



# Silicon Valley Nonprofit Displacement

February 7, 2019



# THE NONPROFIT DISPLACEMENT PROJECT IS FINDING NONPROFIT REAL ESTATE SOLUTIONS



# Solutions to Nonprofit Displacement



## SPACE

- Create or support shared spaces, nonprofit centers, and hubs
- Support community/nonprofit facility ownership (CAST model)
- Support nonprofit real estate acquisition and leasing
- Provide funding directly related to space and acquisition of property
- Map properties that could be adapted to nonprofit use
- Help nonprofits negotiate longer-term leases



## FUNDING

- More use of general operating support
- Support funding for increased operating costs (space and personnel)
- Larger and/or multi-year grants
- Support donor-designated, pooled and other dedicated funds
- Greater funding for community advocacy and economic development organizations
- Increase or eliminate admin/indirect percentage



## TECHNICAL ASSISTANCE

- Provide “matchmaking” services for nonprofits interested in sharing space
- Provide a database of nonprofits interested in sharing, leasing, or purchasing space
- Offer direct technical assistance on business, financial, and space planning
- Offer workshops on real estate readiness
- Support the creation of one-stop resource centers for nonprofits to receive services
- Facilitate nonprofit mergers



## POLICY

- Promote inclusion of nonprofit space in new developments
- “Set-asides” to purchase during downturns
- “Rent control” oriented strategies
- Promote living wage policies
- Fund nonprofits when they move to new communities



# REAL ESTATE READINESS PROGRAM SILICON VALLEY



Due to the area's skyrocketing real estate market, nonprofits find themselves at risk of displacement or face significant barriers to growth. In the South Bay and Peninsula the growing business sector is contributing to inflated rents, resulting in nonprofits struggling to find the affordable space they need to thrive. NCCLF's highly regarded Real Estate Readiness program builds the capacity of organizations located in San Mateo and Santa Clara counties.

This workshop series is free and generously supported by the [Heising-Simons Foundation](#). At the conclusion of the series, participating organizations will have access to free of charge real estate consulting services.

# Welcome to Spaces For Good

Office, Share/Cowork, and Event Spaces for Non Profits!

[Advanced Search](#) ▼[⚙ More Options](#)

Beta Test



connecting social impact organizations to donated workspace in Silicon Valley



through the generous support of our funders

# Q4 2018 Average Asking Rent/sq ft



# Status of Silicon Valley Nonprofit Space & Facilities

November 2018





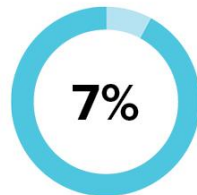
# 180 organizations surveyed in Silicon Valley.



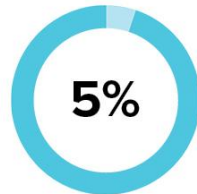
**San Jose**  
with 69 organizations



**Redwood City**  
with 14 organizations



**Palo Alto**  
with 13 organizations



**Milpitas**  
with 9 organizations



**San Mateo**  
with 9 organizations

**12%**

do not have permanent offices.

**59%**

rent their space.

**29%**

share their space with other nonprofits.

**34%**

would be interested in co-locating in the future.

**43%**

have annual budgets of less than \$1 million.

