

A History of the International Hotel Citizens Advisory Committee/ Kearny Street Housing Corporation 1979 - 2006

(The following document was reviewed and accepted by the International Hotel Citizens Advisory Committee on May 17, 2008 as a record of the work of the Committee. The Committee's efforts resulted in the building of the International Hotel Senior Housing, Inc. project on the site of the former International Hotel decades after the eviction of the I-Hotel tenants. This record is based on the memories of the Committee members and the documents that can be found in the University of California, Berkeley Ethnic Studies Library – International Hotel Collection #AAS ARC 2000/49 of the Asian American Archival Collection)

The long, painful and very public struggle culminating in the eviction of the I-Hotel tenants in 1977 created a lasting political climate of support in San Francisco for the rebuilding of low income housing on the former site of the International Hotel. In September 1979, San Francisco Board of Supervisors Resolution 925-79 introduced by Supervisor John Molinari created the I-Hotel Block Development Advisory Committee broadly representative of the Chinatown and Manilatown communities including tenants who had been displaced by the eviction. The Committee was charged with overseeing a development plan for the I-Hotel block. From its establishment in 1979 to the opening of the new International Hotel Senior Housing Project in 2005, the I-Hotel Block Development Advisory Committee and its successor the I-Hotel Citizens Advisory Committee participated in literally hundreds of meetings involving many thousands of person hours attempting to find a means to reconstruct the I-Hotel. That the Committee's efforts were finally successful is a testimony not only to the steadfastness and determination of members of the Committee, but also to the commitment of San Francisco's five Mayors (Dianne Feinstein, Art Agnos, Frank Jordan, Willie Brown and Gavin Newsom) through their continuing staff support and major financial support for the project. It is also a tribute to the U.S. Department of Housing and Urban Development which through its Section 202 program and Section 8 rent subsidies joined with the City in 1994 to enable the construction of affordable senior housing on the I-Hotel site.

Organization of the International Hotel Citizens Advisory Committee in Two Phases

Mayor Dianne Feinstein appointed the committee in October of 1979. Members of the **I-Hotel Block Development Advisory Committee** included Wayne Alba, Helen Marte Bautista, Gordon Chin, Burk Him Chung, So Chung, Henry Der, Ed Iumin, George Lee, Judge Harry Low, Dr. Rolland C. Lowe, Etta Moon, Margaret Muyco, Al Robles, Victor Seeto, Judge Lillian Sing, Linda Wang (Chair), Alan S. Wong, Joe Yuey and Tex Llamera. Mayor Feinstein's Director of Housing and Economic Development Bill Witte and City Planning Department staff Lois Scott provided support to the Committee.

An I-Hotel Block Development Plan was developed. This plan included the development of 192 units of low-income housing, 6,900 square feet of community space, 13,500 square feet of open space and 250-280 parking spaces. The Committee advocated for the plan and in January 1980, the San Francisco Planning Commission endorsed the plan. In

April 1980, the San Francisco Board of Supervisors approved the Plan and requested status reports from the Mayor on implementation (Resolution 373-80).

In June of 1980, Mayor Feinstein then appointed individuals to the **I-Hotel Citizens Advisory Committee (IHCAC)** to oversee the implementation of the I-Hotel Block Development Plan. It was the Mayor's stated intention to pursue private/public development. Appointees were Wayne Alba, Helen Marte Bautista, Gordon Chin, Burk Him Chung, So Chung, Etta (Moon) Chung, Henry Der, Ed Ilumin, George Lee, Dr. Rolland C. Lowe (Chair), Al Robles, Victor Seeto, Linda Wang, Alan S. Wong, Tex Llamera, Judge Harry Low, Judge Lillian Sing, Margaret Muyco and Joe Yuey. The Committee was a mix of former tenants, business people, housing advocates and community. It was composed of Chinese and Filipinos committed to trying to bring low income housing back on the site of the I-Hotel and committed to giving priority for the housing to former tenants of the I-Hotel.

