



## ***TIC Ownership in San Francisco – Gateway for the Middle Class and LGBT Community***

Plan C San Francisco<sup>1</sup>

### ***Summary***

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While the debate rages on about tenancies in common (TICs) and condo conversion in San Francisco, we wish to clear up some misconceptions about TIC owners, who they are, and where they live. This paper will present some new demographic information about which groups are relying on TICs for first-time homeownership. Critics have portrayed TICs as a vehicle for wealthy, conservative San Franciscans. Our data show a different picture.

- The majority of TICs are in the more progressive parts of the City: Haight-Ashbury, Mission, Castro/Noe Valley, and North Beach.
- Most TICs are *not* located in San Francisco's wealthier, more conservative neighborhoods.
- TICs are heavily concentrated in areas with a high LGBT population.
- In addition to the neighborhoods cited above, recent TICs can be found in middle class neighborhoods such as the Richmond and Sunset, and are increasingly found in the Excelsior, Bayview-Hunters Point and other parts of the southeast sector of the City.

We at Plan C hope the political establishment sees TICs for what they are: a tool to help the middle class San Franciscans fulfill their dream of affordable home ownership.

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### ***Rhetoric about TICs doesn't equal facts***

Despite all of the rhetoric about TICs and condo conversion in San Francisco, there has until now been very little data published as to the location of TICs in the City. Using San Francisco Dept. of Public Works' (DPW) 2004 list of condo conversion lottery winners and losers, we show the location of many of the City's TICs (Figure 1). This lottery list is the waiting line for TIC owners to convert their units to separate condos (condo conversion). We also present Supervisor Districts. Notice how heavily they concentrate in the more politically liberal neighborhoods of San Francisco:

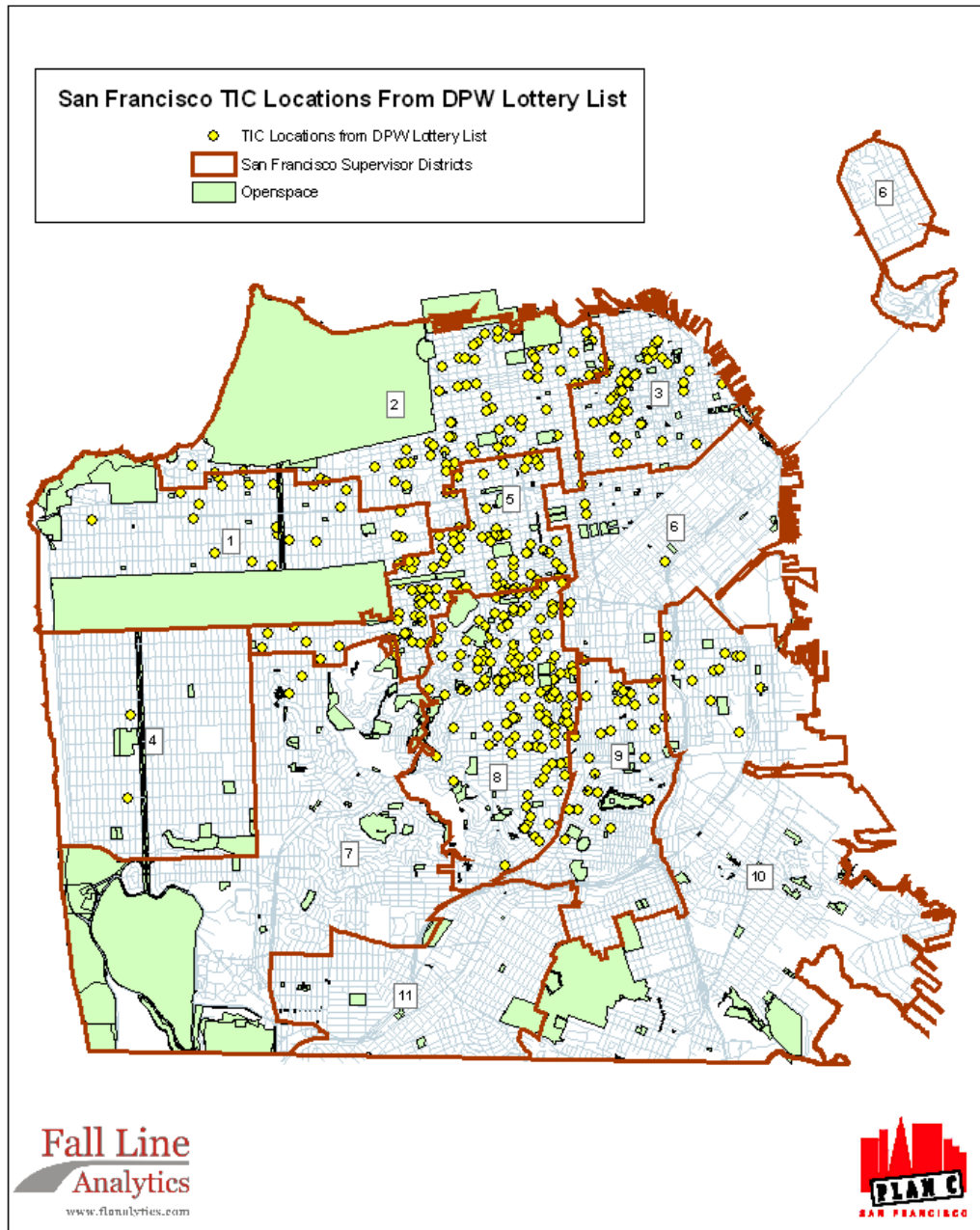
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<sup>1</sup> Written by David Latterman, Fall Line Analytics, with help from Michael Sullivan, Plan C San Francisco.

