

Visitation Valley project not dead yet

Andrew S. Ross

Updated 08:31 p.m., Thursday, August 2, 2012



The open lot where the Schlage Lock factory was sits vacant on Thursday, March 29, 2012 in San Francisco. San Francisco's Redevelopment Agency, which will be effectively disbanded this week, will not go forward with the Visitation Valley redevelopment project. Photo: Mathew Sumner, Special To The Chronicle / SF

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It was a lovely idea, to "create a livable, mixed-use urban community" with retail stores, housing, parks and "high-quality public infrastructure that serves as a model of sustainable design."

Everybody was on board. The city's **Planning Commission, Redevelopment Agency** and Board of Supervisors were raring to go. The private developer had completed demolition on its part of

the project. The **Visitation Valley Design** for Development, which had been in the works for 10 years, even won a 2010 Planning Achievement Award for a "hard-won victory."

The victory turned to ashes in December when the **California Supreme Court** upheld Gov. **Jerry Brown's** decision to abolish redevelopment agencies throughout the state, bringing the \$500 million project to an abrupt halt and leaving the designated neighborhood in Visitation Valley as desolate as ever.

I take note of this because on the same day, Thursday, that The Chronicle had a front-page headline, "It's gang warfare, and the enemies were once allies," about the spate of shootings in Visitation Valley, the **Wall Street Journal** ran a story on the area's "dashed hopes," with the Visitation Valley redevelopment project being put on hold "indefinitely."

As envisioned, the overall project would have filled 46 acres off Bayshore Boulevard

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formerly occupied, in part, by a **Schlage Lock** factory and **Southern Pacific Railroad**, with 1,250 residential units (a mix of **rentals** and condominiums), at least one much-needed grocery store, street improvements and a host of other amenities "designed to revitalize the neighborhood." Separately, Redevelopment Agency funds were to be used to buff up an existing commercial corridor along Leland Avenue.

As with many **real estate** projects in San Francisco, however, it got hit in 2009 by the Great Recession. Both the Redevelopment Agency, which committed \$24 million for parks, roads and affordable housing on the 20-acre Schlage Lock site, and its developer **Universal Paragon** of San Francisco, with a projected \$450 million investment, had to recalibrate their calculations.

The two sides were in the middle of negotiating a new agreement when the California Supreme Court drove the final nail in the coffin of 400 California redevelopment agencies. Without a signed agreement, the Visitacion Valley project, unlike the Hunters Point Naval Shipyard, **Transbay Terminal** and Mission Bay projects, had no "enforceable obligation" enabling it to proceed. The Redevelopment Agency, which was going out of business, had to pull the plug on its financial share.

However, the "dashed hopes" headline in the Wall Street Journal is premature. **Jonathan Scharfman**, general manager of Universal Paragon, said he's looking to move forward, albeit with a scaled-back project, but which, for sure, will include residential units, parks and a grocery store. "Having apartment buildings and a retail store tells the capital markets that we have a way forward with the project," he said.

Scharfman is also working with the mayor's office to find ways to proceed, including exploring alternative sources of public financing. "We're committed to bring redevelopment to this long-forgotten neighborhood in San Francisco."

Kelley Kahn, senior project manager at the former Redevelopment Agency, also believes the Visitacion Valley project will survive. "It will take longer and may not look the same as what the city and the community envisioned. But it's far too important to the health of Visitacion Valley for something not to happen there."

Hope springs: A few blocks south sits the Sunnydale public housing complex, the site of many of what San Francisco Police Chief **Greg Suhr**, in Thursday's Chronicle, called "African American on African American shootings."

It's also the location of a development project that is moving ahead. When done, sometime in the middle of the next decade, the existing 700 apartments, in what the master plan describes as "a dilapidated assembly of disconnected buildings," will have been torn down and replaced with 1,685 low-income and market-rate apartments, new streets, parks, retail shops and a farmers' market.

A key aim of the \$900 million project: to "end the social and physical isolation of the site from the rest of the neighborhood."

It's one of the projects of SF Hope, a public-housing makeover funded in part by city and federal funds, which is looking to convert five public-housing complexes into 6,000 new residential units in mixed-income developments. But they will all take time.

Entitlements are being sought for the Sunnydale project, which the developers hope to obtain next year. "It will take longer than we thought, probably a 10-15 year build out," said **Ramie Dare** of the nonprofit **Mercy Housing Corp.**, co-developer of the project.

"But the neighborhood is really anxious for change. People want to see more investment by the city, and by businesses, to boost it up economically and improve the area."

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