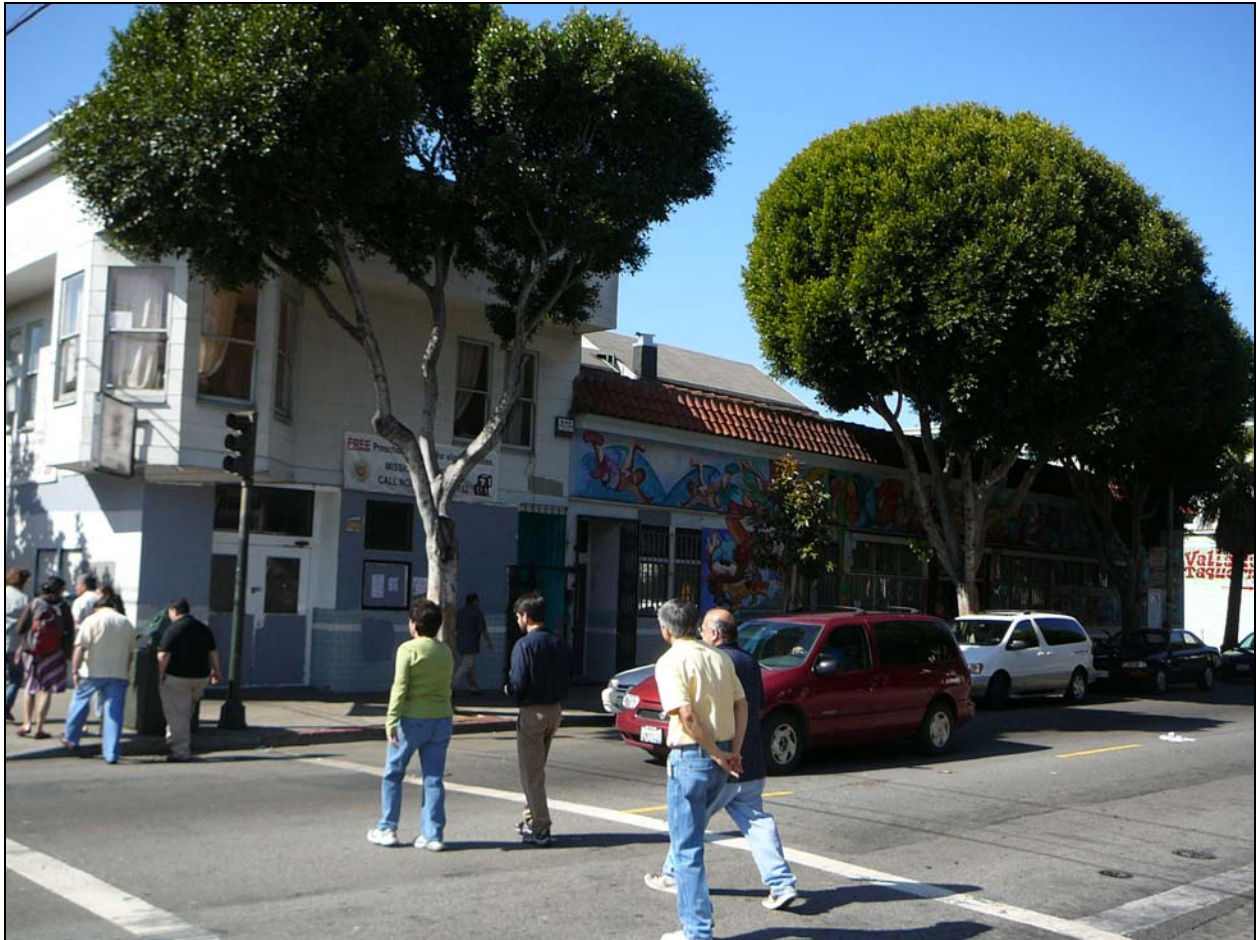


## Technical Assistance Panel Report for Mission Neighborhood Centers

### Building Senior Housing at 24<sup>th</sup> & Mission Streets

April 26, 2008



Crossing 24<sup>th</sup> Street at Harrison Street. Photo credit: Fernando Marti

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## **Mission Neighborhood Centers History**

The first wave of immigrants to San Francisco's Mission neighborhood was predominately Europeans throughout the 1800s. In 1896, two of these immigrants, Irish sisters Eva and Rae Wolfson, started the nation's first settlement house for unwed teenage mothers. Today this center is known as Mission Neighborhood Center (MNC)'s Capp Street Center. In the 1940-1960s, a second wave of Mexican immigrants came into the Mission, giving the neighborhood its present day Latino character. The Capp Street Center began to tailor services to meet the needs of the evolving community, yet remembering and maintaining the vision of the Wolfson sisters. When the Capp Street Center merged with two other community centers in 1957, the Mission Neighborhood Centers non-profit organization was born.