- Castro (D8)
- Dolores Street (D8)
- Inner Mission (D9)
- Haight-Ashbury (D5)
- Hayes Valley (D5)
- Bernal Heights (D9)

There is also a strong concentration of TICs in North Beach and other parts of D3, as well as throughout the Richmond in D1. Except for a few parts of D2 (Marina and Pacific Heights), TICs tend **not** to be located in the more politically conservative sections of San Francisco, such as most of the west side.

Figure 1: Location of TICs in San Francisco, from DPW TIC lottery list





## TICs are used by the middle class

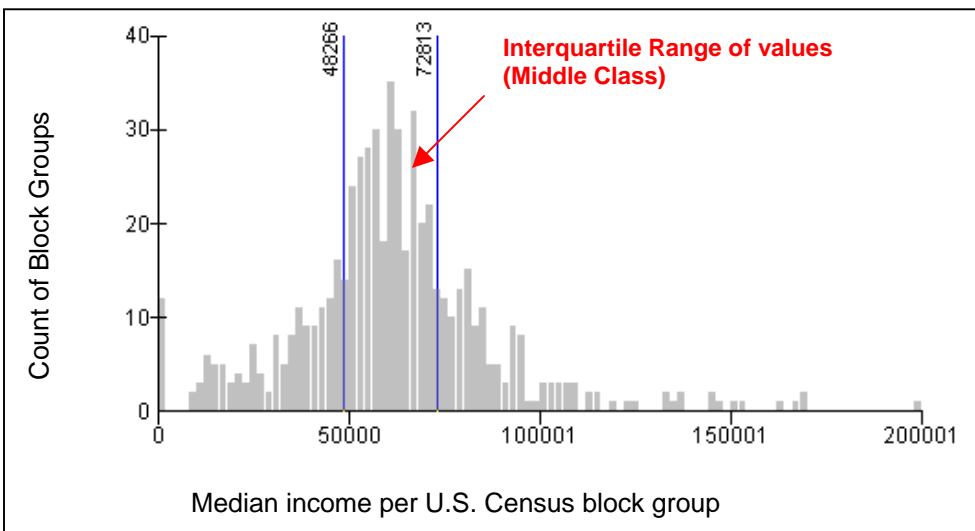
Much of the criticism of TICs in San Francisco has centered on class and income lines — principally, that TICs are affordable only by the wealthy. We show that most TICs are in **middle class** neighborhoods. We take the average median household income from all of San Francisco’s census block groups, and underlay the TIC locations with it. There are 573 block groups in San Francisco with median income data.