Changes in the IHCAC Over the Years

Given that the work of the IHCAC took place over more than 25 years, it was inevitable that there would be changes in the membership of the group. George Lee, So Chung and Etta Chung died before the I-Hotel Senior Housing Project was completed in 2005. Tex Llamera relocated to the Philippines, Judges Harry Low and Lillian Sing and Margaret Muyco left the group, Joe Yuey died shortly after it was completed. Gordon Chin resigned from the Committee in 1994 when the Chinatown Community Development Center for which he served as Executive Director, was selected by the I-Hotel Citizens Advisory Committee to sponsor and develop the project. Dr. Rolland C. Lowe chaired the IHCAC from 1980 until 1993 and Linda Wang chaired the Committee thereafter. Other officers were Wayne Alba (Vice Chair), Helen Marte Bautista (Secretary) and Victor Seeto (Treasurer).

Pro bono attorneys for the IHCAC over the course of these many years included Steven Phillips, Joanne Sakai and Allan Low. These attorneys gave generously of their time and skills in assisting the IHCAC achieve its goals.

Four Seas Investment Corporation Development Proposals (1981 – 1990)

The First Development Proposal

From 1981 to 1990, the Four Seas Investment Corporation, owners of the I-Hotel site and property on the corner of Columbus and Washington Streets, proposed to the City and the IHCAC various projects to develop these properties.

In March of 1981, the Four Seas Corporation presented a preliminary proposal to the IHCAC for a 12 story building on the I-Hotel site with 60-75 housing units, 36,000 square feet of office space, 12,000 square feet of retail space and 30 parking spaces.

In November of 1981, Mayor Dianne Feinstein committed in a letter to the IHCAC \$1.3 million for the development of the block if necessary.

Rezoning to Require Housing Development The IHCAC was concerned about the potential for development without housing on the block, and advocated for a change in zoning. In April of 1982, the Planning Commission and the Board of Supervisors approved interim zoning from C-2 to RC-4 for the I-Hotel block and later extended the interim zoning for another six months in April of 1983 with the advocacy of the IHCAC. This interim zoning required that housing be developed on the block.

In November of 1982, Mayor Feinstein wrote to Mr. Supasit Mahaguna, the Chinese Thai owner of the Four Seas Corporation, to urge development of the vacant property. No visible progress had been made in development since the preliminary proposal in 1981.

A subsequent proposal by Fantec Corporation (owner of the corner property at Washington and Kearny Streets) and Four Seas to develop the entirety of the Kearny Street frontage of the I-Hotel Block was never detailed to the City or IHCAC.

Pan Magna Plaza Proposal (1983 – 1986)

In June of 1983, the Four Seas Investment Corporation presented a new mixed use development proposal that involved all four of the parcels (Lots 4 and 5, Lots 11 and 13) owned by the Corporation. In November of the same year, the proposal was presented to the IHCAC. Four Seas proposed constructing on the I-Hotel site a 12 story building with ground floor commercial/office space, 6 floors of offices and 6 floors of housing comprised of sixty (450 square feet each) housing units which would rent at \$740/month. Also in this proposal was the development of a 12 story building comprised of ground floor retail and 12 stories of offices on the Colombo Building site.

As an interim use, Four Seas proposed in July 1983 to develop parking on the I-Hotel site.

The IHCAC reviewed and analyzed the proposal, and met with the representatives of the Four Seas Investment Corporation including Vorapol and Dang Sze Mahaguna (family of Supasit Mahaguna). In January the IHCAC responded in a letter to the Pan Magna Corporation generally positively, but cited concerns regarding the number of housing units proposed and their affordability. The IHCAC proposed 192 residential hotel-type units with rents not to exceed 25% of SSI (approximately \$127/month). Rents were to be subsidized for a period of 40 years. The IHCAC was opposed to the interim parking proposal.

