

Read it.



Click to Print Now

PREMIUM CONTENT: Jan 11, 2013, 3:00am PST

Fresh 'Hope' over 3,000 new homes

Hope SF starts move-in



J.K. Dineen

Reporter- *San Francisco Business Times*

[Email](#) | [Twitter](#) | [Google+](#)

As residents settle into the new public housing complex in Hunters View this month, it represents more than a fresh start for a few dozen lucky families.

The \$450 million project is the opening chapter of a comprehensive plan to rebuild most of San Francisco's dilapidated housing projects while adding thousands of new market-rate units into the mix.

The John Stewart Co. is wrapping up the relocation of families into 25 units at Hunters View, which has long been one of San Francisco's poorest and most isolated housing complexes. Another 28 units will open in March, and 54 homes will be ready in May. In addition, the development group has built new infrastructure — roads, sewer, landscaping and parks — on eight acres of the 22-acre site. Already \$80 million has been spent on infrastructure.

The project is part of Hope SF, a \$2 billion program to rebuild unsafe and outdated tenements at Sunnysdale, Westside Courts in the Western Addition, Potrero Terrace and Annex in Potrero Hill, and [Alice Griffith](#) in Bayview Hunters Point.

Learning from Hunters View

In Potrero Hill, Bridge Housing Corp. and Bridge LLC will replace all 606 existing public housing units and integrate an additional 800 to 1,100 affordable and market-rate homes into the community. In Sunnysdale, Related and Mercy Housing are working on a plan to replace 785 and add another 900 units of market-rate and affordable housing. In the Western Addition, **TMG Partners** and EM Johnson are working to replace 136 units of public housing and add an undetermined number of market-rate units. For firms such as Mercy, Related and Bridge, Hunters View offers cautionary tales and guidance on how best to pull off a Hope SF development.

"None of us knows what mistakes you make in advance. All of us are going to look to see what is working at Hunters View and what's not working and adjust along the way," said [Doug Shoemaker](#), president of Mercy California. "There is a lot of collegiality around this. Nobody does a Hope SF project because they are going to make money."

When Hope SF originally emerged more than four years ago, developers and city officials hoped that the real estate market would be strong enough that the market-rate development portion could help pay for affordable units. That has not been the case.

While San Francisco has rebounded better than most cities, the southeast corner of the city — including Sunnysdale and Hunters Point — continues to experience high rates of foreclosure and default.

[Margaret Miller](#) of the John Stewart Co., project manager for Hunters View, said there are two market-rate parcels that are ready to go as soon as the market is ripe. Stewart plans to sell off the market-rate pads, which have utility connections and have new streets and sewers.

Positive feedback

The 107 units of replacement public housing and affordable rentals at Hunters View are already fully leased, Miller said. About half the residents moving in were living in the existing 267-unit housing development. The new townhouses are sturdy, safe and clean, Miller said.

"There is a nice tranquility there — it feels safe," she added.

[Mark Beasley](#), a handicapped veteran who cares for elderly relatives, moved in on New Year's Eve. He had been forced to move out of a flat in the Excelsior District when his landlord was foreclosed on.

Sponsored Links

Launch Your Business Idea Successfully

Learn to Research, Finance & Market your Entrepreneurial Idea with a MS Degree!

www.fullsailuniversity.com

Open an IRA in 15 minutes or less

Rollover your 401k or open and fund your IRA and get up to \$600 cash.

tdameritrade.com/retirement

Sony HDTVs for Business

Cutting Edge Picture Quality Sleek Design, Great Performance.

store.sony.com/HDTV



Photo: Spencer Brown

Doug Shoemaker and Lydia Tan plan new homes at the Sunnysdale housing project.

Sponsored Links



ADT® Business Security

\$1 A Day Can Protect Your Business. Save Up to \$150 on Systems Today.

www.ADT.com/small-business-security



Launch Your Business Idea Successfully

Learn to Research, Finance & Market your Entrepreneurial Idea with a MS Degree!

www.fullsailuniversity.com



37 Degrees of Distinction – 100% Online!

Earn an associate's, bachelor's or master's from U.S.-News-ranked Florida Tech.

www.FloridaTechOnline.com

"The Hunters Point community has never been one of the nicest, but this was built with safety and security in mind," he said. "It's safe and it's new and it's clean. I am very happy."

The most important thing going forward will be to keep costs under control, Miller said. With the death of redevelopment, there is less money than ever for affordable housing. State and federal governments have also cut back affordable housing spending.

In the first phase of Hunters View, the development team spent a lot of money on courtyards that had to be made handicapped-accessible from multiple points of egress. Multiple ramps actually cut into the amount of usable space in the courtyards and a one-story elevator had to be built. The team is looking at less-expensive alternatives.

"We have been working diligently to figure out how to get costs down going forward," said Miller.

'Alienating conditions'

Located in the Bayview Hunters Point neighborhood, Hunters View consisted of 267 severely dilapidated public-housing units. Constructed in 1957 on the foundations of World War II Navy shipyard workforce housing, the units were never intended to be permanent. While about 150 households lived at Hunters View when the revitalization project was initiated, the units were virtually uninhabitable due to both their poor initial construction and years of deferred maintenance.

"It was the crudest, most expedient wartime emergency housing," said [Daniel Solomon](#) of Mithun/Solomon, the architect for the project. "The site plan bore the imprint of that very makeshift wartime housing, and people were trapped in it for 60 years in the most isolated, isolating, alienating conditions. It's really the story of a lot of the public housing around the country."

Hope SF was founded on the premise that underserved urban communities need more than shelter. All of the rebuilds call for extensive community space — retail, recreation, gardens, arts, health care and education.

"It's real estate plus," said [Lydia Tan](#), executive vice president of Related California. "You have all the challenges of trying to develop a new community, real estate-wise, in San Francisco. And you have the added human capital challenges. We are trying to make sure we are building for a sustainable future from a human capital standpoint."

By placing retail and community facilities at the edge of the housing development, the hope is that public housing projects such as Sunnydale will be less isolated.

"This is a hard edge right now. There is Sunnydale and there is not Sunnydale," said Shoemaker. The goal is create a space at the edge that says, let's blur this a little bit. There are things here that you want to be a part of if you are in the broader neighborhood."

Workforce housing planned

After Hunters View, the next project that will likely go forward is the 256-unit [Alice Griffith](#) project, which Lennar is rebuilding as part of the Hunters Point Shipyard redevelopment. That project, which should break ground in 2013, has received a \$30.5 million grant from the HUD Choice Neighborhoods Initiative. Sunnydale and Potrero Hill are in the early stages of environmental review and will probably go before the Planning Commission for approvals in 2014.

Tan of Related said that the market-rate housing at Sunnydale would be more affordable than the vast majority of housing in San Francisco. "This is a workforce housing community. These are not going to be \$1 million units. These are going to be as close to entry-level as you get in San Francisco."

The average household income in Sunnydale is less than \$15,000 a year. The neighborhood has been beset by gang violence.

While neighborhoods around the Potrero Hill projects have been largely gentrified, Sunnydale remains cut off from the prosperity that has made San Francisco one of the hottest real estate markets in the world.

"What you'd say about Potrero is that it's hard to beat that real estate," said Shoemaker. "I think what you'd say about Sunnydale is that if there is a more pressing social issue in the city than the situation in Visitation Valley with all the violence and all the incredible damage being done to the next generation of kids, I just don't know what it is."

J.K. Dineen covers real estate for the San Francisco Business Times.

Read it.

