Tech Paradox: Prosperity, Preservation & Displacement

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On October 27, the venerable City Arts & Lectures organization hosted a special benefit for San Francisco Heritage and the Haas-Lilienthal House exploring the tech industry’s impact on the historic built environment in San Francisco, among other topics. The program featured Jack Dorsey, co-founder of Twitter and founder of Square, and Paul Goldberger, architecture critic for *Vanity Fair*, in conversation with Steven Winn. With over 700 attendees, Heritage was extraordinarily fortunate to have such a public platform to showcase its mission and historic preservation in San Francisco.

The discussion was far-reaching and illuminating, providing insights into why so many technology firms are drawn to older buildings. On the allure of the behemoth 1936 Western Merchandise Mart building, Twitter’s Mid-Market headquarters, Dorsey explained that its massive floor plates enable a flexible working environment “without walls to limit interaction and inclusion so that spontaneity and unexpected interactions, like you would have on the street, can be replicated – that’s where the creativity happens.”

There was synchronicity between Goldberger and Dorsey in recognizing cities as vibrant, engaging, creative places. Goldberger described cities as being “the original internet,” “a series of hyperlinks in real space” where you have the “non-linear” encounters that inspire discovery and innovation. To illustrate tech’s potential for “reinforcing our urban experience, making it smoother,” Goldberger cited a recent impromptu dinner gathering where he and a friend used Open Table to book a reservation and Uber for a ride, with another companion arriving via City Bike.

However, questions from the audience revealed a stirring anxiety about how San Francisco’s economic boom and disparities are rapidly transforming the city. While tech-fueled investment has rescued many derelict historic buildings, it has also spurred an affordability crisis that increasingly imperils San Francisco’s celebrated cultural diversity. As explored in this issue, this paradox is prompting Heritage to re-examine how to best fulfill our dual charge to preserve and enhance San Francisco’s architectural and cultural identity.

I would like to conclude by expressing my profound gratitude to Heritage’s outgoing board president, David Wessel. Over the past three years, David has led the organization through a period of tremendous change, and occasional uncertainty, with an unwavering optimism and conviction that has inspired Heritage to attain new heights. We have all greatly benefited from his passionate dedication to Heritage and its mission.
Alice Ross Carey Preservation Fund
Heritage to Offer Grants for Local Projects

San Francisco Heritage is proud to announce the launch of the Alice Ross Carey Preservation Fund, a new grant program to help document, preserve, and celebrate the diverse historic places and cultural assets that define San Francisco. Heritage will provide small grants for planning, outreach, capital improvement, and interpretive programs or projects.

Alice Ross Carey (1949-2013) dedicated her life and career to historic preservation and cultural sustainability in San Francisco. As founder and owner of Carey & Co., Alice oversaw the rehabilitation of many of San Francisco’s most noted historical buildings, including San Francisco City Hall, San Francisco’s Palace of Fine Arts, and the Metropolitan Club, to name a few. She was also a lifelong and generous supporter of San Francisco Heritage, where she served on the board of directors from 2001 to 2007.

By providing tangible financial assistance to small-scale, community-based preservation projects, the new grant program will be a powerful tool to advance Heritage’s advocacy and education work in neighborhoods throughout San Francisco. Grants ranging from $1,000 to $5,000 will be awarded in two rounds each year: February 1st and August 1st. Under special circumstances, awards up to $10,000 may be considered. Eligible applicants include 501(c)(3) nonprofit organizations, 501(c)(6) business leagues, public agencies, and unincorporated associations with a nonprofit fiscal sponsor. No more than three grants shall be awarded to the same organization within a two-year period.

Grants may support “soft” preservation costs such as preservation planning, interpretive, and public outreach projects, as well as “bricks and mortar” capital costs for designated historic resources. Capital improvement and restoration costs related to non-designated, but culturally significant resources such as murals may also be considered on a case-by-case basis. Examples of the types of projects that will be eligible for funding include: public history projects and interpretive programs; historic rehabilitation, preservation, and restoration projects; preservation and adaptive reuse plans; landmark nominations; historic structure reports; cultural district planning initiatives; public events and programs that broaden awareness and appreciation for the city’s cultural heritage; apprenticeship, mentoring, and/or training programs that help sustain arts, language, and traditions representative of San Francisco’s cultural heritage.

