



PROWLER, Inc.

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PROWLER NEWS

Issue #6 - Summer 2007

Prowler, Inc. is in its eighth year of helping developers and public agencies in San Francisco with planning and development challenges. Please enjoy this, the sixth issue of the newsletter, check out the website at www.prowler.org, and keep in touch at info@prowler.org.

What's A Good Spot for Housing?

>> PINE AND FRANKLIN HOUSING

The site:

Five 1-2 story buildings, four of them empty and built of unreinforced masonry, and a parking lot.

+ Within three blocks, ten Muni lines.

+ Whole Foods next door and the Polk Street neighborhood commercial district a block and a half away.

Add it together and you've got a great site for housing.



The site is at Pine and Franklin Streets, a block uphill from the 26 story Van Ness Holiday Inn and across the street from the massive block-long "San Francisco Towers" assisted living project. AF Evans is moving ahead with a proposal to bring up to 282 residences there, along with ground floor retail and a publicly-accessible open space fronting Pine Street. Affordable housing is planned offsite. Prowler, Inc. is handling government and community relations.

MIDDLE CLASS SQUEEZE

>> HOUSING ACTION COALITION ASKS "MIDDLE CLASS HOUSING IN SF - HOW CAN WE BUILD IT?"

On March 28th a standing room crowd in the Koret Auditorium at the Main Library heard a panel discuss what it would take to create housing for the middle class in San Francisco.

Panelists Henry Cisneros (former Secretary of HUD), Art Evans (Chairman of AF Evans Company - see accompanying story on Pine and Franklin project), and Doug Shoemaker (of the Mayor's Office of Housing) offered some fresh ideas.

First, the bad news.

- A rule of thumb is that a region should have one residence for every 1.5 jobs. By 2030, the Bay Area Council estimates we'll have only one residence for every 2.7 jobs.
- As employment and population grow in the Bay Area, traffic congestion will too. (According to the City's Economic Strategy, Bay Area job growth from 1994 to 2000 was only 15% - but congestion increased 200%.)
- With gridlock as the alternative, **San Francisco will be increasingly attractive as a place to live as well as work**, but housing production lags demand at all levels.
- Particularly for the middle class: we are failing those households. While San Francisco met about half the need for new low income housing in the recent past, for the middle (a family of two earning \$72,950 a year) in 2005 we produced 155 units to meet a projected 1996-2005 demand for 5,600 units.

Why we are doing so poorly is no mystery. According to Doug Shoemaker, land can cost up to \$100,000 per unit, construction another \$250 to \$350 per square foot, and the overall cost to produce a unit, including the costs of two years on the permit treadmill, can be \$500 to \$750 per square foot.

What to do? Here are some ideas from the panel:

- **Design for affordability:** smaller units without high end fixtures.
- **Rentals.** Home ownership is the "American Dream" and it offers equity build up, security, and tax advantages - but rentals offer more middle income households the chance to live here. And subsidy money goes farther.
- **Make it easier to build manufactured housing**, as is done in Oakland.
- **Why should it take a 2/3 vote for a bond issue?** LA voters overwhelming supported a \$1 billion housing bond. But with 63% in support the bond question lost. State law demands 66%. The housing bond in San Francisco - \$250 million - lost with 65% of the voters in support.

- **For ownership, help buyers with down payments,** and second mortgages. Help builders with equity money up front rather than financing farther down the road.
- **Developers who care,** like AF Evans, can reduce their profit margin and lower the sales price - reducing the time it takes to sell the units and lowering holding costs. AF Evans is capitalizing a \$50 million fund for such projects and they have been able to shave \$43,000 off the cost of a one-bedroom unit and \$90,000 off the cost of a two-bedroom unit. Participating lenders can get Community Reinvestment Act credits.

- **Speed up the process.** Art Evans estimates that San Francisco's out of control approval gauntlet adds over \$100,000 to the cost of a unit. Who pays that? People priced out of the market.

Art's remarks are echoed in David Prowler's recent SPUR article, [Form Foils Function \(SPUR Newsletter, January, 2007\)](#). The local culture of planning and development is the problem. "We need", he said "to find common ground between developers and consumers of housing."

