

# \$1.2 million for Sixth Street SROs goes begging

► CONTINUED FROM PAGE 1

"The agency can't loan money to a hotel that's breaking the law," Grisso said. "We're trying to make them responsible."

Those SROs not in violation may have legal, but nevertheless woefully inadequate, electrical systems. The city's electrical code only demands that a building be up to the code specifications required the year in which the hotel was built. Overloading with modern appliances, microwaves, televisions, hotplates and computers have caused building-wide blackouts in some of the SROs.

## Vacant Hugo rejects Redevelopment offer

**T**HE Hugo Apartments, vacant at Sixth and Howard streets for 20 years, has turned down the Redevelopment Agency's purchase offer and now must present a plan to reopen, or find another buyer who will, by Sept. 28.

"We made an offer to the Hugo's owner and there wasn't a response, so we go into the next phase," Mike Grisso, agency project manager and liaison to the South of Market Project Area Committee, announced at SOMPAC's Aug. 20 meeting.

SOMPAC had urged in March 2006 that Redevelopment try to buy the 75-unit Hugo, best known for its whimsical "Defenestration" art project that has attached household furniture and appliances over its walls as if they've been flung outside.

The agency made the offer in April, Grisso said later. If the price — which wasn't divulged — was accepted, Redevelopment would tear the Hugo down and build affordable housing, or renovate. The Chronicle reported three years ago that the Hugo's owners turned down \$4.7 million from a buyer who wanted to build market-rate condos. Sixth Street insiders put the value at up to \$4 million.

"We didn't hear by July 27 and we consider that a rejection," Grisso said.

The owner is the Brand Limited Partnership in Hillsborough, according to the assessor's office, the I.M. (David) Patel family. If the partnership decides to keep the Hugo, it must demonstrate it has the experience and finances for a feasible plan to get it up and running, Grisso said.

If the blighted property remains vacant, Redevelopment could start eminent domain proceedings, a power it gained in 2005 when the Board of Supervisors converted it from earthquake recovery in the area to full redevelopment responsibilities.

The Hugo, named after writer Victor Hugo, fell vacant after a fire in 1987. The Defenestration project went up 10 years later after the artist Brian Goggin got a handwritten note of approval from the Patels to undertake the unique furniture installation. ■

—TOM CARTER

## SOUTHSIDE

Redevelopment hoped the owners of those inadequate hotels would step forward and apply.

The agency will send the hotels memos in mid-September announcing the program will close in 90 days, "in case anyone wants in," Grisso said. Otherwise, the leftover \$1.2 million will go for affordable housing, possibly, he said, toward the purchase of the blighted Hugo Apartments that bear the whimsical art project, Defenestration. (See sidebar.)

The Redevelopment action came as a result of SOMPAC's 12-2 vote Aug. 20 to end the program after Raymon Smith, Housing subcommittee chair and SRO tenant, reported the loan program hadn't produced results. SOMPAC had been debating the demise of the program since March. Some members wanted it to have more time but others had lost patience.

"We've wasted a lot of time on this," said John Melone, representing Senior Action Network on the committee.

"Having \$1.2 million sitting there doing nothing is a waste," said Grisso. "It makes more sense to close the program. It's good public policy to do it."

The SROs approved for loans were: Hillsdale Hotel, \$100,000 for elevator; Sharon Hotel, \$25,000 for utilities upgrade; Shree Ganeshai Hotel, \$25,000 for utilities upgrade; Alder Hotel, \$100,000 for electrical; and the Baldwin Hotel, \$100,000 for elevator. The most recent to enter the pipeline, and not yet approved, is the Winsor Hotel, \$40,000 for new windows.

For the 15- or 25-year loans, a hotel must keep a certain number of units affordable for the life of the loan for it to be forgivable. If a hotel is sold before the expiration date to someone other than an immediate family member, the loan is due, and with penalties. Code compliance loans were also available, for conditions not yet cited, but owners had to match the amount.

The Baldwin, an old, threadbare hotel with a cage and gate style elevator, is an example of the program at work. Its 15-year loan is exclusively for the elevator upgrade (not required by code) and it must keep 10 rooms affordable. Meantime, the hotel plans to upgrade the electrical system, replace doors, do repairs and paint the place.

