

Tenderloin Neighborhood Development Corp.
Commercial Leasing Policy
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The selection of tenants for TNDC's commercial spaces will always be guided by the agency's mission. Toward that end, the following specific goals and general operating principles have been developed.

Goals:

1. To contribute to building operating income, thereby potentially lowering the rent burden on residential tenants and enhancing the quality and scope of services available to residential tenants.
2. To benefit the Tenderloin community through commercial tenancies which serve neighborhood needs.
3. To benefit the Tenderloin community through pleasant, attractive, well-kept storefront facades and businesses, which brighten the pedestrian experience and enhance the safety of the neighborhood.

General Operating Principles:

1. Whenever practicable, TNDC will investigate prior and current enterprises operated by the potential commercial tenant, in order to determine if the potential tenant is a "good neighbor", e.g., keeps the storefront and sidewalk clean, discourages loitering in front of and around the enterprise, and maintains positive relations with the landlord and the public.
2. In all cases, TNDC will require provision of a business plan and financial statement from potential commercial tenants, which the property management department will review in order to assess the impact the proposed business will have on the building and the community, and in order to assess the financial feasibility of the proposed enterprise.
3. Commercial uses which TNDC will encourage include neighborhood retail establishments serving resident needs, such as hardware store, newsstand, pharmacy, bike shop, hobby shop, toy store, shoe repair, hair salon, dental clinic, and clothing store.
4. TNDC will generally decline to lease to restaurants, due to the additional insurance risk, liability, and "moral hazard" concerns associated with such enterprises. However, TNDC will consider small-scale food serving businesses such as pizzeria, ice cream shop, and coffee house.
5. TNDC will not lease commercial space to any tenant whose business or business practices may have an adverse impact on the ability of residential tenants to peacefully enjoy their homes. This includes, but is not limited to disturbances caused by excessive noise and noxious fumes and odors.
6. Specific uses which will *not* be acceptable for commercial rental space include: a) liquor stores; b) pawn shops/consignment stores; c) adult entertainment establishments; d) smoke shops.
7. Social service providers: As there is presently a perceived high concentration of social service providers in the Tenderloin, TNDC will attempt to rent commercial space to traditional retail enterprises, and will *not* prioritize social service usage for commercial storefronts.
8. TNDC will prioritize commercial storefront rental to nonprofit business enterprises which operate with the goal of providing employment training and experience to neighborhood residents. All potential commercial tenants will be asked to describe the number of job positions that will be employed in their enterprise and to develop an appropriate "first source" hiring agreement as a condition of their lease. Specific rental concessions/incentives may be considered to obtain commercial tenants who can help TNDC achieve this goal. However, tenant job placement or lack thereof will not be a sole determinant in leasing arrangements.

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