Fittingly, the grant program was officially announced on November 6th at the Metropolitan Club, during the final installment of Heritage’s annual lecture series. The program featured a heartfelt tribute by Alice’s close friend and colleague, Dr. Anthea Hartig, Executive Director of the California Historical Society. The event was generously co-hosted by the 640 Heritage Preservation Foundation.
Heritage Receives Easement Donation for the Sliver Building

For 40 years, Heritage’s Preservation Easement Program has helped safeguard scores of historic buildings in San Francisco—primarily privately-owned residential properties. Recognized as the most effective tool for permanently protecting historic properties, a preservation easement is a legal agreement between a private property owner and the easement-holding organization (in this case, Heritage) that limits the owner’s right to demolish the building or to make alterations to protected features. In exchange for giving up these rights, the owner can qualify for a substantial federal income tax deduction equal to the appraised value of the easement donation. By treating the value of the easement as a charitable donation under the Internal Revenue Code, the easement donation is deductible in the same manner as other non-cash charitable donations. Easements run with the title of the property, so future owners are bound by the terms of the contract.

To qualify for a federal income tax deduction, the easement property must be listed in the National Register of Historic Places—either individually or as a part of a historic district. In accepting the donation, Heritage assumes the perpetual right to review and approve any alterations to features identified in the agreement, which can include both the exterior and interior at the discretion of the owner. With the help of qualified interns, Heritage is currently in the process of conducting inspections of all easement properties as part of its ongoing monitoring and enforcement responsibilities.

In October 2014, Heritage accepted its latest easement donation for the Sliver Building at 10 Mint Plaza (formerly 424 Jessie Street), a slender eight-story structure completed in 1924. The Sliver Building was originally an auxiliary building to Hale Brothers Department Store at 901 Market Street, one of the first European-style emporiums in San Francisco. The building along with the adjoining properties at 2 Mint Plaza (410 Jessie Street) and 6 Mint Plaza (418 Jessie Street) formed a complex that was integral to the operation, supply and commerce of Hale Brothers. This collection of buildings was officially added to the National Register of Historic Places as part of a multiple property listing for Hale Brothers Department Store in 2001. The Sliver Building has since been converted to residential use.

Heritage is also in the process of securing an easement donation to protect access to light, air, and views to the massive State Armory and Arsenal at 1800 Mission Street. Completed in 1914, the Armory is listed in the National Register of Historic Places, California Register of Historical Resources, and was designated City Landmark No. 108 in 1980. A cavernous, 40,000-square-foot open drill court makes up most of the interior space of the Armory and is one of the most historically significant spaces in the building due to its high level of finish and integrity. The adjacent property owner, the non-profit organization Arriba Juntos, has agreed to donate an air rights easement to limit vertical development above the height of its existing building, which will assure continued access to natural light for community use of the Armory’s drill court. Heritage is working closely with both property owners to define the terms of the easement, with the donation expected to be completed by the end of the year.

Heritage is the only local organization that receives, administers, and enforces preservation easements in San Francisco. With 63 easement donations received to date, Heritage’s program is one of the largest on the West Coast. If you currently own a historic property and are interested in learning more about Heritage’s Preservation Easement Program, please contact Mike Buhler at 415-441-3000 x15 or mbuhler@sfheritage.org. More information is also available at sfheritage.org.
Supervisors Introduce Legislation to Establish Legacy Business Registry

In October, Supervisors David Campos and Mark Farrell introduced legislation that would establish an official “Legacy Business Registry” in San Francisco and develop incentives to promote their longevity. The legislation is directly inspired by, and builds upon, Heritage’s Legacy Bars & Restaurants initiative launched in 2013. Bars, restaurants, retail establishments, manufacturers, arts spaces, performance venues, and service providers that have been in business for more than 30 years would be eligible to apply. Qualifying businesses must demonstrate their importance to the surrounding community, neighborhood, or the city as a whole.

In an October 10, 2014 report commissioned by Supervisor Campos, the Budget and Legislative Analyst estimated that the city will lose over 4,000 locally-based businesses in 2014 alone. The study documents dramatic increases in turnover rates among existing businesses over the past two decades, suggesting that new replacement businesses are unlikely to achieve the same longevity. The City-sponsored Legacy Business Registry, to be administered by the Office of Small Business, will offer a set of financial incentives to owners of registered businesses, as well as owners of properties that house them. Specifically, the legislation includes a rebate of the City’s transfer tax if a Legacy Business purchases its building or if a third-party purchaser extends their lease by ten years or more. In addition, Legacy Businesses will be eligible to receive City-sponsored promotional assistance intended to raise visibility and increase patronage.