**13%**

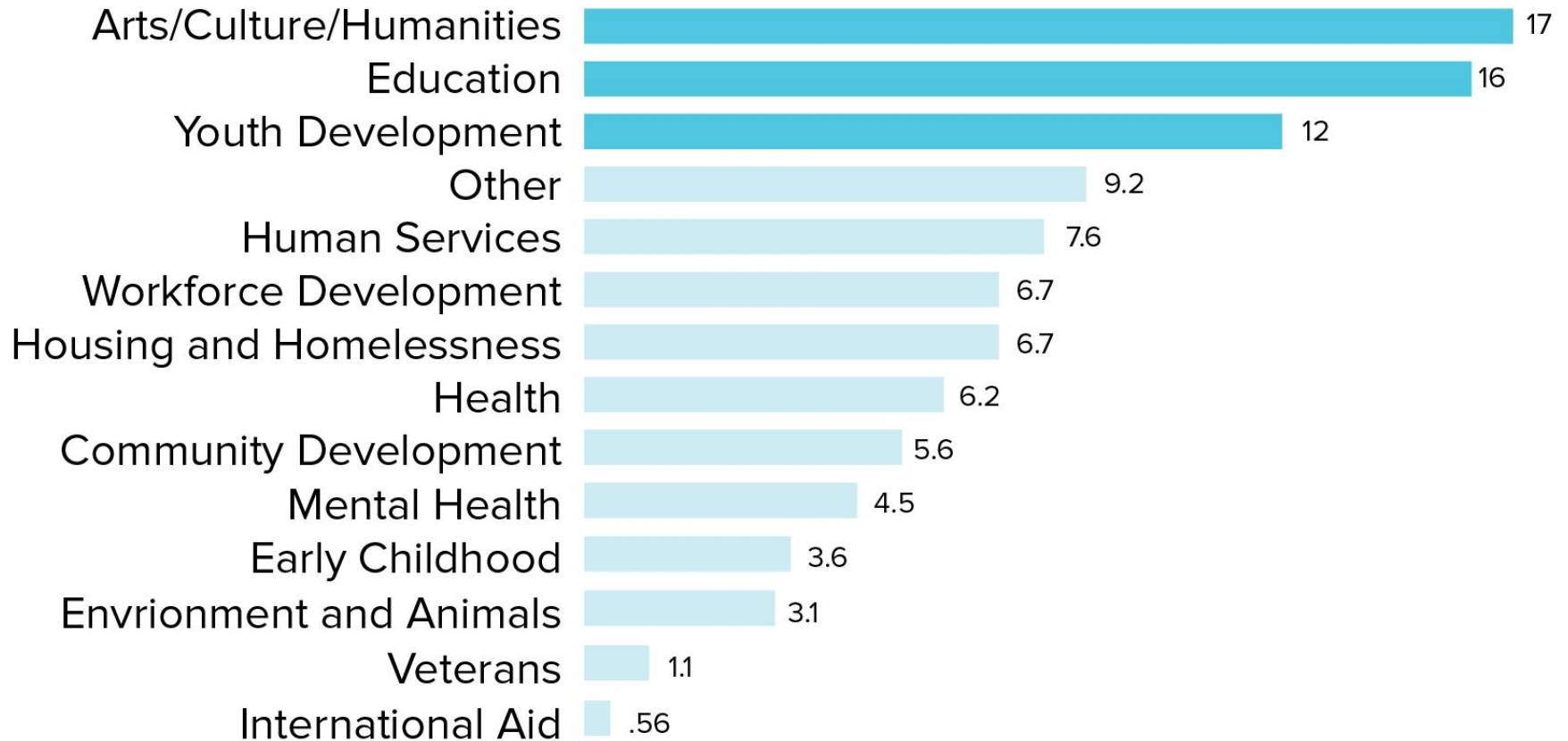
have annual budgets of more than \$1 million.

**50%**

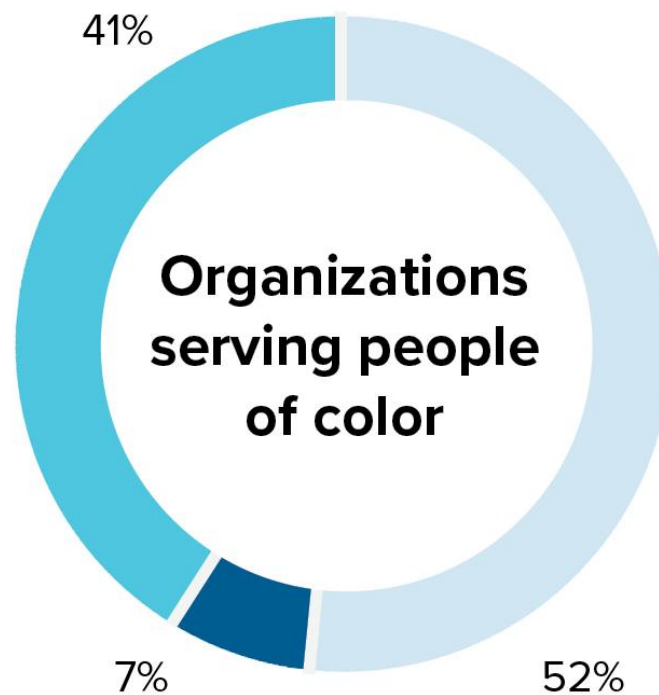
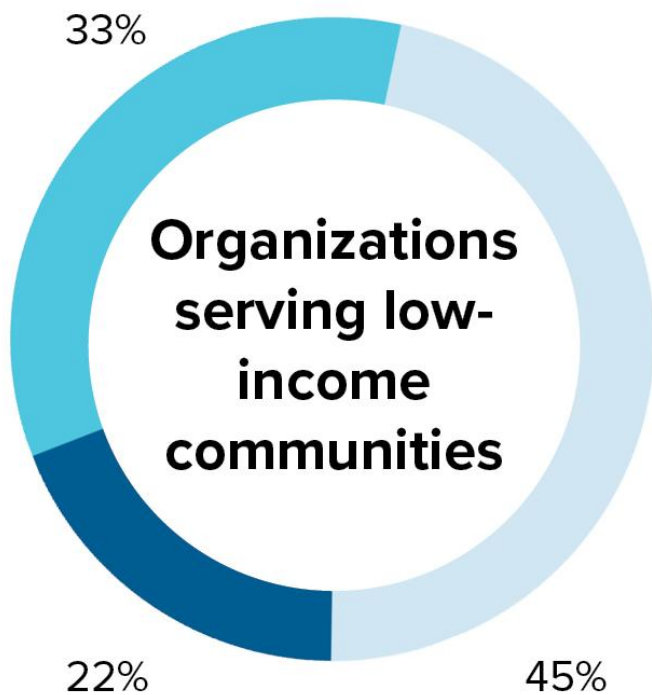
report having 15 employees or less.






