

New Hunters Point condos affordable, for S.F.

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Photo: Leah Millis, The Chronicle



IMAGE 1 OF 12

The Hunters Point Shipyard condo development, above, in April will welcome new homeowners into the first 88 units of the 10,500 being built. Below, newlyweds Ryan and Angela Lyles will be among the first group.

Ryan and Angela Lyles were sure they would never be able to afford a place in San Francisco. For a year, the couple has spent five hours a day on the traffic-choked freeway commuting from their home in Morgan Hill to their jobs at Salesforce in downtown San Francisco. “Five hours a day in gridlock does not make for the best quality of life,” Angela Lyles said. “Our sanity was quickly wearing out.”

The brutal routine prompted them to scour listings in South Bay towns that would help them cut down on their commute but were a lot less expensive than San Francisco. “But the real estate market in San Francisco is crazy. It’s hard to get a foothold. We are newlyweds,” Ryan Lyles said.

But then the Lyleses found the Shipyard, where condos — while still not cheap — are about \$650 a square foot. That is about 40 to 50 percent below what average units go for in other San Francisco neighborhoods.

1st condos to open

Next month, the Lyleses will be among the new homeowners to move into the first 88 homes that developer Lennar Urban has constructed at the former Hunters Point Naval Shipyard. While 88 units won't put a dent in the city's housing crisis, they are the first of 10,500 units that will be built over the next two decades on the former Navy facility and the adjacent Candlestick Point, 32 percent of them for low- or middle-income buyers and renters. Construction started on the Alice Griffith housing development this week, which will include public housing and affordable units.

“We had committed to being in the South Bay for the next five years,” Ryan Lyles said. “When we heard about (the Shipyard), it was an aha moment. We knew we had to pounce on it.”

More units coming

The first units released at the Shipyard have sold out and the next batch — 158 units — will hit the market in the next month or so. Lennar Urban expects to build 1,400 units by the end of 2017 and 3,500 by 2020, an aggressive schedule that will keep construction crews and marketing staff busy without interruption.

“We are not anticipating gaps between when we sell out and when we start selling the next ones,” said Sheryl McKibben, vice president of sales and marketing at Lennar Urban. “It took 15 years to get started, but now we are rolling.”

But the market-rate units Lennar is constructing on a north-facing hill overlooking the San Francisco skyline and the industrial waterfront are just one piece of a complex \$8 billion neighborhood planned for 700 acres of land that make up the old shipyard and Candlestick Point. The project also includes 300 acres of new and restored parks and 2.5 million square feet of commercial space.

This week, developer McCormack Baron Salazar started construction on one of the most important pieces of the project — the rebuild of the Alice Griffith housing development. That project will include the one-to-one replacement of 256 existing public housing units — all current tenants will move into the new homes — plus an additional 248 affordable apartments. On top of these new and replacement

affordable apartments, the site near Candlestick Park will include 367 market-rate units.

“Starting construction on Alice Griffith shows that San Francisco is delivering on our promise to ensure all our residents, especially those in public housing, share in the prosperity of our city,” Mayor Ed Lee said Thursday.

Supervisor Malia Cohen, who represents the area, said the Alice Griffith rebuild is urgent. A gated complex, with one way in and one way out, the development is one of the poorest and most violent parts of the city. Besides gang violence and drug dealing, it’s notorious for mildew and mold, broken windows and rickety handrails. Integrating the project into the surrounding neighborhood and adding hundreds of new residents will help “chip away the horrible cycle of poverty.”

“We talk about racial diversity, but we have failed when it comes to economic diversity. We are moving away from the way we have been doing business. We are no longer concentrating poverty in one section of town. We are breaking it up,” Cohen said.

The project will be a model for the so-called Hope SF projects, where existing public housing complexes will be replaced with new structures and integrated into a denser mixed-income neighborhood. Similar projects are planned for Potrero Hill, Sunnydale and the Western Addition.

Housing bond planned

The groundbreaking comes as Lee is planning on introducing a general obligation affordable-housing bond that, if approved by voters, would generate around \$250 million. The bond money will probably go toward projects offering a mix of affordable housing — some of it aimed at very low-income families and some at middle-class families struggling to afford the city.

Lee said that the Alice Griffith and Hunters Point Shipyard redevelopment is a model for how that money could be leveraged to produce a maximum number of housing units.

“The southeast sector is the bastion for affordable housing right now; that is where best opportunities for affordable housing are going to

come in,” said Lee. “Even the market rate out there is going to be more affordable for the middle class than what you get in SoMa or the Mission.”

The market-rate units Lennar is building average \$650 a square foot, ranging from the high \$400,000s to the \$900,000s. While those prices would seem steep in most markets, in San Francisco they are about half of the \$1,100 to \$1,200 per square foot most developers are getting for new construction. For under \$1 million, buyers can get a three-bedroom, three-bath town house with views of the bay and downtown San Francisco.

So far, 60 percent of the buyers in the first release already live in San Francisco and 70 percent are first-time home buyers, according to Lennar. Most are between 35 and 44 years old, but there are families with children and older folks, too. The developer is weeding out real estate speculators by prohibiting buyers from renting out or selling their units for a year after the purchase.

“It’s a new community — we want to fill it with people who understand the vision and really want to live there,” McKibben said.

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