Meetings between Pan Magna representatives and IHCAC February 1984 and March 1984 did not show progress, and in March, Mayor Feinstein proposed to pursue eminent domain for the I-Hotel site. In a meeting on 3/6/84 called by the Mayor with the IHCAC and Pan Magna, Pan Magna offered to double the number of units to 120 units, each 220 square feet, to be rented at \$220 per month. The IHCAC on 3/8/84 rejected the new proposal and urged the Mayor to pursue eminent domain. On 3/9/84, a second meeting was called by Mayor Feinstein who informed the group that Supervisor John Molinari had agreed to introduce the eminent domain legislation at the Board, and suggested to Pan Magna that it consider developing 155 units of housing.

On 3/12/84, the Board of Supervisors approved legislation to initiate public acquisition of the I-Hotel site and requested the SF Real Estate Department to report on status of the acquisition within 90 days.

On 4/23/84, the IHCAC met with Mayor Feinstein and agreed to develop a proposal with the Mayor's office to be presented to Pan Magna. One week later, the IHCAC recommended that the City contribute another \$1.5 million to the project in exchange for an additional floor of housing. The project would thus yield 177 units, each 220 square feet, with individual bath and kitchen facilities, rents not to exceed 25% of SSI. Two days later, the Mayor accepted the recommendations of the IHCAC with the exception of the rent requirement. A meeting was arranged with Pan Magna for 5/10/84.

On June 9, 1984, a memorandum of understanding signaling agreement was signed by Pan Magna Corporation, the Mayor and the IHCAC. The agreement included the development of 140 housing units (120 singles @ 225 square feet and 20 doubles @ 325 square feet). Rent would be \$1/square foot/month for 40 years, with rent adjusted annually based on the consumer price index. Mayor Feinstein also agreed to allocate \$40,000 to subsidize rents so tenants would pay no more than 30% of their income for rent.

From that point, Pan Magna began the process of environmental impact review and engaged the architectural firm of Wong & Brocchini to develop design options. Because the Downtown Plan imposed a cap on office growth of 950,000 square feet, an exemption was sought for the project with the IHCAC support. IHCAC members appeared before the City Planning Commission in support of Pan Magna and a letter from the IHCAC was sent on August 8, 1985 to the Board of Supervisors supporting the amendment of the Downtown Plan to include Pan Magna. This amendment was introduced by Supervisor Nancy Walker. On September 10, 1985, the Board of Supervisors voted to exempt the Pan Magna project from the Downtown growth cap. Shortly thereafter, Pan Magna announced that Jeffrey Heller had been engaged as the project architect.

From 1985-1986, there was further development of the project proposal and negotiations between Pan Magna, the City and the IHCAC. Among the alternatives rejected by the IHCAC was one proposing "suites" to be shared by seniors. Mayor Feinstein called another meeting to discuss the latest proposal on 2/6/86. On 3/20/86, the IHCAC endorsed a proposal for 80 singles and 40 doubles. A draft Environmental Impact Review Report hearing was held on 5/1/86, at which the IHCAC testified in support of the project. Voicing opposition were the Chinatown Community Housing Corporation and Asian Neighborhood Design. In June, 1986, the IHCAC and City were notified that Pan Magna was withdrawing the project proposal pending re-evaluation of financial analysis. A meeting called by the Mayor with Pan Magna and the IHCAC 6/30/86 did not persuade Pan Magna to reconsider its position.

Portsmouth Square Garage Corporation

This proposal was to utilize the accumulated surplus of the Portsmouth Square Garage Corporation to acquire the I-Hotel site to expand parking and sell the air rights for the

development of low-income senior housing. It was determined to be infeasible because the surplus belonged to the Recreation and Park Department and was to be used first for the operation and maintenance of the existing garage and then the Recreation and Park Department.

Four Seas Investment Corporation Tax Credit Proposal – Pan Magna Plaza (1987)

Beginning in February 1987, the legal and tax consultant for Four Seas discussed the possibility of a project structured to take advantage of 1986 tax law changes.