## Main Areas of Focus



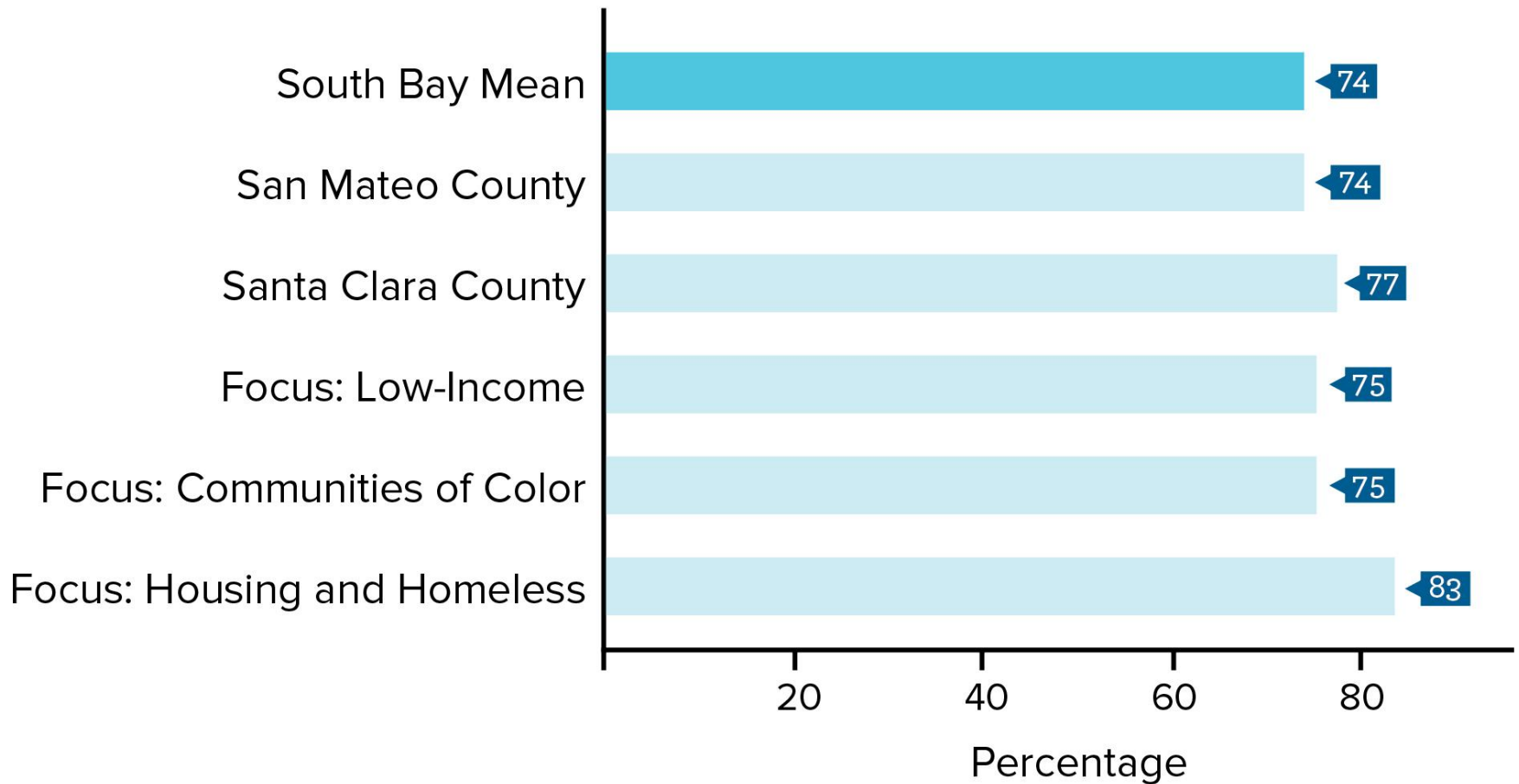
Percentage



-  Exclusively
-  Primarily
-  Neither Exclusively nor Primarily

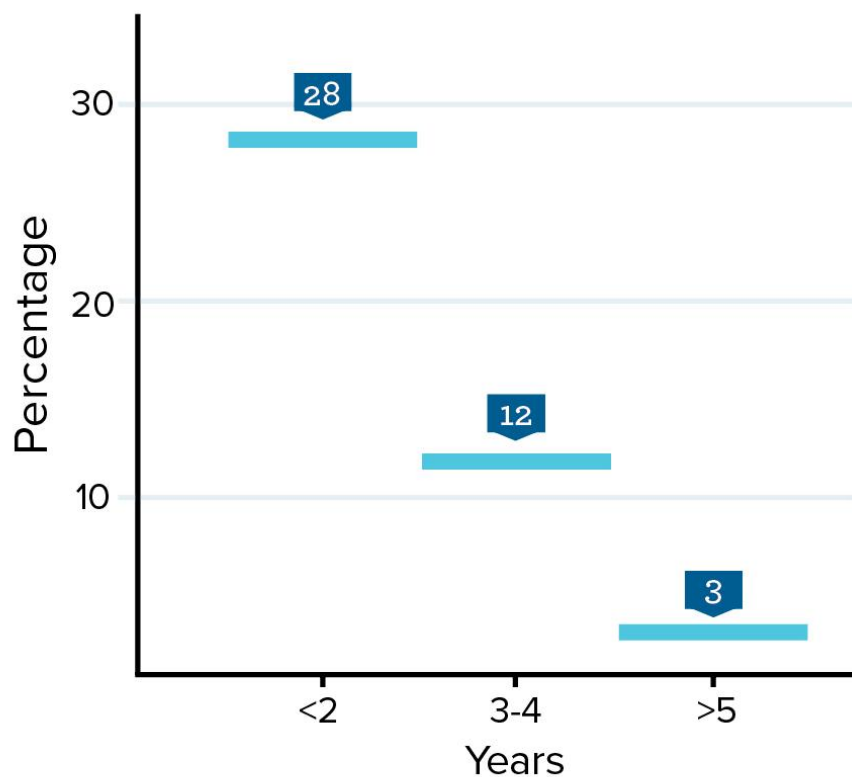


## Organizations concerned about the real estate impact on long-term sustainability by