

Redevelopment key to Visitacion Valley revival

Robert Selna, Chronicle Staff Writer

Sunday, January 30, 2011



[More...](#)

Joaquin Escobar, a produce store owner in San Francisco's southernmost neighborhood, Visitacion Valley, has been waiting for a city-backed economic revival to take hold in the area's shopping district since he opened in 2006.

Chances are he'll have to wait a while longer.

"Business is up and down here more than a lot of neighborhoods in the city," said Escobar, who opened La Loma Produce #2 on Leland Avenue as part of a publicly funded program to attract businesses. "When there's unemployment, the neighborhood feels it really hard because we have a lot of laborers and blue-collar people."

During the past decade, city and community planners have worked persistently and spent money in hopes of boosting commerce in this working-class area that was hammered when its biggest employer, the Schlage Lock Factory, closed in 1999.

A Muni streetcar extension, streetscape improvements and a new library were all supposed to work in concert with the industrial cleanup and redevelopment of the Schlage site and some adjoining land. At 20 acres, the property is roughly the size of 15 football fields, plenty big enough for a planned transit village, with housing, parks and retail space.

The problem is that the sum of the recent improvements isn't enough to pull the area out of its long-standing slump without the Schlage site coming to fruition. That was always going to be a long haul because the property required years of cleanup. But now, as developers are scheduled to start building by the second quarter of 2012, Gov. [Jerry Brown's](#) threat to eliminate redevelopment is raising concerns about whether the project will go forward as planned.

No destination

"I'm pretty sure something will happen (on the Schlage land) eventually, but if redevelopment is out, it's hard to know what it will be," said Russel Morine, who owns the Joe Leland coffee shop on Leland Avenue. "And the timeline would be up in the air."

In the meantime, Leland Avenue, called downtown Visitacion Valley by locals, is a mishmash of Laundromats, salons, bakeries, small restaurants and other shops, but it lacks a destination to attract customers from outside the area. Storefront vacancy on Leland is at about 13 percent, and stores - including Escobar's produce shop - have been burglarized in recent months. The commercial corridor is

San Juan, PR

Check-in Check-out

San Juan, PR Hotel Deals
Recently found at KAYAK:

\$119 [^]	Hampton Inn & Sui...
\$100 [^]	Sheraton Old San...
\$119 [^]	Doubletree by Hil...
\$180 [^]	San Juan Marriott...
\$144 [^]	Conrad San Juan C...

[^] Price found recently. [Click for more info](#)

busy during the day, but shuts down by 8 p.m.

The surrounding neighborhood also features a complex mix of factors that make a potential infusion of new dollars and activity particularly relevant.

Visitacion Valley is home to three public housing developments, including Sunnydale, the largest in San Francisco. The area has seen its share of violence and continues to suffer from jobs lost in the recession. Industrial uses are more common than retail, and the city's largest waste transfer station, a PG&E substation and the Caltrain railroad tracks are all nearby.

"The Schlage project would unify our neighborhood; we don't have adequate retail space or a major grocery store, and everyone has to leave the valley to do major shopping," said Fran Martin, chairwoman of the Visitacion Valley Planning Alliance. "Without the project, it would be like cutting us off at the knees."

A portion of the valley near and including the factory site was surveyed as a redevelopment zone in 2005, and the Schlage land was transferred to developer Universal Paragon Corp. in 2008. Since then, Universal Paragon and the city's Redevelopment Agency have collaborated with the community to design a project that attracts new residents and stores and spills over into the existing commercial corridor.

In that vein, the new and old areas literally would be connected. Four neighborhood streets that now end at the Schlage site would be extended into the completed development. According to the theory, each side would benefit from the other with improved pedestrian walkways and traffic controls on busy Bayshore Boulevard, which separates the two.

"The redevelopment of the Schlage land is the final piece of the puzzle. When you add it into the mix, you have a much more holistic, complete solution," said Kelley Kahn, the Redevelopment Agency manager for the project. "Whenever you can get an influx of people, the businesses will do better and start to thrive - it's a real ticket to vitality."

Approval by april

Universal Paragon development director Jonathan Scharfman said the first half of the project site will probably get approval from environmental regulators by April. He hopes that a development agreement with the Redevelopment Agency, including provisions for affordable housing, will be complete by early spring and that infrastructure work could start by the second quarter of 2012.

During the past couple of weeks, officials in San Francisco and other cities have discussed accelerating redevelopment projects if it appears they'll be eliminated by Brown's proposed cuts.

Brown has talked about disbanding redevelopment because it is funded through property taxes that otherwise would go to the state, counties and cities for schools and other local services. The reality is more nuanced. Redevelopment includes a financing structure that allows a public agency to borrow against future property tax increases generated by the new development.

The borrowed funds, which are paid back by the property taxes, go toward redevelopment projects built by private developers, but the projects are not uniform.

Some are like the Schlage project or the Hunters Point Shipyard - polluted and blighted sites that require significant investment before they can become productive. In others, redevelopment funds have been used to prep parcels on less challenging land, where developers were likely to locate even without the tax money to pay for roads and other improvements.

Costly planning

Most developers and planners do not believe that Brown would scuttle legitimate projects already on the books, but no one knows for sure. Universal Paragon and the city Redevelopment Agency say that planning for Schlage has been costly and is too important to delay.

"It's reasonable for people to speculate about what might happen in Sacramento," Scharfman said. "Our take is that we have a plan and we are executing it. We've been working hard with the city on this, and we are committed to continuing."

Leland Avenue's small business owners hope the Schlage project stays on track. They note that the Schlage build-out would bring much-needed jobs.

"The thinking with Schlage is that with 1,300 new housing units, some of the vacancies on Leland would be snatched up by entrepreneurs who want to open the next great San Francisco restaurant and would see an opportunity here," said Nick Wolf, who runs a nonprofit that helps local merchants. "If Schlage goes away, that kind of interest may go with it."

E-mail Robert Selna at rselna@sfgate.com.

<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/01/30/BUG01HF985.DTL>

This article appeared on page **D - 1** of the San Francisco Chronicle

© 2011 Hearst Communications Inc. | [Privacy Policy](#) | [Feedback](#) | [RSS Feeds](#) | [FAQ](#) | [Site Index](#) | [Contact](#)