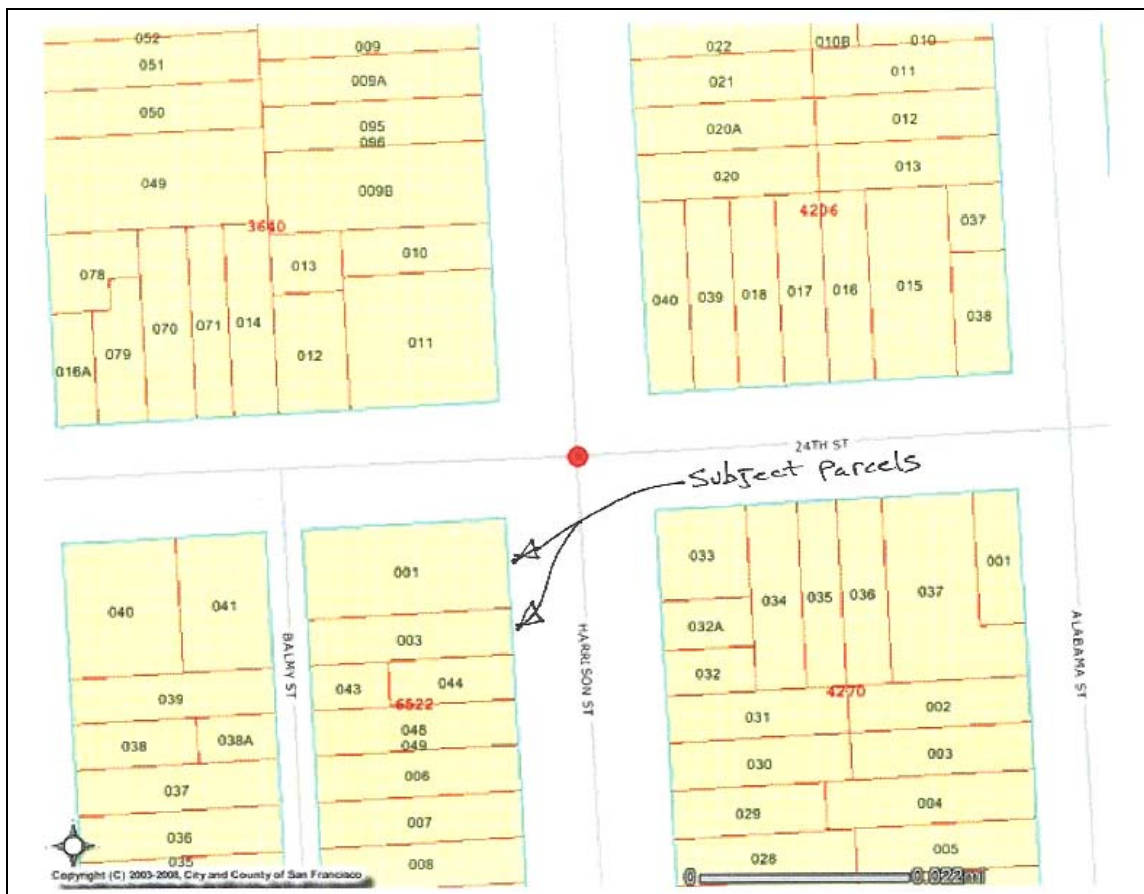
MNC has quickly grown, now boasting eleven centers (with two more opening over the next year), a \$7.5 million budget, and a staff of 120 employees. MNC's mission statement is "To deliver culturally sensitive, multi-generational, community-based services focused on low-income families. We develop and promote leadership skills that empower families to build strong, healthy, and vibrant neighborhoods." To put this into practice, MNC's work consists of these 4 general components:

- 1) Early Childhood, specifically the Headstart program, serving 180 children in the 24<sup>th</sup> street Mission Center alone.
- 2) Youth Programs, such as the Mission Girls program, which offers recreational and educational services to 159 young girls at the 24<sup>th</sup> & Harrison site.
- 3) Seniors, with programs at the Capp Street and Excelsior sites. These two centers serve approximately 800 low income seniors.
- 4) Carnaval, MNCs major cultural and fundraising effort, bringing in 400,000 attendees and approximately \$500,000 in sponsorship revenue to MNC.