The legislation would also require the Office of Small Business to survey Legacy Businesses and report back to the Board of Supervisors in June 2015 with recommendations for further City support, possibly including technical assistance, public education programs, commendation initiatives, and broader neighborhood stabilization strategies. Heritage and students at the Gellert Family Business Resource Center at the University of San Francisco have been invited to collaborate with the Office of Small Business in this effort.

Heritage is proud to have worked closely with Supervisor Campos in crafting the legislation. In addition to Legacy Bars & Restaurants, the proposed program was informed by Heritage’s September 2014 report, “Sustaining San Francisco’s Living History: Strategies for Conserving Cultural Heritage Assets.” As chronicled in the report, other global cities like London, Barcelona, and Buenos Aires have enacted programs and policies to curb the loss of local heritage businesses. As the first of its kind in this country, the proposed Legacy Business Registry would be an important first step towards providing much-needed recognition and support to longstanding small businesses that remain viable and continue to be in demand.

On October 27, the City’s Small Business Commission enthusiastically endorsed the legislation by a vote of 7-0, with hearings scheduled throughout the remainder of the year before the Historic Preservation Commission, Planning Commission, and the Land Use and Economic Development Committee of the Board of Supervisors.
San Francisco has now outpaced Silicon Valley in high-tech job creation, with the city struggling to adapt to changes wrought by the rapid influx of new workers and residents. From the widely-publicized “Google bus” protests, to the short-term rental “Airbnb” legislation, to the recent conflict between neighborhood youth and tech employees over the use of the Mission Playground soccer fields, the tension is widespread and palpable. Growing income disparities and real estate speculation have already pushed out many residents, legacy businesses, and other cultural establishments.

But the city’s economic boom has also rescued and revitalized many derelict and underused older buildings as developers cater to tech companies drawn to their unique original features and spacious floor plans. Gleaming rehabilitation projects such as 140 New Montgomery, 1019 Market Street, 1355 Market Street, and 888 Brannan (home to Yelp, Zendesk, Twitter, and Airbnb, respectively) offer irrefutable evidence that the city’s tech-fueled prosperity has yielded some big dividends for San Francisco’s historic built environment.

During an October 27 City Arts & Lectures benefit program for Heritage, Jack Dorsey, co-founder of Twitter and founder of Square, observed that “young people want to live in the city because of what the city offers – the diversity, the restaurants, the businesses, the museums…”. But he also acknowledged the vexing challenge posed by the surging demand for housing and office space. “It’s a policy issue for the city: how to allow for more growth without taking the character of San Francisco that we all know and love away – and still preserve that character while adding to the density of the city.”
When Preservation Equals Gentrification

What happens, though, when occupied historic buildings are targeted for conversion into office space? As property owners seek to profit from the soaring demand for space, traditional businesses and their customers are increasingly at risk.

Case in point: The San Francisco Design Center at 2 Henry Adams, which houses over 100 showrooms representing 2,000 manufacturers of home furnishings and accessories. Located in Showplace Square, an identified potential historic district, the 1915 building is zoned for Production Distribution Repair (PDR). Earlier this year, the owner filed a City Landmark nomination in order to qualify for a preservation incentive that would have allowed its wholesale conversion to office use, displacing tenants to clear 250,000 square feet for social media giant Pinterest.

The resulting outcry prompted District 10 Supervisor Malia Cohen to block the Landmark nomination and introduce legislation that would restrict the amount of allowable office space and require a demonstration of financial need before the City could authorize a change of use. The Historic Preservation Commission, Planning Commission, and Heritage all endorsed the ordinance, which now awaits final approval by the full Board of Supervisors.

Seeking An Elusive Balance

Despite the benefits of tech-fueled preservation projects, skyrocketing property values and their toll on city’s cultural diversity have forced a reappraisal of heritage conservation efforts. As ever-increasing rents displace some of our most cherished cultural assets, the City and the preservation community are revisiting existing incentives and developing new tools for sustaining the city’s traditions, businesses, and communities that lend San Francisco its rich and layered identity.

Heritage’s recent policy paper, “Sustaining San Francisco’s Living History,” articulates this need and recommends a series of conservation strategies. There are signs that a more holistic approach to heritage conservation is taking root in San Francisco, from proposed cultural and social heritage districts in SoMa, Japantown, and the Mission, to policies in the proposed Preservation Element that recognize cultural heritage resources, to Supervisor Campos’ legislation to establish an official “Legacy Business Registry,” the first of its kind in the nation (p.5).

