

At Parkmerced, rent control fears are all in the mind

Politics can make strange bedfellows. So in their continuing opposition to the overdue redevelopment of Parkmerced, San Francisco's most ardent rent-control supporters have settled in alongside ideological polar opposites like presidential "birthers" and climate-change deniers: People who have ceased to be persuadable by facts, who have retreated entirely to the comforting affirmation of their own imaginations.

Rent control has been economically discredited as a concept virtually everywhere — and repealed as a policy in many places. But it remains an article of near-religious faith among the San Francisco left as the only bulwark against that civic stock villain, the evil landlord. So Stellar Management and Fortress Investment Group were under no illusions about what would be needed to go forward with their proposed \$1.2 billion redevelopment of Parkmerced, the huge 1950s relic perched on the southwestern edge of San Francisco. They would be required to put in place legally enforceable commitments to preserve rent control on the 1,500 outdated townhouses the developers wanted to tear down and replace.

By the time their project reached a vote at the San Francisco Board of Supervisors, rent control was safeguarded — in triplicate. First, the city attorney's office identified an existing local statute which plainly and clearly extends rent control onto such replacement units. Second, various clauses in the development agreement bind not only the current developers, but anyone who might buy or assume the project, to maintaining rent control on all replacement units.

And finally, an independent assessment set the value of rent control to Parkmerced tenants at \$160 million: If, in some unforeseen circumstance, some future court was to strike down the agreements' rent-control provisions, but leave in place the development rights, the developer would have to pay that amount — plus 20 percent — so that the city could use vouchers to replicate the benefits of lifetime rent control for each and every affected Parkmerced tenant.

Problem solved, facts now clear?

Not, unfortunately, to San Francisco tenant activists, though their reasons for continued opposition were reduced to the theory that Something Might Happen: Something, some improbable chain of unpredictable events might transpire at some indeterminate point in the future so as to invalidate rent control at Parkmerced.

You may recall the doctrine of Something Might Happen was used to argue against a similar rent-control-replacement deal with tenant *bête noire* Angelo Sangiacomo in 2007. All that happened was exactly what was specified in the development agreement: The replacement of rent-controlled apartments with rent-controlled apartments.

No matter. Something Might (still) Happen at Parkmerced. So better, in the view of tenant activists, to preclude that possibility — however slight, however much it might exist solely in their imaginations — by rejecting the whole thing. Better to leave Parkmerced trapped in its outdated vision of a suburban San Francisco than allow it to emerge into the 21st century. Better to forfeit hundreds of millions of dollars in tax revenue for the city. Better to lose an opportunity to add 5,700 apartments to the rental housing stock.

Better for them, perhaps. Not better for anyone else.

That's their problem. But it's ours that such ungrounded conjecture won the support of five supervisors — just one short of torpedoing the whole enterprise. Tenant activists have the luxury of preferring imagination to facts. We have the right to expect better from our elected leaders. ■