

## Retail Sparks Sixth Street Transformation

The San Francisco Redevelopment Agency and Urban Solutions overhaul Sixth Street.

By Michelle Savage



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Jenny McNulty, *Urban Solutions* executive director.



opening of several new retail locations. “Suddenly, there’s a lot more foot traffic, and people have more reasons to come to Sixth Street.”

The summer’s new openings include Miss Saigon Restaurant, a Vietnamese restaurant located on the corner of Sixth and Mission streets, which opened in June, after being vacant for eight years. Mi Tierra Market, a 5,000-square-foot market with very affordable prices and produce stands outside, opened in July at Howard and Sixth streets.

The retail explosion is expected to continue. “If you go to most successful retail areas, the business owners are the ones outside sweeping the streets in the morning and keeping things today,” says Grisso. “That was what was missing here. There was no real retail presence. And now that there is, it creates life and energy on the streets. We’ll continue to work until we get all the spaces filled up.”

Developer Steve Barton and partner Franck Andre are building the Passion Café, a café and bistro with a rooftop garden, on Sixth and Stevenson streets. According to Barton, the building will feature solar panels and a rooftop garden. “We’re restoring the building to its historic beauty,” says Barton. “Our renovation will combine both the past and the future. And we’re hoping we’ll help change Sixth Street from what people now see when they come into the city—one of the bigger blights in the city—to what they should be seeing.”

In the process of renovating the one-story building, Barton has discovered numerous hidden treasures, which include brick walls and glass-paneled double wooden doors hidden behind the interior walls. He says this is characteristic of the street, which was at one time one of the most beautiful in San Francisco.

While the Sixth Street neighborhood is undergoing a transformation, it is not getting gentrified. The dominance of single-room occupancy hotels and other types of low-income housing is likely to continue, especially since building and planning codes prevent demolition of residential units in the area.

According to McNulty, Sixth Street’s non-gentrification redevelopment insures that people of all incomes can live affordably in San Francisco. The residential hotel units range from \$350 to \$600 per month. And, because retail rents are as low as \$1.25 per square foot per month, stores can afford to offer merchandise at prices that low-income residents can afford. “For example, Mi Tierra Market is very low-cost and focuses on quality produce,” says McNulty. “This is very appreciated by neighborhood residents.”

According to Grisso, approximately 1,000 new and renovated residential units have been built on Sixth Street and nearby streets since 1990, and several more have been proposed recently. AGI Capital has proposed a few hundred units at Fifth and Folsom streets, and Ridge Housing plans to develop 55 units at Sixth and Natoma streets.

The old Hugo Hotel, which is possibly the most recognized landmark on Sixth Street, is slated to be one of the biggest future drivers of change in the neighborhood. The Hugo, which has been vacant for about 20 years, can best be described as a quirky eyesore, as it is covered in colorful murals with pieces of furniture, including a couch and a bureau, sticking out of the building. While some San Franciscans praise its artistic style, most say it’s time to tear it down.

The San Francisco Redevelopment Agency has begun the process of taking over the Hugo via eminent domain. According to Grisso, the space will likely be demolished and used to build affordable housing.

“The owners claim that they want to sell the building but turned down every offer, including one for \$3.25 million by the redevelopment agency, which they countered with \$9 million,” says Grisso. “When we initiated the eminent domain process with a public hearing, about 20 people from the neighborhood were present, and all 20 agree that this is the best thing to do. We’re still hoping they’ll negotiate, but we’ll move forward with the eminent domain process if they don’t.”

The current and proposed changes to Sixth Street have inspired a new sense of hope and excitement in the neighborhood. “You can see the changes already,” says McNulty. “People feel greater pride in the neighborhood and are maintaining their properties. It’s created a healthier environment.” ■

For many years, the stretch of Sixth Street between Market and Folsom streets has been one of the grittiest areas in San Francisco. Consisting mainly of single-room occupancy hotels, liquor stores, bars and doughnut shops, the area is a well-known dwelling place for drug addicts and homeless people. But the City of San Francisco believes that new businesses, façade improvements and redevelopment efforts can turn this street around.

The redevelopment agency has funded numerous street improvements and is in the process of spending millions of dollars to expand the sidewalks, help renovate buildings and install vintage light polls and trees along the Sixth Street corridor—all with the intention of attracting new businesses and making the streets more pedestrian-friendly.

Sixth Street is considered by many as the gateway to San Francisco, because it is a popular route through the city from the freeway, says Mike Grisso, the San Francisco Redevelopment Agency’s project manager for the South of Market neighborhood. For many, this street is their first impression of San Francisco. Unfortunately, it is also one of the most blighted areas in town, full of trash, graffiti and boarded-up storefronts.

To solve the trash and graffiti problem, the redevelopment agency is paying the salaries of street sweepers and graffiti cleanup crews. Now the major challenge is attracting new businesses and convincing property owners to fix up their buildings, says Grisso.

“Many property owners, especially in the residential hotels, have been using the bottom floors for storage for years,” says Grisso.

“The street looked so terrible that they were not convinced that they should fix up their properties. Cynicism was great and many property owners were not acting responsibly. It’s been a big task to go out and convince property owners that they could get additional income if they fixed up their buildings and rented the ground floor space to businesses. But slowly, the attitude has started to change.”

Since 2003, the redevelopment agency has worked with Urban Solutions, a non-profit agency in San Francisco, to attract businesses to the area and help them succeed. Urban Solutions Executive Director Jenny McNulty agrees that getting Sixth Street property owners to understand the potential of the neighborhood has been an uphill battle but adds that they are finally coming around.

In 2003, Urban Solutions launched Sixth Street Economic Revitalization Program (formerly called Six on Sixth) and has since managed the completion of 61 façade and tenant improvement projects. It has another 35 in the works. The agency offers matching grants, free broker services and low-cost loans to property and business owners for façade and interior improvements.

“Where there are vacant storefronts, we work with property owners to get them into good condition, and then we help them advertise online, bring in tenants and help with leasing negotiations,” says McNulty.

When the Sixth Street program began in 2003, the retail vacancy rate was 45 percent; it is now 15 percent. The program has helped bring a wide variety of new businesses to the neighborhood, including a hair salon, pizzeria, deli, dry cleaners and an optometrist.

“This summer has been the most exciting,” says McNulty, due to the

PHOTOS BY SIDNEY ERTHAL

**Clockwise starting from top:**  
A view of the Sixth Street corridor  
Corner of Sixth and Howard; Graffiti on bottom  
of the abandoned Hugo Hotel  
A contrast of new and old hotels on the block  
Sixth Street beautification flag  
Jenny McNulty in front of Mi Tierra Market, the  
most recent retail location to open in the area  
Picture of the Hugo Hotel with the infamous furniture  
art protruding from the building  
Steve Barton & Franck Andre, owners  
of Passion Café  
Chi Van Vo, owner of Miss Saigon