Looking at the census block data, the median income value is \$60,833<sup>2</sup> per household, and this represents an average of 2.25 people per household. Here, San Francisco’s middle class is defined as the interquartile range of block group income values – which are the incomes between 25% and 75% of all values (see Figure 2). These boundaries represent a median income between \$48,266 and \$72,813, or from 80% to 120% the median value of \$60,833 (which here we’re calling Average Median Income, or AMI).

These neighborhoods are hardly the wealthiest quarters of San Francisco, and for the most part, TICs are located in solidly middle class sections of the City, especially in D5, D8, and D9. Figure 3 shows the map of the DPW TIC locations and the block groups. Notice most TICs straddle the poorer (red) and wealthier (blue) San Francisco neighborhoods.

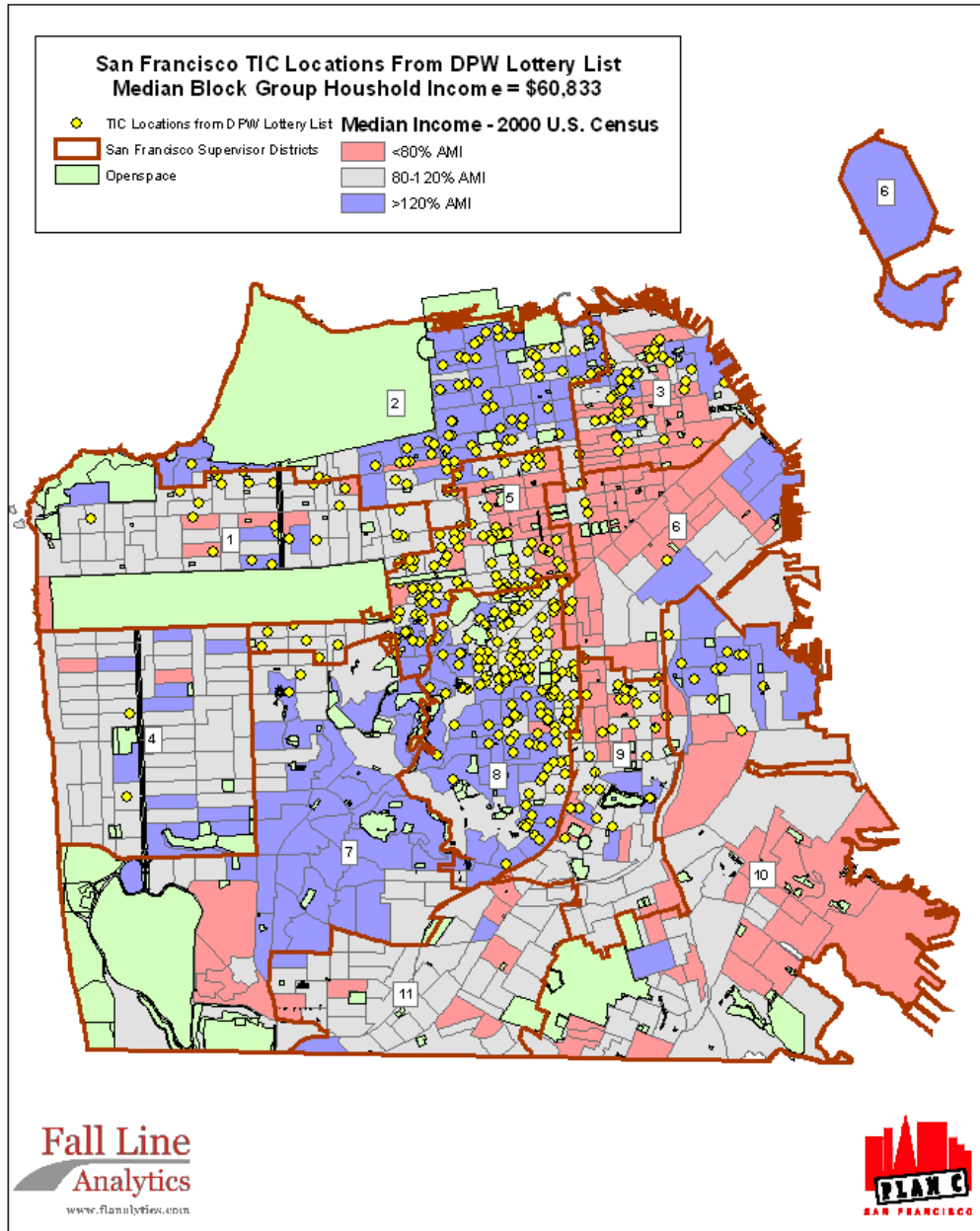
Once one walks around these neighborhoods, it becomes quickly apparent that wealthy San Franciscans, or outsiders, are not buying up these TICs to speculate – it is middle class San Franciscans trying to own a home in the only neighborhoods they can afford, using TICs as the vehicle.