Another reason the hotels said they didn't buy into the program was because the loan cap of \$100,000 was too low to accomplish much, Smith said hotel owners told him. Redevelopment wanted a \$500,000 loan cap originally. But the hotel owners and the Central City SRO Tenderloin Collaborative wanted it lower so more hotels could participate.

The demise struck a nerve for Luis Barahona, an activist who has worked three years at the SRO Collaborative after being a tenant organizer at the Seneca Hotel for two years. With a \$1 million redevelopment loan some years ago, the Seneca became the pilot program for the SRO loan program.

"I am super disappointed," Barahona said. "There's a tremendous need for this kind of upgrade. But the issue isn't resolved by any means. I'm going to have to reorder my priorities to lobby for an extension beyond the 90 days."

Asked if he was hearing continuing complaints about power failures from SRO tenants, he said no, that tenants seem to be inured to the problem and now take blackouts for granted. Not so in the Tenderloin, he said, where he does hear complaints. He hoped a similar program could be started there, he said, although the TL is not a redevelopment area.

The hotels didn't respond well because of the small size of the loans and voluminous paperwork, Barahona said. The experience of the Sharon Hotel, he said, set a bad example.

"It took a long time for the Sharon to get its loan," he said. "Because of the process, a lot of the owners were turned off. It was overwhelming for them. There was tremen-

dous intent at first. But too little money for the effort. I don't know whose fault the Sharon was. It's a cumbersome process."

Redevelopment's Jeff White, who processed the loan applications, said there wasn't anything burdensome about the paperwork. Because a consultant had helped "streamline" the application and process for this program, it was far less demanding than what the Seneca handled or that other programs require, he said.

"The Hillsdale owner applied for a loan in 2006 and it was approved that year," White said. "And the work was completed that year. The owner didn't find the paperwork too cumbersome. We also had at least three meetings with the Independent Hotel Owners Association and we were available at every meeting of the PAC's Housing subcommittee to answer questions."

"If the owner was motivated, it happened."

"The interest was there," he added. "We tried everything. It was a bit of an experiment." ■

## OBITUARIES

### CHESTER RAY MARRABLE, JR. Tenants' group president

The Alexander Residence was set for a grand sendoff on Aug. 27 for Chester "Que" Ray Marrable, Jr., a tenant association president, ex-Marine and an unforgettable character who put a smile on the Tenderloin.

At 4 p.m., the community room swelled with the 1960s gospel hit "Oh Happy Day" by the Edwin Hawkins Singers.

On two tables in front were candles, bouquets, 10 cards and two handmade booklets of sympathy notes from dozens of residents addressed to "Que" and "Duchess," his wife.

Nearby were three tables laden with food, compliments of the family. More than 30 residents dipped into buckets of fried chicken, rolls, macaroni salad, crackers and dips, cookies and cakes, then took their seats.

A white and yellow sheet cake with "in Loving Memory of Chester Marrable" waited to be cut after the Rev. Charles Davis gave the memorial service for Mr. Marrable, his brother-in-law.

Ill in recent years, Mr. Marrable died in his room Aug. 16 from complications of heart and kidney diseases and diabetes. He was 59.

At noon, the Rev. Davis had conducted a "Home Going Celebration" at Duggan's Welch Mortuary on 17th Street. Mr. Marrable's brothers served as pall bearers. Copies of the program were available with Mr. Marrable's picture on front, showing him in a brown Stetson hat, dark glasses, sporting an earring and mustache, and blue scarf above his navy pea coat.

The Marrable family came to San Francisco from El Dorado, Ark., in 1956. Mr. Marrable had two sisters and eight brothers. He served in Vietnam and was a janitor until he became disabled. He and his wife lived in the Alexander 20 years and their 26th wedding anniversary was coming up in November.

By 4:30 p.m. the Rev. Davis hadn't shown up. "He was called away on an emergency and can't make it back here," his wife said, as she directed people to the food.

Mrs. Marrable, who took care of her husband for five years, was eating at a table with friends, tired from her grief and the day's events.

"He was funny, a real character who could make you laugh," she said of her husband. "He liked sitting outside and talking. He loved people and music. He was an all around good person. I liked everything about him."

—TOM CARTER



## Café do Brasil

1106 Market Street at Jones  
Since 1989 in San Francisco

17th  
Anniversary

Churrasco Dinner Thursdays to Sundays  
and Lunch Buffet Mondays to Fridays