Thanks to the Housing Action Coalition for producing the event. Learn more about this great group at www.sfhac.org.

> > **A WORD ON THE WEB**



San Francisco remains the center for innovation in the use of the internet. Fully 80% of San Francisco households use the internet at home. Prowler, Inc. is learning about the future of the web from the Institute for Next Generation Internet (ingi.org), San Francisco State's digital media lab. State hired Prowler, Inc. to lead an effort to secure a new home for their digital media school - a hub where they and the industry can grow together. Right now we are exploring locating a digital media hub at the 65-acre Pier 70, just south of Mission Bay. (see [the last issue of Prowler News](#) to learn more about the digital media campus effort led by Prowler, Inc.).

We'd like to pass on some of our favorite planning and development related bookmarks. Check out:

- sf.curbed.com for a daily report on local architecture, real estate, and planning happenings - and some great links if you want more;
- www.socketsite.com for residential real estate gossip, with fascinating reader comments - for example, [this thread about the Pine Franklin project](#)
- www.municode.com/resources/ to research the Planning Code
- bldgblog.blogspot.com for interesting stories about buildings and cities
- www.nyc.gov/html/planyc2030/ to see a great example of how to use a website to engage the public in planning.

Here's another good example:

After hearing David Prowler speak at SPUR, Kanya Dorland of the Port staff linked the agendas of the Central Waterfront Advisory Group to the web, so that anyone can click on an item and comment. A good start to breaking down the barrier to involvement for people who can't always make the meetings.

Your thoughts? Use the web to send them over to info@prowler.org.



1: What do the following have in common?



- A: Mayor Gavin Newsom
- B: Melissa Etheridge
- C: Danielle Steele
- D: Isabelle Allende

Answer: - All were on the Honorary Host Committee for Homeless Prenatal Program's annual benefit on May 19. David Prowler is President of the Board of HPP, which housed 76 families (with 151 kids and 5 on their way) between January and March of this year.

To learn more about HPP, go to www.homelessprenatal.org.

2. Match the statement with the speaker:

- A. "The most important measure San Francisco can take to combat global warming is to build housing near transit and lots of it. Any thing else we do doesn't even come close."
- B. "Any project in this town has a tremendous burden of proof, and that may be appropriate. That's not such a bad thing."
- C. "This isn't obscene. The last proposed use - market rate housing - that was obscene."
- D. "It's just arithmetic."
- E. "It's a celebratory occasion and a happy and joyous occasion."

- (1): Supervisor **Jake McGoldrick**
- (2): Planning Commissioner **Christina Olague**
- (3): **Gabe Metcalf**, Director of SPUR
- (4): **David Prowler**, San Francisco Magazine, February, 2007
- (5): **Henry Cisneros**, former HUD Secretary, at the HAC forum, explaining the challenge of providing middle class housing

Answers:

- A. (3) —Gabe Metcalf, Director of SPUR.
- B. (4) —David Prowler, in San Francisco Magazine, February 2007
- C. (2) —Planning Commissioner Christina Olague, regarding Kink.com at the Armory.
- D. (5) —Former Secretary of HUD Henry Cisneros, on why it's so expensive to build housing in San Francisco.
- E. (1)— Supervisor Jake McGoldrick, regarding the compromise brokered by the Mayor's Office on a Saturday car ban in parts of Golden Gate Park. The compromise to this long and bitter battle came about after Phil Ginsburg, Mayor Newsom's Chief of Staff, applied his skills as a labor negotiator. The car-banners and the anti-car banners were separated for a 15 hour marathon with Ginsburg shuttling between.

Another alternative tool for resolving planning conflicts was used out at the mothballed Public Health Service Hospital in the Presidio where Jane Winslow facilitated a series of Presidio Trust/neighbors/developer workshops.

Ron Miguel, President of the Planning Association for the Richmond, participated in both and he is delighted with the outcomes. Of the labor-style negotiation he says, "It was extremely intense and it forced each group to examine its own position. We were forced to be creative. You have to be dedicated to reaching a solution; you really do."

3: BONUS QUESTION:

Who said:

"It's not like there isn't an elephant in the room around this issue. When people say what are the main issues in San Francisco, the top three are housing, housing, housing."

Answer: Supervisor Tom Ammiano.