Lore has it that the 24<sup>th</sup> & Harrison site was won in a card game played at the former Diamond Bar on the corner. Sixteen years ago, the 24<sup>th</sup> & Harrison site was to be sold from the card-playing winner to PepsiCo, intent on opening a TacoBell franchise. Instead, the community organized and, with help from elected officials including Congresswoman Pelosi, MNC secured \$850,000 to purchase the site. Today, MNC owns the site outright.

## Project Objective

MNC's objective is to build a LEED-certified, mixed-use, affordable senior housing facility, providing space for its three currently existing programs: Senior Center, Mission Girls and Headstart. In its annual report MNC alludes to the gentrification pressures of the Mission district, which has pushed many low-income residents out and caused over-crowding, growing concerns that this endeavor seeks to address. With two centers already dedicated to seniors and MNC's mission to serve their community and build better neighborhoods, the undertaking of this development project is both appropriate and complements MNC's overall efforts.



Parcel 001 is zoned NCD "Neighborhood Commercial District" and 003 is zoned RH2 "Residential 2 units"

## Existing Conditions

The property MNC owns are two parcels along 24<sup>th</sup> Street between Harrison Street and Balmy Alley: The parcel adjacent to 24<sup>th</sup> street is zoned for a Neighborhood Commercial district (24<sup>th</sup> Mission NCD), or small scale commercial with mixed housing. The second parcel facing Harrison is zoned in RH2, or residential housing for two houses, two families. The two sites are approximately 8,400 square feet combined. The ground floor corner room at 24<sup>th</sup> & Balmy houses the Headstart. The second floor on the 24<sup>th</sup> & Harrison corner is the Mission Girls program.

Aside from the colorful mural that adorns the entrance of the center on 24<sup>th</sup> Street and along Balmy Alley, the exterior appearance of the existing building is visually and physically depressed. The barred windows are not welcoming. The corner bottom floor at 24<sup>th</sup> & Harrison is an abandoned room, formerly a bar, and now full of dirt and rocks. The floor of the upstairs Mission Girls area is dangerously unstable due to insufficient structural framing.

The residential lot on Balmy Alley is currently a two-flat Victorian house, and appears in some disrepair from the outside.

The current height limit is 40 feet on both lots.



View from 24<sup>th</sup> Street at Harrison

## Challenges

Probably the biggest barrier to the project proceeding is taking down the house on Balmy Alley. Currently three tenants occupy the house on Balmy Alley and the City of San Francisco's rules and tenant rights discourage evictions. In order to get the tenants to leave, MNC will need to negotiate a settlement. In order to take down the structure, MNC will need a demolition permit, which always falls under "discretionary review," meaning it can be appealed to the Board of Supervisors, making it a risky application. Also, the house will have to be analyzed under some type of environmental review as buildings over 50 years old are considered a possible "historic resource," because it was built in 1906. If it is deemed a historical resource, it will be more difficult to acquire the demolition permit or demolition may not be permitted. Resolving this "historic" issue should be one of the first priorities since the amount of affordable housing units and social services for the site will be affected.

The second challenge to the project is the rezoning or incorporation of changes in the Planning Code required to build the project to its maximum potential, meaning raising the height limit to 50 or 55 feet, increasing the density allowance for affordable and/or senior housing and other changes related to parking and rear yard. MNC will have to pursue these changes for both of the lots.



**View from Balmy Alley (MNC property does not include green building to right).**

Photo credit: Fernando Marti

## Opportunities

This project has many great opportunities, starting with a great location: on a lively neighborhood commercial walking corridor of the Mission, a prominent corner intersection with dozens of neighborhood retailers just a few feet away, and on directly on the Muni 48 bus line and the 24<sup>th</sup> Street BART station just four blocks away.

MNC also enjoys community support and political will. We foresee little opposition against an organization with over fifty years of serving the community. As with all projects in San Francisco, community support is paramount. Additionally, affordable housing and green buildings enjoy priority processing in the City of San Francisco. Also, according to the planners we heard from, the Planning Commission looks favorably on mixed use and maximum density along neighborhood commercial corridors.

MNC is also in a great position by owning the property outright, so no further land costs are anticipated. We also believe this a very fundable project. The recent technical assistance grant from Mayor's Office of Housing for AND's design work is an early indication of fundability.

Finally, the Eastern Neighborhood rezoning effort provides a window of opportunity to insert MNC's ultimate goals for the site into this larger planning effort.