The project proposal consisted of two sites: the I-Hotel site at Kearny and Jackson Streets, and the Columbus site located at Columbus and Washington Streets. A mixed use building to be developed on the I-Hotel site would include eight floors of low-income senior housing units totaling 126 units, three and one half levels each of retail and underground parking (146 self serve spaces and 31 valet). Ninety one housing units would be 250 square feet (single occupancy studios) and 35 units would be 325 square feet (double occupancy studios). Initial rents would be \$250 per month for singles, \$350 per month for doubles. Former I-Hotel tenants at the time of the final eviction notice would be given first priority for occupancy. Ownership of the retail and the parking would be separate from ownership of the housing. The Kearny Street Housing Corporation would become owner and operator of the housing parcel and a 6000 square feet community center at the base of residential tower. The City would loan \$3 million to KSHC for the housing, with interest accruing to be used to compensate for parking requirements of tenants.

The City, the IHCAC, KSHC would support Four Seas' effort to sell the tax credits for housing. As compensation for the development and transfer of the housing and air rights, Four Seas would receive \$3 million plus net proceeds from the sale of the credits.

On the Columbus site a mixed use building would be developed consisting of market rate residential and commercial space in keeping with the 1986 Memorandum of Agreement. However, no demolition would occur on this site until construction of the structural framework for the residential tower portion of the I-Hotel site was completed.

Incorporation of the IHCAC (1989)

The IHCAC agreed to incorporation as the Kearny Street Housing Corporation in May, 1989, as part of a proposal by Four Seas to develop low income housing by applying for State tax credits. At this time, the pro-bono legal services of Steven L. Phillips, Esq. of Morrison & Foerster were engaged by the group. Mr. Phillips provided legal services to the KSHC until June of 1996 at which time Joanne Sakai, Esq. began providing pro bono legal services to the KSHC until the end of 1999.

Revised Memorandum of Understanding

On December 22, 1989, a revised Memorandum of Understanding reflecting the above and other details was entered into by Mayor Art Agnos, Four Seas Investment

Corporation and the I-Hotel Citizens Advisory Committee. As part of this agreement, The City and the IHCAC conditionally consented to the assignment of the Developer's rights and obligations to 868 Associates, Inc. after due diligence investigation into 868 Associates, Inc.'s ability to carry out the Developer's responsibilities. Anastasia Oung was a principal of 868 Associates. During this time, Brad Paul was Mayor Art Agnos' Director of Housing and Joe LaTorre of MOH and Lois Scott of City Planning Department provided staff support.

868 Associates Proposed Amendments (1990)

The attorney for Four Seas and 868 Associates, Mr. Jack Wong, esq., on February 14, 1990 proposed to amend the MOU, first asking the City to place the \$3 million in escrow with interest accruing to the developer, then later proposing that the City's \$3 million be used on construction. The I-Hotel site was to be sold to 868 Associates and Four Seas would retain the Columbus site. The tax credits were jeopardized due to delay but 868 Associates proclaimed that it planned to proceed, with or without an extension related to the tax credits.

With the knowledge and consent of 868 Associates, the IHCAC initiated the process of designating the I-Hotel block as a redevelopment survey area as a back up plan should the current development proposal fall through.

On October 8, 1990, IHCAC agreed to work with 868 Associates and revise the MOU and Development Agreement to incorporate deadlines of September 1, 1991 for start of construction and December 31, 1993 for completion of construction. Other proposed amendments would be subject to further discussion and negotiation.

In February 1993, 868 Associates informed all parties that the project was not financially feasible and withdrew from participation.

Joint Project with St. Mary's Chinese Schools and Center (1994)

In July 1993, Fr. Daniel McCotter of the St. Mary's Chinese Schools and Center presented to the IHCAC a proposal for a joint project to develop the I-Hotel site. St. Mary's, as a result of the 1989 Loma Prieta earthquake, was forced to relocate from its building at the corner of Stockton and Clay Streets temporarily to the site of Our Lady of Guadalupe on Broadway and Mason Streets. It was in need of a permanent site.