**Figure 2: Graph showing the median household income from each San Francisco block group. The median value of all block groups is \$60,833, for a household of 2.25 people.**



<sup>2</sup> The mean value of the household income for the census blocks is \$62,457, so we actually take a more conservative value for AMI.

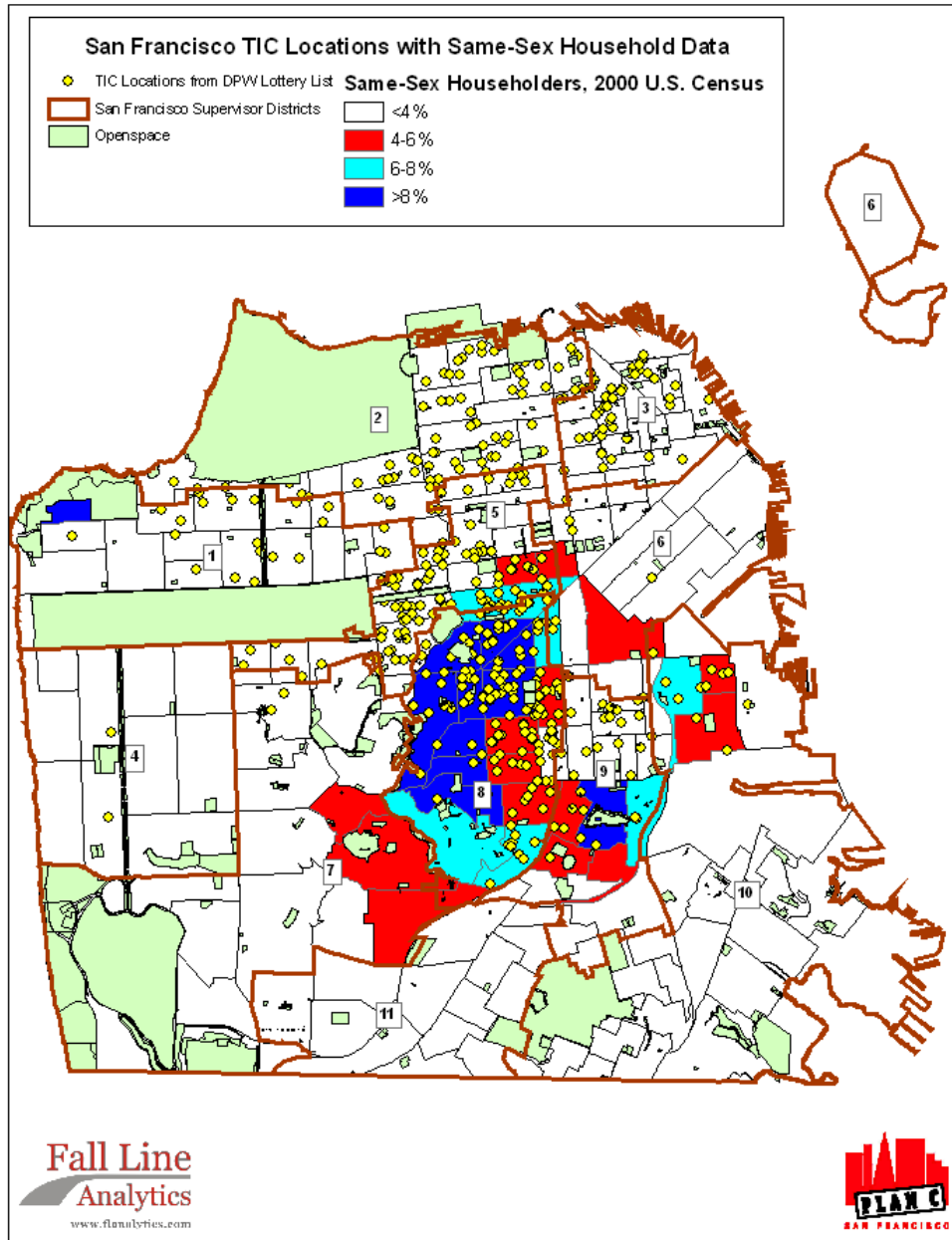
**Figure 3: TIC locations and median income by U.S. Census Block Group, 2000. AMI is defined by the median value of US census block data for San Francisco – or \$60,833 per household. The gray colored blocks are from the interquartile range of block group values shown in Figure 2.**