type of organization

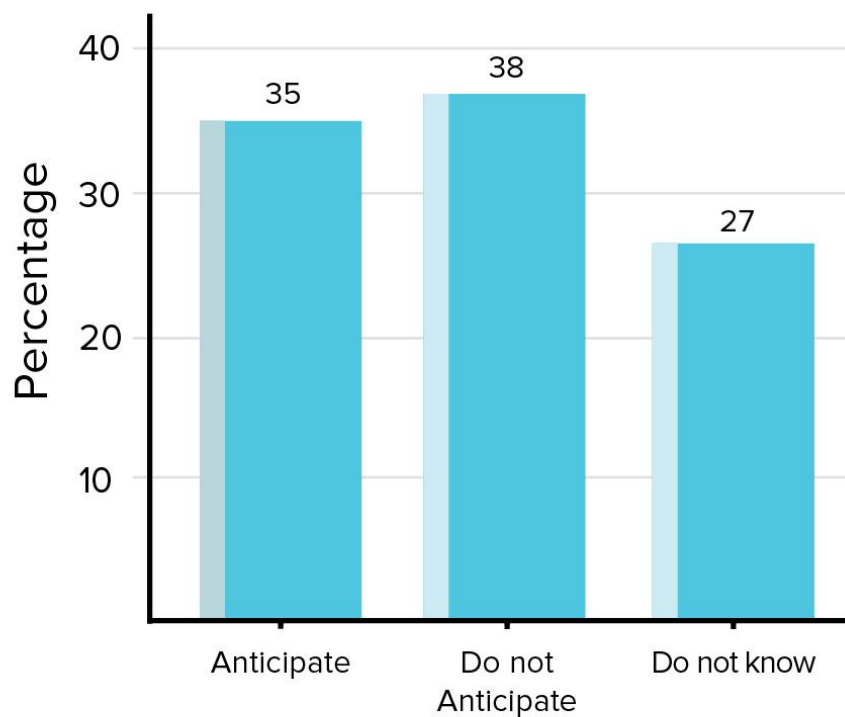


## Years until lease expires

43% of sample reporting

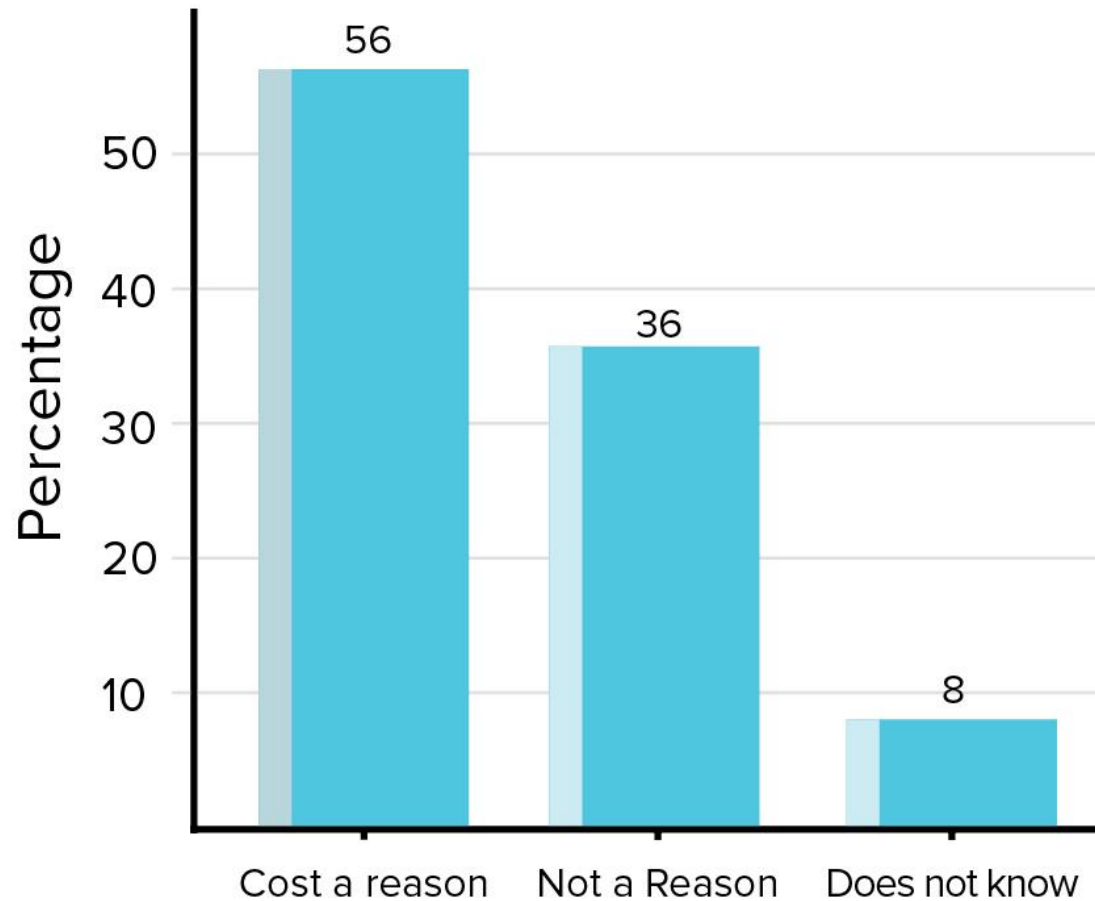


## Anticipate having to relocate

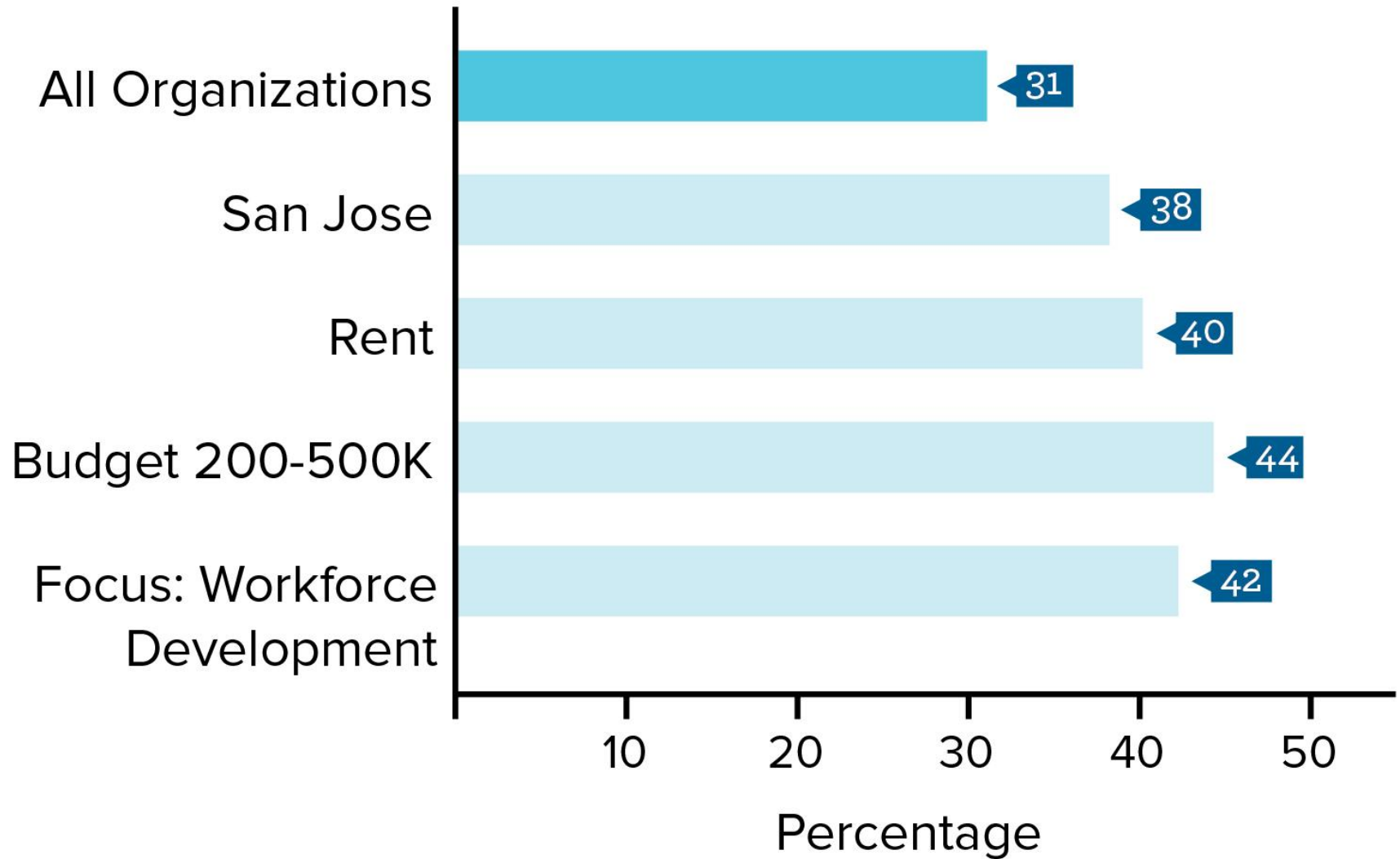


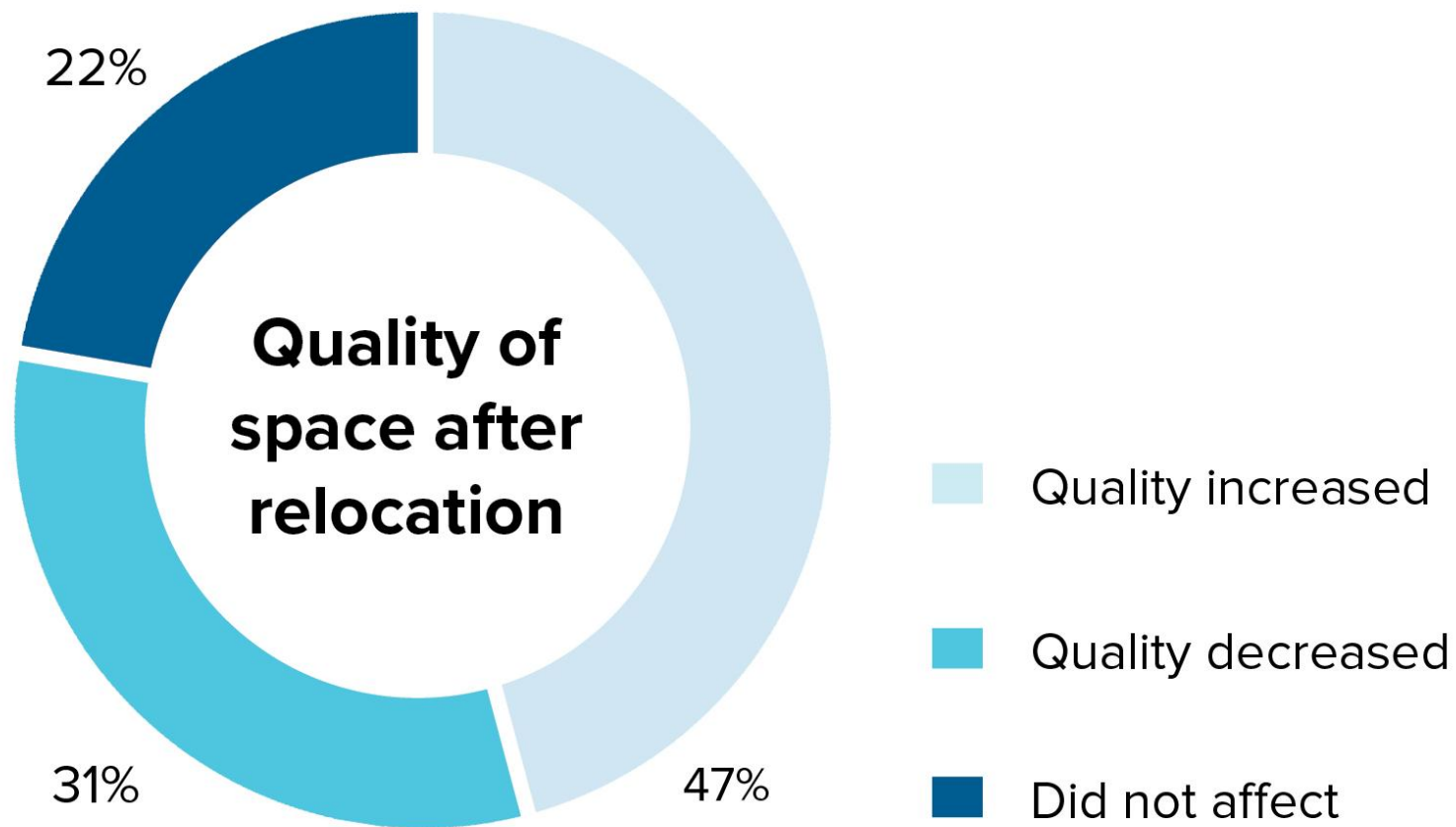


