develop and teach additional curriculum for Marketplace entrepreneurs, such as de-escalation training, empathy training, neighborhood engagement — **Complete by June 2020**
- Source catering opportunities for these businesses to generate both branding and income opportunity in the run up to the opening — **In progress, ongoing up until opening**

Goal metrics:

- Total number of individuals served by project: 7 business owners, 30 employees
 - » Projected Timing: June 2020

- Number of place-based projects developed: 1 Municipal Market, 7 vendor stalls, 1 pop-up kiosk to rotate and train new businesses
 - » Projected Timing: June 2020
- Number of existing businesses strengthened or expanded: 7
 - » Projected Timing: June 2020
- New funds leveraged for place-based small businesses investment program (Federal and non-Federal sources): La Cocina has been running a \$5.4M capital campaign to create this space.
 - » We have raised \$5MM
- Estimated revenue: Revenues of at least \$1.5MM, annually, from business owners. Our high-end goal is \$4MM in annual revenues. (\$10.5MM in wages and \$28MM in revenue over 7 years, 8x initial capital investment). The Municipal Marketplace aims to be revenue-positive by year 3, generating profits that La Cocina can and will save for future investment in a permanent space.
 - » Projected timing: Reporting of quarterly earnings fall 2020

Goal #2

Offer a safe, accessible and productive space for Tenderloin residents

Strategy 1: Build meaningful relationships and partnerships with Tenderloin CBOs and residents and engage with them to make 101 Hyde a more vibrant and safe corner, and cultivate the Marketplace not just as a food hall, but as a community space as well.

Actions:

- Hire a Municipal Marketplace Community Manager, who will work directly with the Municipal Marketplace Manager to produce community events including logistics management, communication, staffing, marketing, and production. The Marketplace Community Manager will be responsible for engaging with all community organizations with the intention to create economic opportunity, inclusion, be able to use the marketplace as an effective community space, and assist in the daily management of the Marketplace. This will create and maintain a system to track program results, providing budget information results necessary for annual reporting. — **Completed**
- Attend community meetings and events when applicable, be a frequent voice in TL development strategies, and support partners in their development efforts directly and indirectly — **In progress, ongoing**
- Host community programming that is developed in collaboration with Tenderloin neighborhood organizations and is relevant, educational, valuable, ongoing and engaging. We envision at least one workshop each month for Tenderloin residents around **community building, entrepreneurship, personal finance, or economic opportunity, food education and access, culture and arts, and health and wellness**. The Marketplace will have a dedicated communal corner, as well as a dedicated community room, within which we will develop programming focused on these 5 tenants (REACH). — **In progress, goal of 5 full events in 2020 and full event calendar for 2021**
- Invite community partners to host events and meetings in Marketplace — **In progress, ongoing. Goal of first meeting by end of October**
- Advocate for more “inviting spaces” on the two blocks surrounding the marketplace, including regular tree maintenance, street cleaning, and better lighting. — **In progress, ongoing**



Strategy 2: Work alongside community partners to create local jobs in a neighborhood with the city's highest unemployment rates.

Actions:

- Create a hiring plan for the Municipal Marketplace that incorporates our overall HR booklet and strategy, and commit to hiring 95% of all internal staff from Tenderloin neighborhood—**In progress, goal of May 1**
- Create a development-to-hire pipeline by partnering with workforce development organizations based in the TL, such as Downtown Streets, the Boys & Girls Club, and SEIU Local 87 Janitorial Union—**Goal of September 1**
- Provide hiring resources to vendors and encourage local hiring—**Goal of May 1**

Strategy 3: Provide residents with access to healthy and affordable foods

Actions:

- Create \$5 meal that is available daily to increase affordability and accessibility for clientele.—**In progress, goal of June 1**

- Become an approved vendor under USDA CalFresh's "Restaurant Meals Program" to allow for EBT cardholders to use benefits at our 7 vendor locations—**In progress, goal of September 1 (reach)**

Goal metrics:

- Number of jobs created (PT/FT/Seasonal): 30-40
 - » Projected Timing: September 2020
- Number of community partnerships created/strengthened to support place-based small business development policy and low-income entrepreneurs: 15
 - » Projected timing: June 2020
 - » Partnerships already in the works include:
 - La Voz Latina
 - Tenderloin Community Benefit District (TLCBD)
 - Tenderloin Health Improvement Partnership
 - Counterpulse
 - Tenderloin Art Museum
 - Urban Alchemy
 - Because Justice Matters



