Chinatown

DrillDown Market Overview

Social Compact

Catalyzing Business Investment in Inner City Neighborhoods



	2007 DRILLDOWN	2006 Trend Projection	2000 Census	Comparison DrillDown/Trend Proj
MARKET SIZE				
Total Population	11,211	13,127	13,601	-15.0%
Population per Acre	104.3	122.1	126.5	-
Total # Households	5,391	6,450	6,586	-16.0%
MARKET STRENGTH				
Average Household Income	$63,131	$35,884	$31,346	76.0%
Median Household Income	$41,488	$25,112	$21,839	65.0%
Aggregate Neighborhood Income	$340 Million	$231 Million	$206 Million	47.0%
% Informal Economy	14.1%			
Aggregate Income per Acre	$3,165,117			
Average Income, New Home Buyers	$348,321	1,011% above Census avg inc		
% Change in Adjusted Gross Income	15% ('98-'04)			
MARKET STABILITY				
% Owner Occupancy - Unit	2.7%	5.7%	5.7%	
% Owner Occupancy - Bldg	12.6%			
Median Home Sale Value	$985,000	$738,033	$445,988	33.0%
New Construction Units ('00 -'05)	9	2 per 1,000 households		
Residential Rehab Activity	60 % of residential buildings			
Change in Crime ('02 - '05)	-24% (Violent)	4% (Property)	8% (Total)	
Incidents per 1,000 Persons ('05)	4.8 (Violent)	28.2 (Property)	43.1 (Total)	

Working in close partnership with the San Francisco Mayor's Offices of Community Development (MOCD) and Economic and Workforce Development (MOEWD), the San Francisco DrillDown aimed to strengthen a range of ongoing community and economic development programs underway in twelve San Francisco neighborhoods selected in collaboration with MOCD and MOEWD: Bayview Hunter's Point (BHP); Bernal Heights; Chinatown; Excelsior; Mission; Oceanview Merced Ingleside (OMI); Portola; Potrero Hill; South of Market (SOMA); Tenderloin; Visitacion Valley; and Western Addition. With a focus on surfacing existing neighborhood assets and positive trends in neighborhood change, the DrillDown provides a unique lens for examining investment opportunities and gauging community stability in San Francisco's undervalued and underserved neighborhoods.

Social Compact would like to recognize Bank of Amerca, the key sponsor of the San Francisco DrillDown, in addition to the following sponsors whose generous financial support made this work possible: San Francisco Mayor's Office of Communities of Opportunity; the MOCD and MOEWD; Affinity Bank; Evelyn and Walter Haas, Jr. Fund; the Federal Home Loan Banks; the PMI Foundation; and Union Bank of California. Thanks also to the entire Social Compact Board of Directors for their continued support.

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BUSINESSES	Total #	Total Revenue	Total # Employees	Employee Annual Spending Potential	
All Businesses	1,197	$978.1 Million	8,111	x $2,787 / yr =	$24. Million
Small Business (Empl. 51 - 100)	7	$15.8 Million	542		
Small Business (Empl. 20 - 50)	62	$124.8 Million	1,879		
Small Business (Empl. 6 - 19)	234	$284.8 Million	2,133		
Small Business (Empl. 1 - 5)	869	$416.3 Million	2,367		

RETAIL DEMAND	Estimated Revenue	Estimated Expenditures	Estimated Leakage	Estimated Sq. Ft. Potential
Retail	$200.3 Million	$84.0 Million	-$116.3 Million	
Apparel	$37.6 Million	$9.6 Million	-$28.1 Million	0
Restaurants	$60.8 Million	$13.6 Million	-$47.2 Million	0

GROCERY DEMAND	Total #	# per 10K HH	Average Distance	Total Expenditures	Total Leakage	Estimated Sq. Ft. Potential
All Grocers	41	76.1		$17.5 Million		
Full Service Grocers Only	1	1.9	0.16mi		$12.5 Million	36,509

FINANCIAL SERVICES	Total #	# per 10K HH	Average Distance
Banks & Credit Unions	21	39	
Banks Only	20	37.1	0.06mi
Pawnshops, Checkcashers, Payday Lenders	0	0	0.34mi
% of Households lacking credit histories = 53%			

SOCIAL COMPACT is a national not-for-profit corporation led by a board of business leaders whose mission is to help strengthen neighborhoods by stimulating private market investment in underserved communities. The lack of dependable business-oriented data on inner-city communities expands the information gap on market trends, disabling potential investors from making informed decisions. Established to provide up-to-date profiles of market size, strength, and stability for small, dense, and rapidly changing urban geographies, Social Compact's Neighborhood Market DrillDown addresses key barriers to private investment in and around inner-city neighborhoods - a lack of information and negative stereotyping. The DrillDown uses numerous sources of market data to identify the fundamental business attributes and market characteristics of urban communities and aims to expose market anomalies and opportunities that may have previously been overlooked by traditional market analyses. The DrillDown serves as a resource to community organizations, government decision makers and the private sector. Social Compact is at the forefront of identifying the market potential of underserved neighborhoods and believes that a public private partnership that involves community members and leverages private investment isthe most sustainable form of community economic development.