In February 1994, the IHCAC approved a joint project with St. Mary's Chinese Schools and Center to construct a mixed use development on the I-Hotel site consisting of low-income senior housing, St. Mary's Chinese Schools and Center and an underground garage. Mercy Charities Housing proposed to apply for 202 funding for the housing portion of the project.

The IHCAC advocated that additional funding be allocated by Mayor Frank Jordan; Ted Dienstfrey was the Director of the Mayor's Office of Housing. Prior to the end of Mayor Jordan's tenure in 1996, an additional \$3 million was allocated to the International Hotel.

Land Purchase

St. Mary's worked to persuade the owners of the I-Hotel site to sell the property to the Roman Catholic Archdiocese at a discounted price. Fr. Daniel McCotter, Jerry Lee, esq., parishioner and Ralph Marchese, Archdiocese developer traveled to Thailand to meet with the owner. Pan Magna (the successor corporation of Four Seas Investment Corporation), the owner of the I-Hotel site, in exchange for selling the site at a discounted price, proposed a planned unit development to include the Columbus site for commercial development. This sale was concluded in 1998. Pan Magna retained ownership of Lots 4 and 5 (Columbo Building plus contiguous lot), and later sold these properties to the San Francisco Community College District.

In March 1994, the Kearny Street Housing Corporation (KSHC), the subsidiary non-profit of the IHCAC, selected the Chinese Community Housing Corporation (later named the Chinatown Community Development Center) to develop the housing. The Mayor's Office of Housing allocated \$8.7 million towards the new senior housing. Susie Wong of the Chinatown Community Development Center served as project manager.

In September 1994, the U.S. Department of Housing and Urban Development awarded \$7.6 million Section 202 loan for the development of 104 units of low-income senior housing and Section 8 subsidies for 20 years making the senior housing affordable. The International Hotel Senior Housing, Inc. was established in March 1995 as the single asset entity to own and operate the new International Hotel project.

In June of 1996, the Kearny Street Housing Corporation agreed to co-sponsor the project with the Chinatown Community Development Center. The IHSHI Board would be composed of four appointees of the Chinatown Community Development Center, four appointees of the Kearny Street Housing Corporation, and one individual jointly appointed by the two organizations.

From 1994-2003, various necessary agreements were negotiated between the Archdiocese and the International Hotel Senior Housing, Inc. These included agreements related to Options, Entitlements, purchase, construction funding and management and reciprocal easements. Allan E. Low, esq., of Luce, Forward, Hamilton & Scripps provided pro bono legal services and negotiated these agreements on behalf of the International Senior Housing, Inc. beginning in 1999. Under these agreements, the Archdiocese of San Francisco owned the land and air parcels for the garage and St. Mary's Chinese Schools and Center; the International Hotel Senior Housing, Inc. owned the air parcel for the housing. Mr. Low has continued to provide pro bono legal services to the present day to the Kearny Street Housing Corporation, the Chinatown Community Development Center and the International Senior Housing, Inc.

Mayor Willie Lewis Brown, Jr. attempted to mediate when agreement could not be reached between IHSHI and the Archdiocese. Marcia Rosen (Director), Joel Lipski, and later Teresa Yanga of the Mayor's Office of Housing provided tremendous support for the project and facilitated loans from the City to complete construction. This administration identified \$14 million (including the funding that had been allocated by

previous administrations) for the project, in addition to a \$2.6 million bridge loan while private fundraising was in process.

The Chinatown Community Development Center committed to raising \$2 million also towards the cost of construction.

