

Tenderloin Health: *Growing Pains*

by the editors

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SIX YEARS AGO, TRACY BROWN WAS HIRED AS the executive director of the Tenderloin AIDS Resource Center (TARC). An agency with an annual operating budget of about \$1.2 million, its public face was a storefront. The doors were open Monday through Friday from 9:00 A.M. until 5:00 P.M. And with three case management staff, it provided a drop-in center and case management services. At another location, TARC operated a 20-unit emergency housing facility. At the time of Brown’s hiring, it had a medical partnership, which operated three days a week.

I Opened the Door . . .

“I tried to do my homework about the agency,” says Brown, “and I’d heard that they’d had some financial difficulties. But the thing that interested me about it was the combination of the HIV and homeless focus and the fact that they really believed in hiring people from the community. I got my degree in community-health planning, and this way of working reflects my basic principles, where you have a community-health plan, and any- and everywhere you can, you have the community help to heal itself. I was really attracted to that, so I sent in my résumé.

“A few weeks later, they called me in to interview. As soon as I walked in the door, I was amazed. First of all, the exterior of the whole place was covered in metal. You had to unlock

metal fencing to get to the regular doors, and I thought, ‘Oh my God, what is this?’

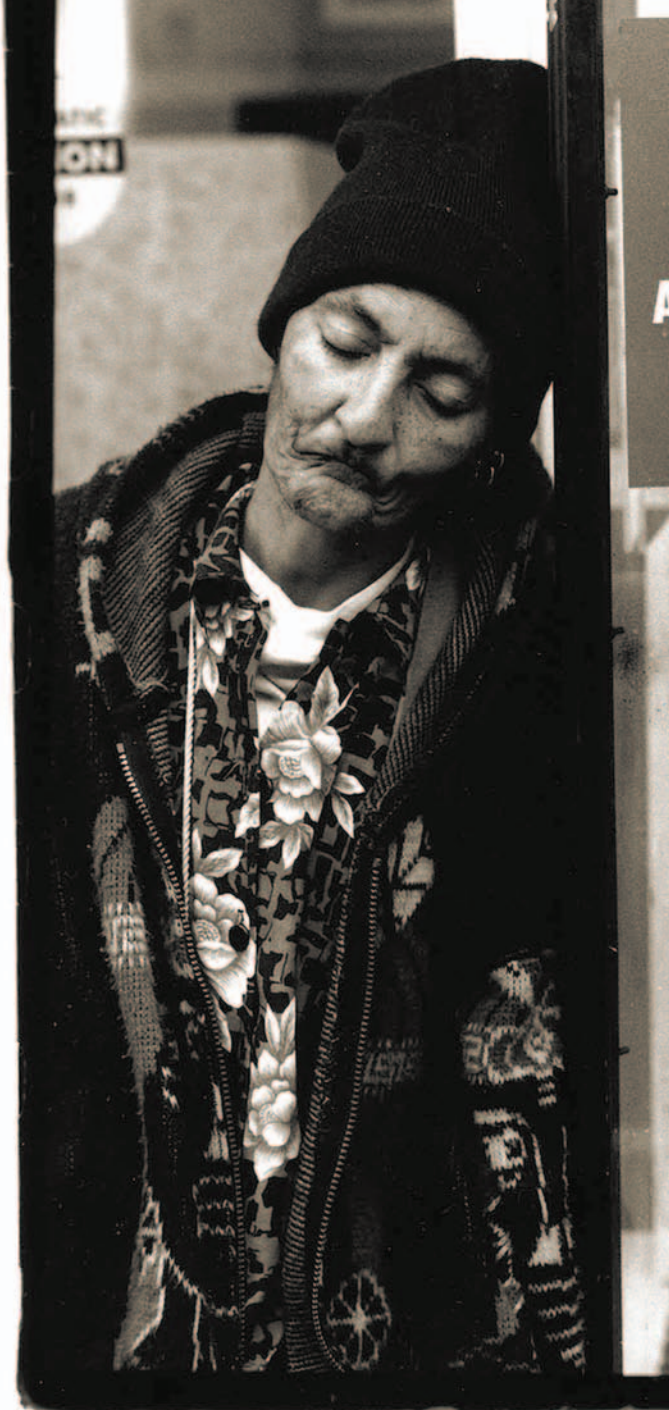
“Then I went into the main drop-in room, which used to be a nightclub, and the ceiling was still black from the nightclub days. None of the chairs matched, it was very, very grassroots. And the other side of what was originally two storefronts was actually going through renovation.

