

A telling tale of challenges for housing in The City

1400 Mission began as low-income, but city made it plum for a smart builder

By MARJORIE BEGGS

IT WAS A SWEET BIT of chronological serendipity: In August, the city announced the moderate-income lottery winners who were eligible to buy 167 condos at the new, glass-clad 1400 Mission complex at the corner of 10th Street. Two miles east, at Folsom and Main streets, the first owners began moving into Lumina, 656 super-luxe condos.

The connection between the two is direct, the timing's not coincidental, the backstory convoluted — and telling.

Tishman Speyer built 1400 Mission for \$65 million and Lumina for \$620 million. One is inclusionary affordable housing, the other, by dint of price, exclusionary. With the exception of 23 rental apartments at 1400 Mission, all 823 condos are for sale.

How much Tishman will profit from Lumina will probably be known only to Tishman Speyer.

At 1400 Mission, the city has posted estimated sales totals for the 167 condos at just under \$50 million. So it may be fair to ask if the big developer has used an affordable housing project to enable its lucrative investment in the Lumina.

Market-rate developers must meet the city's 13-year-old "inclusionary" requirement to rent or sell a percentage of their units at a price low- or moderate-income households can afford — a price that includes, rather than excludes, such households from the housing mix. San Francisco, and an estimated 170 cities nationwide, have adopted the tactic to offset the dearth of housing that is below market rate, BMR. Affordable, all cities call it.

One interesting aspect of 1400 Mission is that the housing originally planned for the site was to be low-income.

In 2000, the land at the site was owned jointly by TNDC, central city's largest non-profit housing developer, and Citizens Housing Corp., now defunct. That's when New York-based Tishman purchased waterfront land on which to build two pricey condo complexes — the Infinity and the Lumina. To do so, Tishman had to meet the city's inclusionary requirements.

The inclusionary housing ordinance of 2002 codified a decade of bureaucratic policy. It gives market-rate developers of 10 units or more three options: Make a percentage of those units affordable, build a higher percentage of such units off site, or pay a fee into the Mayor's Office of Housing kitty to build below-market-rate projects.

Or, they can mix the three options to meet their requirement.

The percentages today are 12% of on-site units, 20% off-site or a 20% fee, but the percentages were different when Tishman was in negotiations with the city.

Chandra Egan, manager of MOH's inclusionary housing program, says Tishman's choices were to make 115 (17.5%) of its Lumina units affordable, pay to build 164 units (25%) off-site, or pay a fee calculated on the worth of those units. Egan puts that fee at around \$39 million.

Tishman chose the off-site option, the one least used by developers because it's the most financially risky. Construction