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DrillDown Glossary & Sources

HOUSING UNITS, POPULATION, HOUSEHOLDS: The DrillDown assembles a list of residential addresses from municipal and proprietary tax assessment records, municipal building permit records, utility hookups, and credit bureau records. Households, or occupied units, are determined by multiplying the total number of residential addresses by the vacancy rate, determined through analysis of utility usage records, at the block group level. Total population is calculated by multiplying the number of households by the average household size and adding this number to the population in group quarters. Average household size and population in group quarters is provided at the block group level by the most recent census trend projections.

INCOME: Unadjusted household income estimates are derived in a series of calculations. First, a count is made of the number of individuals per income brackets determined by the three credit bureau income estimates. Then, the average income at the block group level is calculated by applying the Bureau of Labor and Statistics Consumer Expenditure Survey's estimated average income for individuals within a particular income range (projected from 2004 to 2006) to the income distribution determined. The third calculation adjusts the income estimate to account for **informal economic activity**. By weighting the following proxies, the DrillDown estimates the monetary value of unregulated economic activity: households with income below $30,000; difference between household income and household expenditures; the percentage of households with no credit record; the percentage of utility payments made in cash; the number of nontraditional financial service providers per household and per acre; the difference between estimated housing costs and real home values; and the percent foreign born population.

IRS ADJUSTED GROSS INCOME: The percent change in adjusted gross income reported for each neighborhood is extrapolated from 1998 and 2004 zip code level data available from the Internal Revenue Service (IRS). The 1998 values are adjusted for inflation to 2004 dollars. The zip code level data is adjusted to different geographies by weighting the number of returns to the Census 2000 households at the blockgroup level.

NEW HOMEOWNERS AVERAGE HOUSEHOLD INCOME: New homeowners average income is derived from tract-level home loan data provided by Home Mortgage Disclosure Act (HMDA), 2003-2005. Average incomes are from all home purchase loans for 1-4 unit structures intended for owner-occupancy (not rental or second home) between 2003 and 2005.

HOMEOWNERSHIP/OWNER OCCUPANCY: An estimate of the percentage of residential units or buildings where the unit or building owner is a resident. Matching the mailing and physical addresses provided by municipal tax assessor records indicates owner occupancy.

MEDIAN HOME SALE VALUE: Median home sale value is calculated using property transaction data from property sales and proprietary and municipal real estate data over an 18 month period.

BUILDING RECORDS: New residential units (new construction) and residential rehabilitation (additions, alterations, repairs) is assessed using municipal building permit records for the stated period of time.

FINANCIAL INSTITUTIONS: Traditional financial service institutions include banks and credit unions; based on listings provided by the Federal Deposit Insurance Corporation (FDIC), 2007. Nontraditional financial service institutions include check cashers, pawnshops and payday lenders; based on listings provided by InfoUSA.

HOUSEHOLDS WITH NO CREDIT RECORDS: A proxy for underbanked households, a percentage of households without an associated record in any of the three credit bureaus.

AVERAGE DISTANCE is reported by neighborhood and represents the averages of the distance in miles from each census block group centroid to the closest establishment within two miles of the city boundary. In the case that an establishment is located on or just beyond the neighborhood boundaries used in the DrillDown analysis, this indicator serves as a more accurate determinant of residents' access to these services.

GROCERY ANALYSIS: Full service grocers include supermarkets and other grocery providers with a store size of 10,000 square feet or more and 20 or more employees.

RETAIL EXPENDITURES: Through an analysis of average consumer spending by income ranges based on the most recent Consumer Expenditure Survey conducted by the Bureau of Labor and Statistics, Social Compact calculates aggregate consumer expenditures (retail and otherwise). The Consumer Expenditure Survey categories are then translated into North American Industry Classification System (NAICS) codes.

RETAIL REVENUE: An estimate of annual sales revenue derived through an analysis of business-level proprietary data, characterized for various retail NAICS codes.

NEIGHBORHOOD LEAKAGE: An estimate derived through subtracting annual sales revenue from annual aggregate expenditures; a dollar amount that represents unmet demand within a given geography, estimating the flow of dollars into and out of a particular neighborhood. Unlike retail estimates based on sector-specific trade areas, the DrillDown neighborhood leakage estimate is meant to identify the gap between available retail within the neighborhood and the retail spending of residents themselves. An estimate of zero, or negative, leakage does not necessarily imply that a neighborhood is sufficiently retailed, rather that particular demand is not revealed through broad aggregate numbers.

BUSINESS INFORMATION: Social Compact obtains its business listings and categories from ESRI's Business Analyst software and InfoUSA. Businesses are categorized according to employment size. Small businesses are considered those establishments employing 100 individuals or less. Worker spending is based on the International Council of Shopping Centers (ICSCC) office worker spending, 2004.

SOURCES: Acxiom Corporation, 2007; Claritas, 2006; Bureau of Labor Statistics, Consumer Expenditure Survey 2004; Equifax Corporation, 2007; Experian Corporation, 2007; ESRI Business Analyst; Federal Deposit Insurance Corporation, 2007; First American CoreLogic, 2007; InfoUSA, 2007; Internal Revenue Service (IRS), 1998, 2004; Home Mortgage Disclosure Act (HMDA), 2003—2005; Social Compact Analysis, 2007; U.S. Census Bureau, Census 2000; U.S. Department of Labor, 2004; municipal data.

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