

MID-MARKET

Startups partner with Tenderloin nonprofits

Mid-Market firms engage with area

BY PATRICK HOGE
San Francisco Business Times

The rush of technology firms moving to San Francisco's Mid-Market has raised hopes that corporate philanthropy and company volunteers can aid nonprofits that help struggling people in the surrounding Tenderloin neighborhood. The need in the area is striking. Community advocates worry that gentrification will hurt existing residents.

The city granted companies a temporary exemption from payroll taxes on new hires if employers set up shop on Mid-Market or in the Tenderloin, but requires companies to sign annual community benefit agreements to do things such as donate time and services and get involved in the neighborhood.

Residents and representatives of local nonprofits are encouraged by what they have seen so far from Twitter and customer service software vendor Zendesk.

Other tech companies moving into the area include CallSocket, Dolby, One Kings Lane, Yammer and Zoosk.

The corporate philanthropy that emerges in Mid-Market from startups promises to be different than programs at Hewlett-Packard, Google, Cisco and Salesforce. Smaller companies will gift less cash; their volunteer efforts promise to be more employee-driven and grassroots. Twitter and Zendesk have already sponsored employee volunteer hours at local nonprofit agencies, donated to community projects and connected with local organizations and businesses.

"I'm excited about the potential for benefit to the neighborhood, but not naive to think that there will not be negative impacts," said Dina Hilliard, executive director of the North of Market/Tenderloin Community Benefit District.

Hilliard chairs the committee set up by the city to review community benefit agreements for companies seeking the tax benefit. Nobody expects zero displacement of poor people. The hope is to spread positive impacts of growth as widely as possible.

"The tendency is to focus only on good things that come from economic growth," said Don Falk, executive director of the Tenderloin Neighborhood Development Corp. "How can we mitigate bad parts of the economic process? How do we ensure that low-income people share in good things that come with development?"

Twitter connects to Glide

Though Twitter moved into new headquarters at 1355 Market St. in June, it has not yet applied for a tax benefit or signed a community benefits agreement.

The company has already been active, however, logging some 500 volunteer hours at neighborhood organizations, said Jenna Sampson, Twitter's community liaison.

Kristen Grownay Yamamoto, co-executive director of Glide, the San Francisco nonprofit that provides services to low-income people, said Twitter started sending volunteers in November, committing



Zendesk's engagement in the area "has been positive for the company," said Svane, right, at the Tenderloin Technology Lab.

to regular shifts in Glide's meal-serving program. Almost 200 employees have logged hours at Glide.

Glide officials have not yet met with executive leadership at any new tech companies, said Yamamoto.

"Mid-Market and surrounding neighborhoods are home to thousands of individuals and families who cannot afford to live elsewhere," Yamamoto said. "We look forward to connecting our new neighbors with our diverse community."

Sampson has met with local community organizations to learn about neighborhood needs, and has relayed information back to company employees.

Twitter may consult to local nonprofits and small businesses about social media outreach. Twitter engineers went to the city library to teach coding to young people, and to meetings of a local chapter of a computer coding education club. Volunteers raised money for a Glide supportive housing project to renew its rooftop garden and did planting with residents. Additional funds went to buy a grill and host a BBQ for the residents as well.

Twitter is talking with Bay Area Women's & Children's Center about work related to children at Tenderloin Community School, said Midge Wilson, executive director of the center. "Projects will start when the school year starts in the fall. We have high hopes for our work together," said Wilson.

Elvin Padilla, executive director of the Tenderloin Economic Development Project, said Twitter's Sampson has been "active in outreach and engagement with numerous Tenderloin organizations." The company has sponsored volunteer days and youth education events, visited local art groups and shown interest in tech education.

Beyond the minimum

Falk, at TNDC, said he was "pleased

and impressed with Zendesk" for going beyond minimum requirements to get its tax break. "I hope it sets a floor for future agreements. They went about it the right way," he said.

Phil Clark runs education, employment and shelter-based behavioral health programs for Episcopal Community Services. "Zendesk is interested in the community that lives here. They want to add to rather than replace it," Clark said.

Zendesk agreed to name a staff person as community liaison, send employees on walking tours led by community organizations, host presentations from local artists and others, sponsor a food-related education workshop, collaborate with local restaurants and Episcopal Community Services' chef training program to lead food workshops for residents, and use Mid-Market businesses.

Previously, Zendesk pledged to raise \$1 million for UCSF Children's Hospital in Mission Bay. In Mid-Market, Zendesk has pledged \$5,000 to a community garden and is sponsoring ImproveSF, a city-sponsored web initiative to tackle particular problems, and will pay for prizes. The current contest focuses on how to improve access to quality food for local residents.

The company has hired two paid summer interns from the area and promised to hold workshops to teach residents how to use computers, organize at least two outings to local cultural organizations and develop an online list of events and resources in the area.

Goal of community benefit deals

Community benefit agreements must be updated and signed every year by companies to get the payroll tax exclusion. The hope is that agreements will become more robust as the firms grow.

Megan Trotter, a St. Anthony Foundation program manager at the Tenderloin tech lab, said staff had talked

of developing a mobile directory of local services — particularly food-related — for use by homeless and low-income people. Zendesk is helping them make their dream come true, she said.

Zendesk co-founder and CEO Mikkel Svane said that moving to Mid-Market was prompted by finding office space he loved. The tax that Zendesk saves is small — \$36,248 in 2011.

Svane said the community activities have improved Zendesk's culture. "It's turned out to be something that the whole company has taken pride in," he said. "It has been positive for the company. I love what it's done to us."

Engaging with the community

Clark of Episcopal Services hopes to see representatives of the tech companies join the boards of directors of his organization and others.

"Once people understand the work we are doing, they tend to support it," he said.

Supervisor Kim, a co-author of the tax-break legislation, said that tax breaks alone are not effective at promoting revitalization of a neighborhood. For Kim, it was important to stimulate connection between new company employees and their neighbors.

That's why a group of Zendesk employees recently toured Sixth Street with a representative from nonprofit Urban Solutions, stopping in at businesses ranging from Dottie's True Blue Cafe to an optometry shop and credit union set up by the city to help locals who were using check-cashing places.

"A key part of the community benefit agreement is building a relationship so companies are not existing in isolation," Kim said. "I have expressed to Twitter and other companies that it's important to me to see that relationships get built."

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