“Then a panel of board members and staff members interviewed me for about an hour. When I was finally selected as the candidate, they made me an offer, and it was much lower than what I had asked for in my cover letter. I said, ‘Don’t contact me unless you’re willing to pay what I asked.’

“They contacted me anyway and made me another offer. ‘Well,’ I told them, ‘that’s just not good enough. Why did you call me in?’ They confessed that they had lost the cover letter, and even though we worked it out, I began to understand that one of their concerns was that at my requested salary, my pay was going to be much more than that of line staff. When I saw what line staff were actually making, I agreed that the difference was unfair and suggested that instead of keeping my salary unreasonably low, staff compensation overall needed to increase—they should not have to live in poverty.

Toilet Paper

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The result of a recent merger, Tenderloin Health is an \$8.5 million organization that provides support and housing services for predominantly homeless individuals living in the Tenderloin neighborhood of San Francisco which covers approximately 60 blocks and about 10 percent of the city’s population. It’s dense and diverse, and it has the largest percentage of residents in the city who are poor as well as those living below the federal poverty level. It also has the highest incidence—at 27 percent—of residents living with HIV and AIDS.

Tenderloin Health has four sites, two of which are located within four buildings of one another. One site is open from 7:00 a.m. to 11:30 p.m. 365 days a year. The building houses the only pharmacy in the neighborhood. Tenderloin also provides mental health, substance abuse outpatient treatment, a dental clinic, HIV counselors, and a nursing case management staff that can reach out to those in SROs. It also operates three transitional and permanent housing facilities serving homeless, HIV and formerly incarcerated clients.

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The problem fed on itself. “People came and went as they pleased. My first week, I asked for a schedule indicating when employees worked, and they said, ‘Oh, we don’t have that.’ I replied, ‘Well, how am I supposed to know who’s going to be here, and how are clients supposed to know?’

“After a few weeks on the job and asking for other things like that, people got scared. They kept saying, ‘We’re a family, we’re a family.’ And my response was ‘Well, folks, this is a business. I still have the same values you have, and if we get our act together, we can actually get more resources to do more of what we’re trying to do here. I’m not trying to change the values, and I totally believe in the mission. But we have to get our act together.’

“Employees were resistant to my urgings for discipline. ‘No, you don’t understand. This is how we operate,’ they often told me. And I felt a great deal of resentment from the staff; in fact, some really *hated* me. Even those who hired me didn’t like me. I was getting really direct, awful comments.

“In the first three or four weeks, I attended a fundraising meeting, and when I returned, the place was closed. I walked in and asked, ‘Why are we closed?’ Their answer was ‘Well, we had an issue, and so we all decided to close down and talk about it.’ I blew my stack.”

Everything was informal, all processes were conveyed orally, and there were virtually no written policies.

A Run for Their Money

“The organization was already some 10 years old, and it had been on the verge of financial collapse twice. One of those times, another non-profit gave the organization \$50,000 to float it; in another instance, a board member put up \$40,000. I had to make sense of the financials quickly, because I knew that the organization was in tough shape.”

Brown knew that this financial stress might have been unnecessary because the organization had not tapped any direct federal or state grants for which it was likely eligible. “The Ryan White Care Act had been reauthorized and the population that we worked with was the precisely the kind of needy group for which the money was intended—poor and living with AIDS—so I knew there was an obvious way to emerge from the financial hole over time while also furthering the mission of the organization.

“But at that point, Tenderloin Health didn’t have the capacity to apply or even identify that funds were available to it. This was, I remind you, a \$1.2 million agency. All our funding came from the city, foundations, and a few community members. And the city knew things were challenging, but it was nonetheless willing to work with the agency because it knew no one else served the people who came to us.

“On top of all that, the bookkeeper had a big interest in bookkeeping but didn’t have the skills. He was a lovely person—such a nice person—but I had to let him go within weeks of taking the job to hire a finance expert. On top of this change, I realized that the organizational debt was greater than I first believed and that another two staffers had to be cut as well. One was an unfunded staff position; the other was a manager that no one felt demonstrated the capacity for or need for their role. The other managers made that clear during a set of introductory interviews I did with them. But when I announced these cuts, all the managers

were in an uproar and then stated that there was a need for the management role I had cut.

Revoluting

"On that day, when I returned from lunch, they called me into a room to say that if I cut these people, they would walk out. So I called the board chair, and she replied, 'Oh, they have a history of acting like that.'

"Well," I said, 'Why didn't you tell me?' Prior to these cuts, I had called the board chair to meet with me, because I knew it was horrible news and didn't want to discuss it on the phone.