***TICs are important to the LGBT community***

Not only are TICs important to the middle class, but they represent the “homeownership vehicle of choice” for the LGBT community. Figure 4 shows U.S. Census block group data for same-sex householders, one of the few hard data sources for LGBT populations, overlaid with TIC locations. TICs are heavily concentrated in the Castro, and other D8 and D9 neighborhoods that have high numbers of same-sex couples.

**Figure 4: TIC locations and U.S. Census tract-level same-sex householder data. LGBT percentages only represent same-sex households, NOT the total LGBT population.**



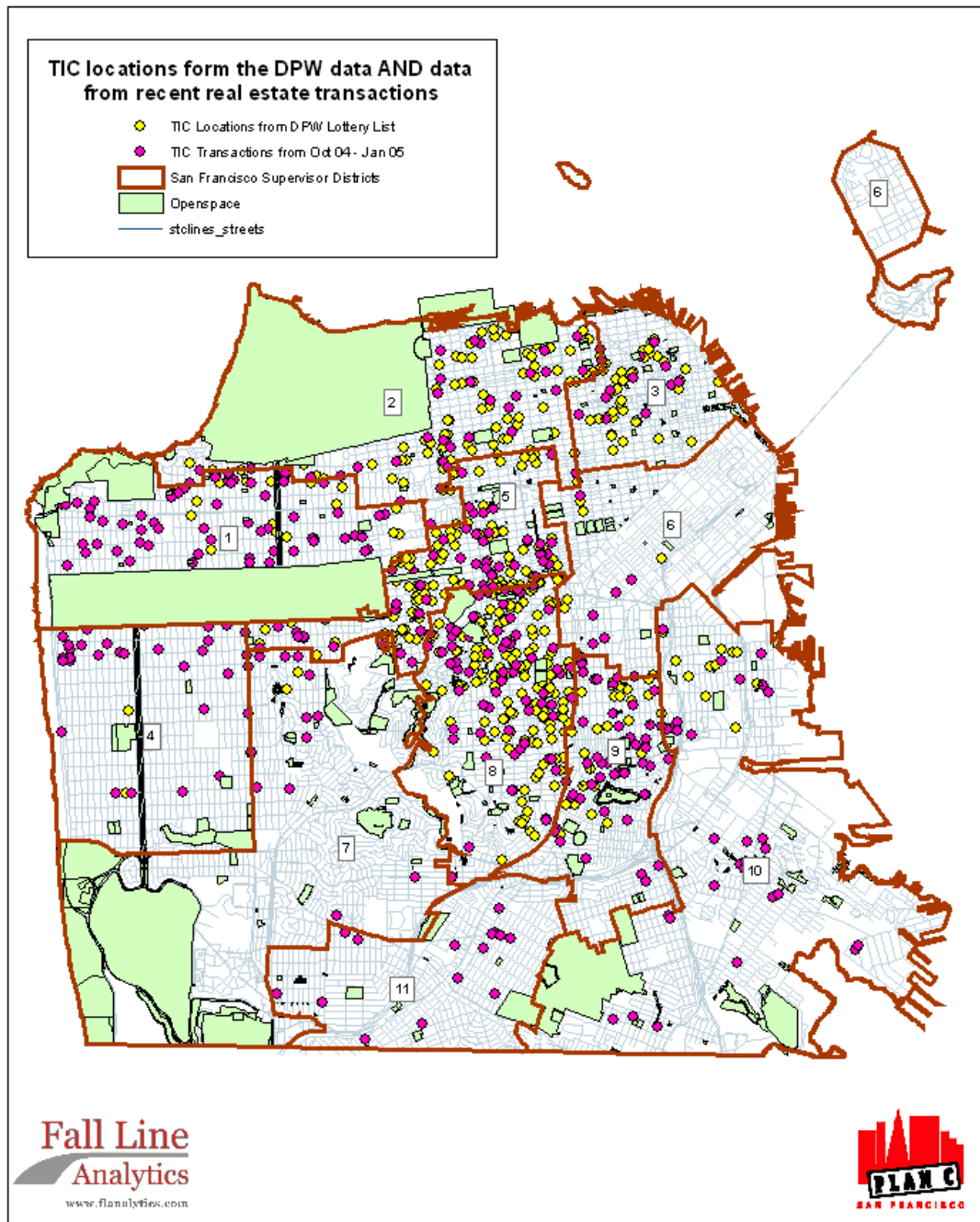
***The TIC market is moving to other middle class parts of the City***

Finally, we look at where TICs are headed in San Francisco. Figure 5 is a map showing the original DPW data as well as data generously provided by Pacific Union, which shows TICs currently on the market, recently sold, or with a sale pending.<sup>3</sup>

<sup>3</sup> Data covers time period from Oct 1, 2004 through Dec 31, 2004

The lottery list shows TICs that were purchased anywhere from three to ten years ago, but the realtor data displays the current market. Notice how the more recent data (pink dots on the map) show that TICs have spread to the Sunset, and Richmond districts, as well as to the Excelsior and Bayview neighborhoods in D10 and D11 – a diverse group of San Francisco neighborhoods, enriched by middle-class San Franciscans looking to enter the housing market.

Figure 5: TICs from recent realtor data and DPW





## **Conclusions**

We hope that this paper will help address misconceptions about TIC ownership – and demonstrate that, contrary to conventional wisdom, TICs are largely a vehicle for middle class residents of San Francisco’s most progressive and LGBT districts.

- TICs are concentrated in some of San Francisco’s most progressive neighborhoods. Most TICs lie in D8 (Castro/Noe Valley), D5 (Haight/Western Addition), D9 (Mission/Bernal Heights), and D3 (North Beach, Chinatown and Telegraph Hill).
- By looking at TIC locations and data compiled from the U.S. census, we show that TICs in San Francisco are being formed primarily in solidly middle class neighborhoods.
- The data show striking concentrations of TICs in San Francisco’s gay and lesbian neighborhoods — suggesting that TIC ownership is an important first step toward homeownership for the LGBT community.
- TICs, and middle class San Franciscans, are continuing to spread into new middle income neighborhoods throughout the City.