

Desperate for affordable housing, 2,100 residents vie for 200 apartments in Bayview

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Nearly two dozen families have signed leases to move into Candlestick Heights, 196 rental units in the Bayview District that are rising from [the site of a market-rate condominium project that cratered during the housing bust](#).

L+M Development Partners of New York took over the project, its first in California, and worked with a local nonprofit to retool it as 196 affordable apartments. The first tenants moved in last May, occupying 66 units that were completed in the first phase of construction, and 130 additional units are ready for tenants this month.

“We did a lottery for tenants back in February and we received more than 2,100 applications,” said [Robin Zimpler](#), a development director in San Francisco for L+M. “We have 23 units that have already been leased” and staff are processing more as quickly as they can, she said.

“What a difference a few years makes, right?” said [Olson Lee](#), director of the Mayor’s Office of Housing and Community Development, who worked with the developer to add four-bedroom units to the project, originally slated as condos of one, two or three bedrooms. “These are great units, big, family-sized units, and I think people will enjoy them as the neighborhood grows around it,” Lee said.

As the name implies, the property is less than a half-mile from Candlestick Park, with views of the Bay and



Robin Zimpler

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downtown. The project features 11 three- and four-story buildings, some of which were partly built and then mothballed in 2008.

The condo project, then known as Jamestown, was a joint venture between Noteware Development and Goldman Sachs, which acquired the site for \$18.5 million in 2006, a rich price as the housing bubble inflated. The group got a \$90 million construction loan from Citibank, but stopped work when the bottom dropped out of the market. That brought a series of claims for payment of more than \$10 million by suppliers and subcontractors, and the development team went into default.

Citibank and [developer Rick Holliday stepped in back in 2010](#), with plans to complete two mothballed buildings and reposition the project as condos for families with some redesigns and revamped landscaping. Holliday shifted gears to a market-rate rental project after seeing slow condo sales at a nearby project, but L+M approached him with a proposal for affordable rentals.

L+M paid \$29 million for the property, with Citibank losing about \$30 million on the deal. It partnered with nonprofit Bayview Hunters Point Multipurpose Senior Services on the affordable complex, and the nonprofit is helping L+M identify providers for tenant services such as after-school programs.

The company has some market-rate properties but the bulk of its portfolio is affordable, Zimbler said. In all, L+M has played a role in developing or financing more than 15,000 apartments, mostly in the New York City area.

Zimbler declined to say how much more the company has invested to complete construction. The company honored a request by the city to convert some of the planned three-bedroom units into four-bedroom apartments, she said.

“Affordable four-bedroom units are very rare, so this was a real opportunity,” Lee said. “One of our policy goals is to keep more families in San Francisco.”

The complex now contains 20 one-bedroom units, 132 two-bedrooms, 18 three-bedrooms and 26 four-bedrooms, all available to families earning up to 60 percent of the area median income. That would make a two-bedroom unit available for \$1,249 a month to a qualified family of five earning no more than \$62,900.

The complex also includes garage parking and an 1,100-square-foot community room. Some of the units built before the construction halt include granite counters that were in the condo plans; later construction includes less expensive materials and eliminated some private balconies and yards.

Candlestick Heights is L+M’s first California project but it’s likely not the last, Zimbler said. The company is in negotiations for at least one acquisition and hopes to begin construction on a new project in the Bay area within six months if all goes well.

“We are looking at other opportunities in Bayview and across San Francisco, the East Bay and the whole region,” Zimble said. “We definitely are looking to do more business out here.”