

City and County of  
San Francisco



President, Board of  
Supervisors

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**Board President Aaron Peskin Responds to Billionaire Land Grab on Fillmore**  
*Billionaire Real Estate Investor Neil Mehta Gaslights Commercial & Residential Tenants as Beloved 46-Year Family Business Sushi Ten-Ichi Is Forced To Hand Over Keys*

Today, billionaire real estate investor Neil Mehta pushed back on assertions that he and his business partner, Cody Allen, have purchased almost two city blocks of the Upper Fillmore neighborhood commercial corridor, only to ramp up rents of several beloved legacy small businesses, leading to their displacement.

At the behest of the small businesses who reached out for help, I authored new citywide protections for legacy businesses to disincentive speculative evictions in land grabs like this. One family-owned legacy business, Sushi Ten-Ichi, came abruptly to the end of its tenancy today, after forty-six years in business. Several other restaurants were closed under Mehta's ownership and several rent-controlled tenants have reached out to say they have also been pressured to accept buyouts.

Like the controversial California Forever project, Mehta purchased the land with anonymous LLCs, and then only launched a public relations campaign after the purchases were revealed. My office relied on public reporting of these transactions in the real estate press to track these anonymous purchases, and it is not surprising that his purchases exceed those that were publicly disclosed. If Mr. Mehta would like to publicly disclose the full extent of his purchases, he should do so instead of hiding behind anonymous LLCs. (It should be no surprise that California Forever billionaire investor Michael Moritz has provided the media platform for Mehta's first public statement on this issue.)

Now Mehta claims that he intends to offer below-market leases to new entrepreneurs, but what about the people who have already been pushed out? Actions speak louder than words, and although Mehta previously stated his intention to create "the Y Combinator of restaurants", he has not offered the same opportunities to beloved legacy businesses whose rents were dramatically increased. This new charitable approach was surprising to hear for the family running Sushi Ten-Ichi. "I tried many times to meet with Mehta and Allen," said **Steve Amano, co-owner of Sushi Ten-Ichi**. "They would only communicate through their lawyer and never offered to extend our lease. We asked for an extension just to allow us time to relocate — and were flatly denied."

**Vanick Der Bedrossian, owner of legacy business Café La Mediterranee**, under threat of closure by Mehta after forty-five years of continuous business, confirmed Mehta and Allen's strong-arm tactics: "Since this issue became public, we've received over 600 emails of support from concerned neighborhood patrons. Mehta is now claiming to support small businesses, but we have still received no offer whatsoever to continue our tenancy, despite our efforts to

negotiate with them. I have been working with President Peskin because it was clear that the Legacy Business program needs more teeth. Mehta and Allen seem so intent on pressuring us to close that Cody Allen's hospitality group even outbid me on another restaurant space in the neighborhood. I want to be sure that this doesn't happen to other Legacy Businesses across the city."

The speed and scale of the real estate speculation and displacement on Upper Fillmore has provoked citywide concern and demands a citywide response. I've been in close communication with small business stakeholders from across the city to make sure that the legacy business program, which I have supported, has the tools to do its job, and that neighborhood-serving business has a future in our city.

"If it's true that Mehta's intentions are good, he should show it by honoring the neighborhood and negotiating in good faith with these beloved legacy businesses." said **Christin Evans of Small Business Forward.**

The bulk of these purchases occurred soon after these parcels were identified publicly by the Mayor Breed's planning department as part of the Breed's massive neighborhood rezoning plan, a plan which does not include any small business protections. Legacy and neighborhood-serving businesses must have a voice in shaping the future of neighborhood commercial corridors targeted for intensive development.

Absent any public information about Mehta's intentions, it's not surprising that the public would have concerns. Especially when his venture capital record includes partnering with venture capitalist Mark Farrell, when they co-invested in a company called Sonder, a controversial Airbnb-like corporate rental company.

My new citywide protections for legacy businesses will be heard at the Land Use committee on Monday October 21<sup>st</sup>, now with the endorsement of the Small Business Commission.