"Anyhow, the staff met again, came to me and said, 'We're all willing to take pay cuts so you don't have to get rid of these two people.' 'That's unacceptable,' I replied. 'If you have to take a pay cut, I have to take a pay cut. I just started, and I'm not taking a pay cut—period. We're going to operate within our means, because I do not want the agency to be beholden to its staff. So two people are leaving here by the end of today. And if it's not these two people, this is how much money I've got to cut from personnel. You tell me whom you're willing to cut, because two people are leaving.'

"I let them make the decision so I could get what I needed and they could get what they needed. I understood that all of these changes represented major shifts in organizational culture, so I brought in a consultant to interview staff and teams without me to get another perspective. These interviews offered a lesson for me too. The consultant reported back to the staff, saying, 'I really believe in organizations that have a family feel to them.' I was like, 'what!?'

"I have to tell you, it was a turning point for me. I dug in. I told staff I had to have a schedule—period. And when it didn't happen, I said, 'You're not hearing me. Here is the schedule; fill it out.' I sent them an Excel spreadsheet, and said, 'And if you don't give me a response by next week and fill out your schedule, you will no longer have a job.'

Hatches Battened

"I embarked on eight intense months of finding potential and existing problems. Of course, no one does this kind of cleanup without some measure of fallout. The word on the street was how horrible I was. At times it didn't feel good, but it was my job. On its own, that was tough to

take, but I also discovered that I couldn't count on the board to support me.

"About six months into my tenure, a whole bunch of staff went to the board and demanded that they fire me. The board chair began to engage them, and I said, 'Wait a minute.' By then, thank goodness, we had a grievance procedure. I said, 'Hey, they can't do this. There is a grievance procedure; staff has to follow it. They never came to me with any complaints in writing. They never let me respond to these criticisms, so you can't engage them yet.' We got into a battle about that and I had to say again, 'You do this, you will lose me.' Some of the other board members agreed with me, though, and called an end to it. When we spoke one on one, my message to the board chair was 'Here's the deal. You're not doing your job. Basically I've come in, and I'm the bad guy. And I'm willing to be the bad guy as long as you have my back. You can't do things like this again, because it's giving people mixed messages.'

"People started leaving. Horrible e-mails were being sent. They were giving other employees misinformation; they were screaming and hollering at our partners. In staff meetings they would scream at me; they were coming and going whenever they wanted. A lawsuit was filed.

"All this time, I was trying to make my way through our broken finances. It wasn't only that we were not pursuing grants that were obviously suited to us but that even when we did have a contract, we did not bill it out when we were providing the service. The city—the source of our funds—was clear: 'You have to close out 45 days after the end of the period,' and the organization still couldn't get the bills in. It couldn't do so, because everything was so oral, and lots of the service didn't have the appropriate documentation, so it was disallowed. There were no quality assurance procedures, no process.

"It took a couple of years to stabilize, and by that time we had experienced growth but we had also experienced an 80 percent turnover in staff."

Not Seeing Our Shadow

A year and a half into Brown's tenure, Tenderloin Health was completing its billing and documentation after having made staff reassignments and by building data collection systems, which the agency had not had previously.

Once Brown felt he could finally pick his head up from the internal strife and restructuring, he

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began meeting with AIDS organizations in the area. He had already worked on bridge building, but—always a good fundraiser—he now began actively sharing resource information. One of the organizations with which he shared information was Continuum HIV Day Services, which was four doors down from TARC and with which TARC had been somewhat competitive. It took time, but Brown found ways to collaborate. When Continuum experienced a leadership transition, it soon realized that it had lost significant ground. Meanwhile TARC had grown larger and stronger.

“Continuum’s funding had been cut and their adult day-health program announced it was closing, and that the executive director was going to another agency. In their adult day-health program, they had to lay off 18 people. So three or so months later, I called their interim executive director, and said, ‘Hey, would you be willing to meet and discuss a merger?’ So they went back, met with their board, and thought about it, did their own planning process, and they agreed that they were moving forward [and] seeking a merger. We were on the top of the list; they interviewed us and two other agencies, and they voted

to go with us.

“CompassPoint, the premier local capacity-building organization, helped to prepare us for what came next. Both boards created committees to go through the due diligence, and they came up with a merger plan. That took probably seven or eight months, and then when that was all worked out, they had separate audit firms audit the books, they did a legal review and gathered the paperwork they would need. The boards voted to proceed in February, and on July 1, the merger became real.”

Brown says that the merging of the two cultures is still very much in process. All of this has occurred, of course, in a larger context of significant medical progress in AIDS treatment and a subsequent shift in community program models and funding designs. Brown, who has had some personal experience with being on the streets as a teenager, is enormously committed to making the system work as well as it possibly can for clients.

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