# Extent to which cost would be a factor in relocation



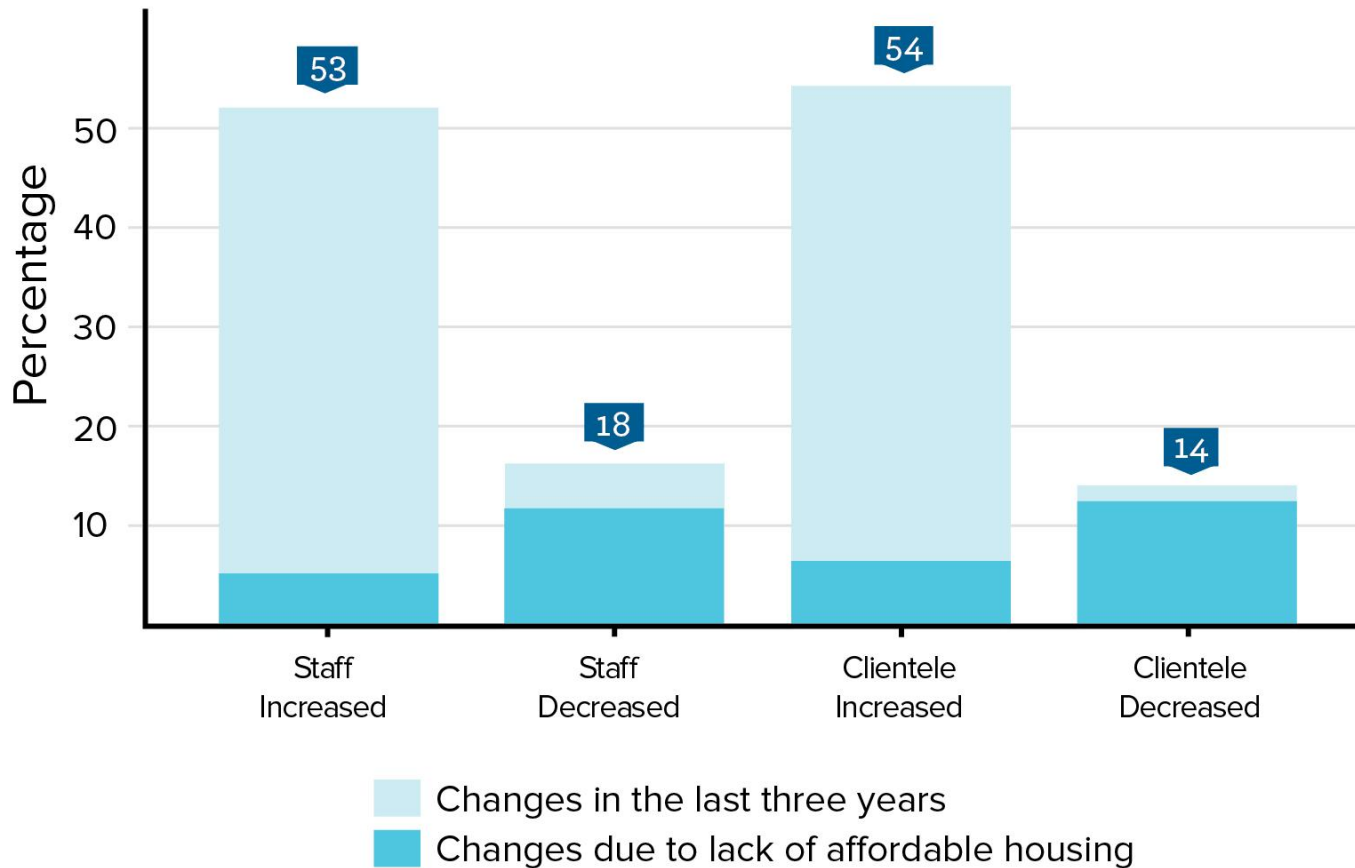
## Relocated in the last 5 years





**“** *“The cost for a new lease was too expensive for us to remain in the space we had occupied for almost 10 years. Our new space is