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SAN FRANCISCO

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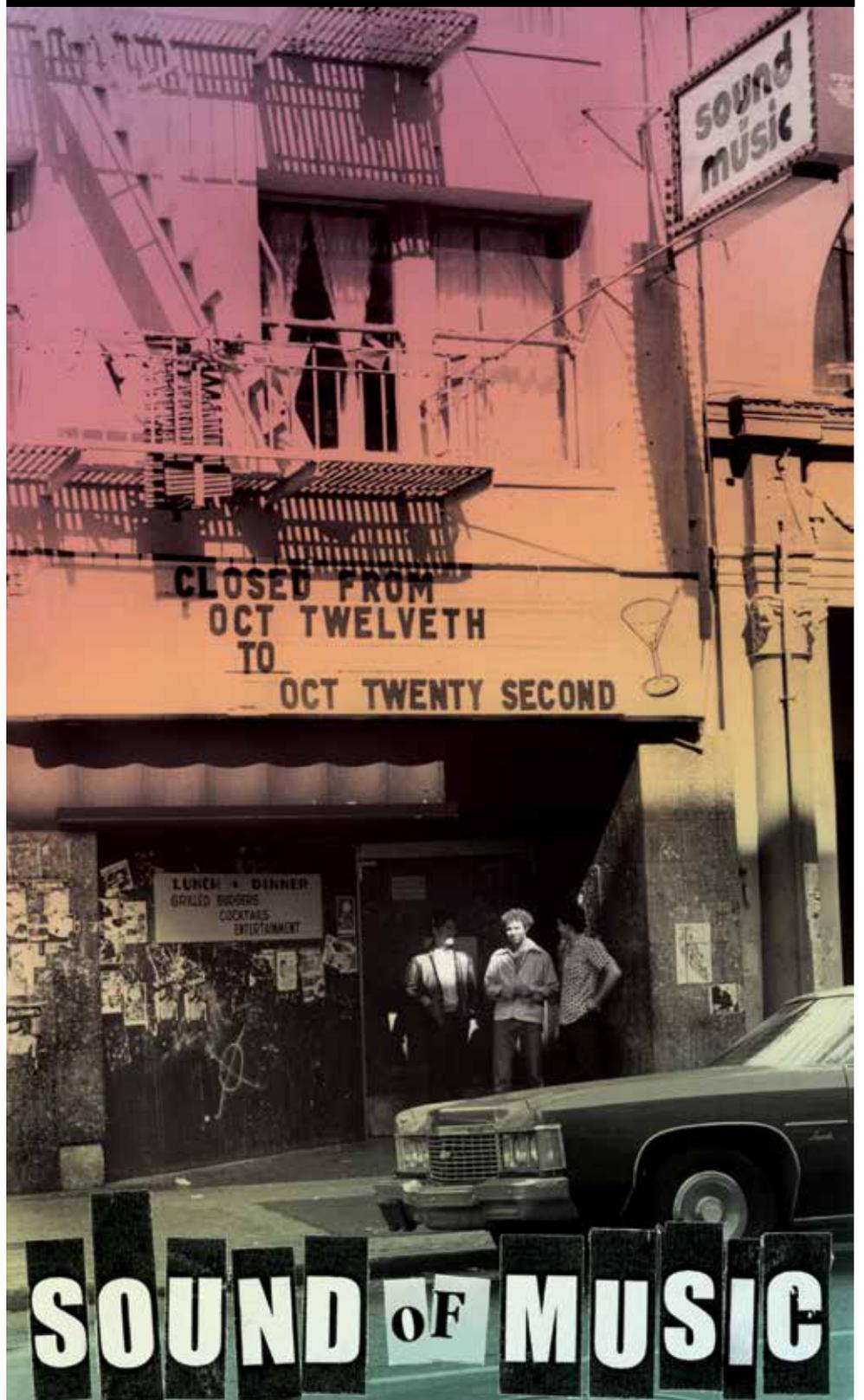


PHOTO: JEANNE M. HANSEN 1982. DIGITAL COLLAGE LISE STAMPFLI

This club at 162 Turk in the '80s was the runt half-brother of the top-tier punk rock venues, a haven for the hungriest bands. The band in front is Arkansaw Man.

By MARK HEDIN

IT'S BEEN 40 YEARS since punk rock first reared its snarling, safety-pinned head.

Although San Francisco's thriving punk scene doesn't always get its due, the rebellious music and community flourished here, characterized in large part by bands such as the Avengers and Dead Kennedys, whose pointed social commentary and songs of protest and angst placed them along the trajectory of creative dissent that, as poet-about-town "Diamond" Dave Whitaker has often said, went from "the beatniks to the hippies to the punks."

While the spotlight — and sometimes searchlight — focused on the "Fab Mab" Mabusay Gardens and other North Beach clubs

such as the On Broadway and, to a lesser extent, the Stone, down in the Tenderloin, the underground of the underground found itself a home.

Anyone who was anybody could gig at the Mabuhay, but to play at Celso Ruperto's Sound of Music club at 162 Turk St., you had to truly be a nobody.

"The Sound of Music was a dump, the sound system sucked, but it was a club where about anyone could play and most people could get in free or cheap," White Trash Debutante singer Ginger Coyote recalled. Coyote has remained active in the punk scene over decades now, leading her band and publishing Punk Globe magazine out of L.A..

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