**Parcel 003 from Harrison Street** Photo Credit: Fernando Marti

## **Recommendations**

### **1. Engage in Eastern Neighborhoods Planning Process to Streamline Approval**

It would take approximately the same amount of time, effort and not much more money to build 50 units compared to 10 units, and thus we encourage MNC to maximize the height and density of a development and build a 55 feet tall complex of five stories (15' ground floor). With a 40-foot limit only approximately 20-28 units could be built within 4 stories.

MNC should aim to incorporate the basic goals of the 24<sup>th</sup> & Harrison development project into Eastern Neighborhood rezoning process, including allowance for 55 feet, mixed use (Neighborhood Commercial) zoning for both lots, and increased density allowance for affordable and/or senior housing. To achieve this would avoid later "spot zoning," or single-site rezoning, on which the Board of Supervisors look unfavorably. Incorporating MNC's project into the Eastern Neighborhood's Master Environmental Impact Report (EIR) would allow MNC to save time (without having to file own individual EIR) and more easily gain the support of the Planning Commission and Board of Supervisors. The planners we met with indicated that they have an interest in up-zoning along 24<sup>th</sup> Street, especially corner lots, but that their proposal had thus far been shot down by some neighborhood groups. We encourage MNC to be the pro-density, pro-affordable-housing voice in this debate unfolding over the next several months at public hearings starting May 15, 2008.

### **2. Consider Pedestrian and Transit-Oriented Design**

In the event MNC is unable to secure integration of the site into the Eastern Neighborhoods Plan, the best alternative is to seek authorization for a Special Use District (SUD) and a Planned Unit Development (PUD), which would allow flexibility on location of units, set back, rear yard and open space requirements. SUDs and PUDs require special hearings at the Planning Commission and Board of Supervisors.

We recommend individual units to house "active seniors", instead of opting for the liability of building a group home (congregate residence). Since seniors require only small living spaces, a complex of mostly studios is most appropriate. Some residents will require attendants, so the need for some one and two bedrooms should be discussed with the architect.

Considering that most occupants and users of the building will be children and seniors and that most amenities and transit are within walking distance, zero parking may be the most practical approach, allowing MNC to avoid the high cost and design challenges of on-site parking altogether. On such a small site, the requirements for ramps and turn-arounds may preclude the allowance of many parking spaces. Building the parking entrance would require a curb cut, which would be unpleasant or dangerous for pedestrians. The site is on a busy walking street. The planners indicated that getting a parking variance of zero due to the existing "deficit parking" would likely be successful.



Finally, the American Disability Act requirements and regulations should be discussed with the architect, along with all other planning requirements, building codes, and senior housing requirements.

We recommend scheduling soon an “intake” meeting with the appropriate city planners to even further understand the steps towards entitlements.

### **3. Identify a Developer Partner**

We strongly recommend that MNC establish a partnership with a non-profit affordable housing developer with aligned goals and values. Building and managing affordable housing is a high-risk, high-compliance line of work, and the bulk of the financial liability and risks should be borne by the partner, not by MNC. Employing a developer would also allow MNC to focus on their core competency of providing excellent community services and not dilute that important work with a big undertaking.

Furthermore, partnering would allow MNC to leverage the developer’s expertise in affordable housing finance, including but not limited to state and federal tax credits and grants, funds from the Department of Housing and Urban Development, Mayor’s Office of Housing, and private loans or donations. Developers also have experience in construction management and property management.

The usual and most likely arrangement is MNC will retain ownership of the land, lease the “air rights” above the ground floor to the developer for 55 years; the developer will also have control over tenant leasing and day to day management. MNC should recognize that strings are attached when adding more parties to the process, such as some loss of control (i.e. air rights) or choice (screening of tenants). Thus, MNC should take their time and be discerning in their choice of a partner. In negotiation with the partner around terms, MNC should stay in the “driver’s seat” to make sure they get what they want and need.

### **Conclusion**

Because MNC owns the land outright, time is *not* of the essence with this particular project. Without a pressing deadline, MNC can gauge their organization’s capacity and develop a pragmatic business plan to deliver a product of quality that will serve the community. MNC staff and Board should seek further advice from professionals specializing in senior housing, and come up with their overall goals for the project. ULI encourages MNC to clarify and concisely explain their decision in pursuing a senior housing development project. Convincing arguments for this undertaking can persuade the Board of Supervisors and any opposition groups to understand, if not support, the need for this housing development. We believe this is a very exciting and feasible project for MNC to undertake along with a development partner.