less than half the size, so staff no longer have private areas for interviews, confidential calls with clients, and we can no longer hold workshops for the community in our space. In addition, the move itself was costly.” – Survey Respondent*

## Staff & clientele changes due to lack of affordable housing

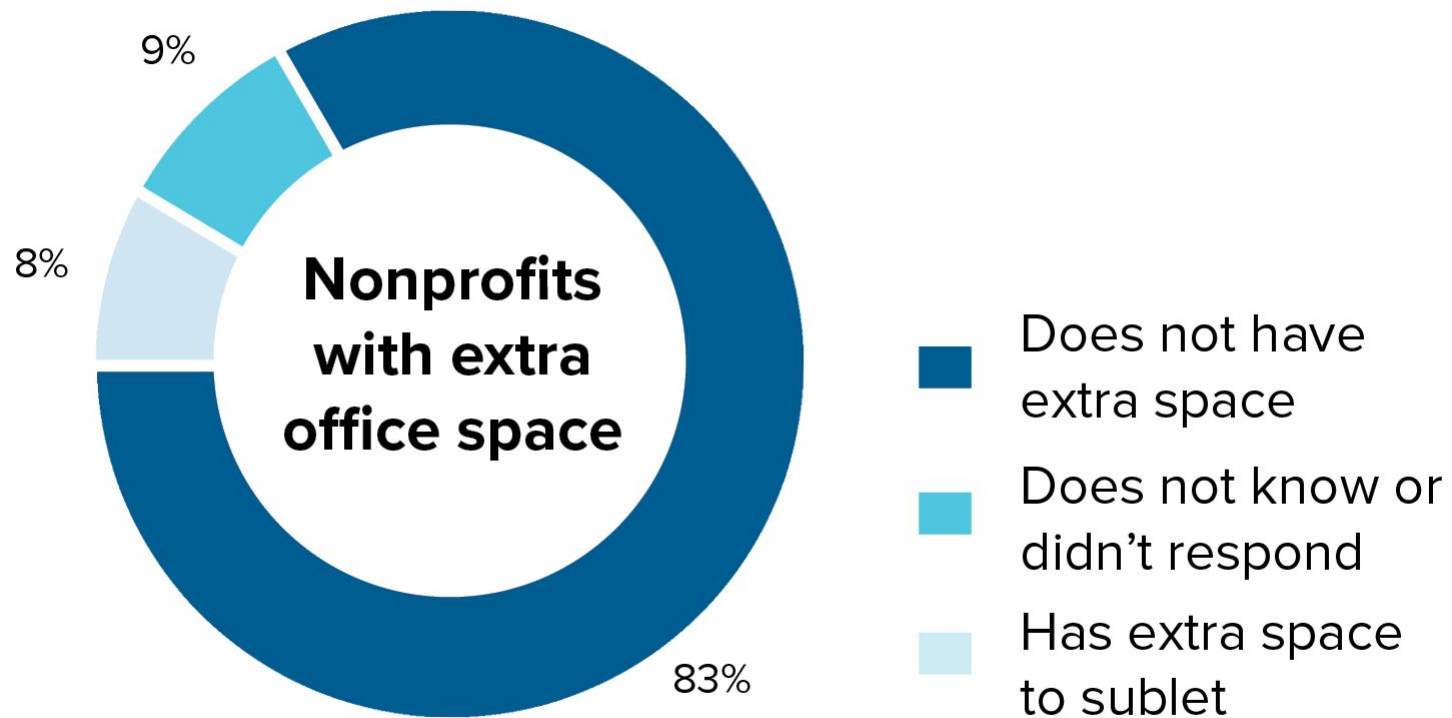


**“** *It is very hard to hire and retain people because our non-profit salaries cannot begin to compete with the tech giants, our foundation grants have remained the same for the past decade, and at best the city grants have modest CPI increases.” – Survey Respondent*



# Possible Solutions

- Co-location
- Partnering with for-profit companies
- Policy changes



# Solutions Brainstorm

What solutions will meet the challenge of affordable space for nonprofits in Silicon Valley?