- Yerba Buena Center for Arts (YBCA)
- Curry Senior Center
- Tenderloin People's Congress
- SF Bike Coalition
- Walk SF
- Tenderloin Neighborhood Development (TNDC)
- Tenderloin Housing Clinic (THC)
- Number of public agencies or departments engaged: 5
 - » Partnerships already created include:
 - SF Office of Economic and Workforce Development
 - SF Libraries
 - UC Hastings Law School
 - SF Municipal Transportation Agency
 - Mayor's Office of Housing and Community Development
- Number of private partners engaged: 10
- Number of programs/people served in the programs: 500/year
- Number of \$5 meals offered: 700/month

Goal #3

Stand as an innovative model for anti-gentrification, conscious development, and private and public partnerships

Strategy 1: Explore contracting with a third-party evaluator in order to advise us on which metrics to measure, and how to measure them, so that we may eventually become a model for similar projects in other communities. We have received quotes from three evaluators so far, and chose a women-owned evaluation group that we felt would be the best fit. We applied for grant funding for that evaluator and will continue to apply for grants to fund evaluation if we don't receive this specific funding.

Strategy 2: La Cocina will complete a business review, identifying the major inputs and outputs necessary for affordable housing developers, and cities, to create opportunities when they create housing.

05 | Timeline

Timeline contingent on COVID-19 crisis

Goal	Strategy	Action	Timeline
Offer economic opportunity for low-income and immigrant women	Build out a fully licensed, below-market rent Municipal Marketplace (also known as a food hall) to serve the labor and business needs of seven local food service businesses owned by low-income entrepreneurs by providing an affordable retail space to generate consistent sales and business growth	Complete construction of building	In progress, completed by May 2020
		Select vendors for the marketplace	Completed
	Provide industry-specific technical assistance in marketing, production, operations, sales and finances to businesses using the facility	Host Municipal Marketplace prep classes for vendors	Completed
		Host Municipal Marketplace practice lunches	In progress, completed by June 2020
		Develop and teach additional curriculum for Marketplace entrepreneurs (e.g. de-escalation training, empathy training)	June 2020
		Source catering opportunities for vendors	In progress, completed by June 2020

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Goal	Strategy	Action	Timeline
Offer a safe, accessible, and productive space for Tenderloin residents	Build meaningful relationships and partnerships with Tenderloin CBOs and residents and engage with them to make 101 Hyde a more vibrant and safe corner, and cultivate the Marketplace not just as a food hall, but as a community space as well.	Hire a Municipal Marketplace Community Manager	Completed
		Attend community meetings and events when applicable, be a frequent voice in TL development strategies, and support partners in the development efforts directly and indirectly	In progress, ongoing throughout marketplace operation.
		Host community programming that is developed in collaboration with Tenderloin neighborhood organizations	In progress, goal of 5 events by 12/31/20
		Invite community partners to host events and meetings in the Marketplace	In progress, ongoing. Goal of first meeting by 10/31/20.
		Advocate for more “inviting spaces” on the two blocks surrounding the marketplace	In progress, ongoing throughout marketplace operation.
	Work alongside community partners to create local jobs	Create a hiring plan for the Municipal Marketplace	In progress, completed by 5/1/20.
		Create a development → hire pipeline by partnering with workforce development organizations based in the Tenderloin	In progress, completed by 9/1/20.
		Provide hiring resources to vendors and encourage local hiring	5/1/20
	Provide residents with access to healthy and affordable foods	Create \$5 meal that is available daily to increase affordability and accessibility for clientele.	In progress, completed by 6/1/20.
		Become an approved vendor under USDA CalFresh’s “Restaurant Meals Program” to allow for EBT cardholders to use benefits at our 7 vendor locations	In progress, completed by 9/1/20.



Goal	Strategy	Action	Timeline
Stand as an innovative model for anti-gentrification, conscious development, and private and public partnerships.	Explore contracting with a third-party evaluator in order to advise us on which metrics to measure, and how to measure them, so that we may eventually become a model for similar projects in other communities. We have received quotes from three evaluators so far, and chose a women-owned evaluation group that we felt would be the best fit. We applied for grant funding for that evaluator, and will continue to apply for grants to fund evaluation if we don't receive this specific funding.	Continue to apply for funding to support third-party evaluation.	June 2021
	La Cocina will complete a business review, identifying the major inputs and outputs necessary for affordable housing developers, and cities, to create opportunities when they create housing.		



This Equitable Development Action Plan is supported by:

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