All are relatively modest steps that will require decisive action and sustained commitment by City leaders and community activists to ensure their implementation. As the City considers massive upzoning in Central SoMa, for example, will protections be enacted to insulate both historic buildings and deeply-rooted Filipino and LGBTQ communities from new development? As the citywide preservation organization, Heritage believes that is our responsibility to ensure that City policies, codes, zoning, and incentive programs are working to not only preserve San Francisco’s architectural resources, but to reinforce and sustain the communities and cultural heritage assets that enliven them.
PAST EVENTS - Latino Heritage Fair

Nearly 100 community members gathered for a day full of history, learning, and entertainment as part of the SF Latino Heritage Fair on Saturday, October 11 at the San Francisco Main Library. The fair was a collaborative effort of several organizations dedicated to documenting history: the History Center of the San Francisco Public Library, Latino Digital Archive Group, San Francisco Latino Historical Society, San Francisco Heritage, and StoryCorps. Through the event, program partners brought to light the need for building an archive of resources that document Latino history in San Francisco.

The event provided an opportunity for the public to learn about Heritage and the San Francisco Latino Historical Society’s citywide context statement on Latino history, which is supported by a grant from the San Francisco Historic Preservation Fund. Project researchers were able to collect data on local Latino heritage from fair attendees through community surveys that asked questions about places, neighborhoods, events, businesses, festivals, and centers of culture and community important to Latino history in San Francisco. Participants were also treated to a screening of “These Walls Speak: PLACA,” a documentary about Balmy Alley and the 1984 PLACA mural project, followed by a live Q&A session with the filmmakers and two of the original PLACA muralists: Patricia Rodriguez and Ray Patián (pictured).

The next event related to the San Francisco Latino Historic Context Statement will take place on January 31 (time TBD) at the LGBT Center (1800 Market Street) and will focus on the city’s rich LGBTQ Latino heritage. For more details and additional information about the project, visit sfheritage.org.

PHOTO BY JONATHAN WIGGINS
Intern Profiles

Aaron Savage

From a young age, Aaron Savage has had an instinctive fondness and wonder for old buildings. Walking through Balboa Park in his hometown of San Diego, he was intrigued by the beauty and history of Spanish-influenced architecture. Aaron is currently pursuing a degree in urban studies and planning at San Francisco State University, with plans to study historic preservation in graduate school. He would like to work for a historic preservation firm so he can dedicate his time and energy to saving and rehabilitating the buildings and structures that are essential to the culture and history of our cities.

Milton Smith

Born and raised in Pasadena, Milton is a senior at the University of San Francisco, earning a bachelor’s degree in history with a focus on U.S. cultural history. Milton is currently assisting Heritage in the development of a City Landmark nomination for Ingleside Presbyterian Church and its remarkable interior collage artwork entitled, “Great Cloud of Witnesses.” Milton is also providing support during Heritage events, assisting with grant research and proposals, and helping conduct research on best practices in preservation.

Blockbuster Crop of New Docents

After concluding the new Volunteer Orientation on September 23, Heritage is delighted to welcome fifteen new docents, the largest class in recent years. To become a docent at the Haas-Lilienthal House, volunteers must complete a rigorous seven training sessions over two months. The training consists of attending lectures, a workshop, required readings, and a critique of the prospective docent’s tour by a mentor.

The highlight of the training was a discussion on the Gilded Age by Dr. Robert Cherny, Professor Emeritus of History at San Francisco State University. Dr. Cherny painted a vivid picture of the period when the Haas-Lilienthal House was constructed, enabling docents to better contextualize the story of the house and family. In addition, a new workshop module was introduced to provide training in museum interpretation and thematic tours.

As the docent program moves forward Heritage hopes to expand the types of tours offered, and this workshop is an early step towards that goal. Heritage extends a warm welcome to the Haas-Lilienthal House Docent Class of 2015!
Richard Zillman, whose passion was sustaining and restoring Victorian buildings in San Francisco, passed away August 12, 2014. He was 76. Richard was born on March 8, 1938 to Leslie and Alice Gilbert Zillman in Fairfield, Iowa, where he was raised. He earned his bachelor’s degree in business from the University of Iowa.