Also during this period, many discussions were held with individuals who were active in the history of the I-Hotel and the fight against eviction. These individuals established the Manilatown Heritage Foundation whose mission is “to preserve and foster the rich cultural traditions of San Francisco’s Filipino community; to document its history and continuing contributions, and to promote community building and empowerment – all within an environment that encourages and facilitates intergenerational participation.”(*Manilatown Heritage Foundation Business Plan, dated September 1, 2005*). Through an operating agreement with the International Hotel Senior Housing, Inc. the MHF Manilatown Center on the street level of the new International Hotel would provide programming to residents and community.

San Francisco Foundation Grant

In 1996, the Kearny Street Housing Corporation applied for and received a \$15,000 grant from the San Francisco Foundation to build capacity and assist the work of the KSHC to ensure resident participation in developing subsidized senior housing at the former site of the International Hotel. With this grant, outreach was made to the Filipino and Chinese communities informing them of the project, eliciting input into the design and notifying them of important hearings being held on the project. In addition, a senior service plan was developed and updated in 2004. After a number of extensions of the grant funding period due to delays in completing the development and construction of the project, the grant funded project was completed in 2004.

Lawsuit

In November 1997, Aaron Peskin and Arthur Chang on behalf of the Friends of the Columbo Building filed a Petition for Writ of Mandamus against the San Francisco Community College District (new owners of lots 4 and 5 which included the Columbo Building) and Real parties in Interest including the U.S. Department of Housing and Urban Development, Pan Magna Group, the Archdiocese of San Francisco, Chinese Community Housing Corporation, Kearny Street Housing Corporation, Marchese Company, St. Mary’s Chinese Catholic Center, Chinatown Senior Housing Limited Partnership, and Community Economics. The petitioners sought to compel the respondents to conduct an investigation and prepare an Environmental Impact Report in connection with development plans on the property, sought to enjoin the demolition of the Colombo Building. This lawsuit was settled in 1999.

Construction and Opening of the International Hotel Senior Housing, Inc.

Construction of the garage and podium began in 2002. Groundbreaking for the Housing and School took place July 1, 2003. Shortly thereafter, construction on the housing

began. On August 26, 2005, the new International Hotel Senior Housing Project officially opened with 104 senior rent subsidized housing units and a resident manager's unit.

Approximately 8,000 applications were received for the 104 units of housing. A lottery was held with preferences given first to former tenants of the I-Hotel, then those living in substandard or overcrowded housing and veterans. Fourteen (14) applicants claimed to be former tenants.

Also in August 2006, HUD approved the name of the Manilatown Center.

The Permission to Occupy was received from HUD on October 6, 2005. By August 2006, the building was fully occupied.

The final total cost of the new International Hotel was almost \$29 million for construction and soft costs, and \$765,000 for the purchase of air rights. The U.S. Department of Housing and Urban Development provided a 202 capital advance of approximately \$11 million. The City of San Francisco Hotel Tax Fund provided loans of \$8.7 million and \$2.9 million, and the City's Mayor's Office of Housing Home Investment Partnerships Program provided a loan of almost \$6 million.

Conclusion

This account is but one part of the story of the International Hotel and its resurrection. Credit must be given to the many tenants, activists and supporters who fought eviction, to the City and community leaders who remembered and tried to remedy an unjust situation, to the Chinatown Community Development Center for its development and co-sponsorship role, and to the members of the Citizens Advisory Committee who fought and labored for almost three decades to bring back housing and the former tenants to the site. The demolition of the International Hotel in 1979 took but a few months; the reconstruction took 28 years to complete. Only with the financial backing of the City and County of San Francisco through five Mayors, and the support of their staffs, and the assistance of the U.S. Department of Housing and Urban Development was the rebuilding of the International Hotel possible. The building will provide affordable housing to low-income seniors for many, many years to come, outlasting those who have struggled throughout this process for a positive outcome. It will also be a reminder of the Filipino community in San Francisco's history that was almost destroyed to make way for an expanding downtown/financial district, and the monumental effort put forth by many to stop its destruction and to rebuild part of what was lost.

This document was prepared by Linda Wang on behalf of the International Hotel Citizens Advisory Committee. It was completed in early May 2008.