With the love of his life, Cher, he purchased and restored historic buildings, which he called “his roses”, even as others said, “Why are you buying a property... THERE???” Cher and Richard were married for over 40 years, tying the “knot” on September 15, 1973. They worked as a team, restoring and renting their houses and buildings. That same year, the couple became charter members of the nascent Foundation for San Francisco’s Architectural Heritage (San Francisco Heritage), remaining active and loyal members ever since. Richard and Cher were regular fixtures at Heritage membership meetings, the Holiday Open House, and other events.

Richard found his life’s calling in architectural historic restoration and rehabilitation by purchasing a condemned home in Noe Valley in the mid-60’s. Sharing his knowledge and enthusiasm for restoration and preservation was core to Richard’s mission. In the process of restoring his building, he conducted one of the first classes on Victorian building restoration. After meeting Cher, they went on to purchase and restore a number of buildings both here in San Francisco and in other cities.

His perspective on historic preservation broadened as he engaged city, regional, and national organizations that were dedicated to preserving our collective architectural heritage. “Richard was extraordinarily engaged in the work of Heritage,” remembers Executive Director Mike Buhler, “He had passionate views about historic preservation in San Francisco, be it local review standards or tips for maintenance of the Haas-Lilienthal House, and I fondly remember our spirited discussions on many issues. He was so proud of his ‘roses’ and, just a few months ago, treated me to a personal tour of one of his properties, telling war stories about its restoration. Richard was that increasingly rare preservationist who toiled in the trenches, lovingly bringing back abandoned buildings, one by one, through sheer hard work.”

He was a founding member of the San Francisco Victorian Alliance, which he considered one of his most important accomplishments. He wanted to mentor and support the next generation of homeowners to learn and value the history he helped to preserve. In addition, he and Cher were long-term, active patrons of numerous preservation organizations, such as Art Deco Society, California Historical Society, California Preservation Foundation, Galveston Historical Foundation, and the National Trust for Historic Preservation.

Richard came to San Francisco during a time when historic preservation of Victorians was not the accepted norm. Through relationships with like-minded people, he shared and accumulated knowledge and went on to learn about various historic decorative arts. He assembled numerous collections that showcased his understanding. He enjoyed the cultural sensibilities of the Victorian and Art Deco eras, dressing up for the occasions in his tux, with Cher in gorgeous costume, gracing his arm.

He remained an unrelenting advocate for historic preservation in San Francisco. He loved homes in particular, but also took other commercial structures under his wing. The apartment buildings he and Cher rehabilitated showed the full passion of a dedicated preservationist. His love for San Francisco was expressed in his desire to preserve its historic architecture. His continued contributions to the Victorian Alliance, San Francisco Heritage, and all the other preservation organizations he supported will be sorely missed.

Richard is survived by his wife, Cher, and his sister Mary Alice Carter and nephew Curtis Dylan Carter, both of San Antonio, Texas.
#GivingTuesday

In 2012, the first Tuesday after Thanksgiving was identified as #GivingTuesday as a way for people to focus on what they are grateful for and to concentrate attention and efforts on that day to generate gifts for nonprofits. On Tuesday, December 2, 2014, people from around the country come together online and in their communities for one common purpose: to celebrate generosity and to give.

If helping to preserve the character and culture of San Francisco is a cause close to your heart, please celebrate your community spirit by making a financial contribution to Heritage on December 2. As a #GivingTuesday partner you will be encouraging countless others to also express their gratitude to Heritage for its work to preserve the San Francisco we know and love for future generations, while giving Heritage a great boost as we approach the end of the year.

During this holiday season of giving thanks and reflection, we want all of you in our Heritage community to know how much we appreciate your membership and your support.

Oliver Ranch Tour

On September 27, an exclusive Oliver Ranch Art Tour was held to benefit Heritage. The day was picture perfect, as Steve Oliver provided a personal tour of the ranch’s world-renowned site-specific sculptural works, along with his behind-the-scenes tales of their creation. The tour was followed by a delicious pond-side picnic and wine tasting at California Historic Landmark Hop Kiln/HKG Estate Wines in Healdsburg.

Mayhem Mansion

This October, the Haas-Lilienthal House was transformed into Mayhem Mansion: Haunted Halls of Horror, with a special day for family friendly flashlight tours. Many thanks to our ballroom “Spookeasy” sponsors Cyrus Noble, Lagunitas Brewing, Whole Foods, and Speakeasy Ales & Lagers, and especially to our Mistress of Mayhem Heather Kraft (pictured), who created and produced these twisted and terrifying tours.
**Wednesday, January 28, 6PM**

Semi-Annual Meeting  
Presidio Officer’s Club  
50 Moraga Avenue  
(tentative)