

The Embarcadero Triangle

Delancey Street project: 'a touch of excellence'

By Bradley Inman
SPECIAL TO THE EXAMINER

MIMI SILBERT acts like a builder: She's pushy and sometimes crude; she's a woman with a plan. Taking risks comes easy for this 48-year-old deal maker.

A cross between comedian Martin Short and actress Jane Fonda, the 5-foot-tall powerhouse knows, with someone else's money, how to turn raw land into a \$50 million award-winning real estate prize.

Even her self-characterization as a person with "a tough belly and a crazed vision" is something you might hear at a building industry association meeting in Antioch.

Silbert heads up the Delancey Street Foundation drug rehabilitation center, which just completed the 171-unit Embarcadero Triangle on the SOMA waterfront. On the Embarcadero at the foot of Brannan and First streets, the project is the home for 350 Delancey residents — former convicts and drug abusers — who built the 3-acre development themselves. They pay no rent to stay in the two-bedroom units that have no kitchens and no locks on the doors. If sold as condos, the units would fetch more than \$350,000 each.

Many of the unsuccessful real estate deals in the 1980s were conceived, managed and financed by young MBAs who were motivated and fascinated by the "deal" but never understood what that really meant.

The folks at Delancey proved once again that the best real estate deals come from a vision and a missionary zeal that have nothing whatsoever to do with spread sheets and amortization schedules.

In June, the reddish four-story complex with its Italian style won the Special Judges Award from the Pacific Coast Builders Conference for innovative architecture. Designed by the San Francisco architecture firm of Backen, Arrigoni and Ross, "the project illustrated a special touch of excellence," according to the PCBC jury.

The project also includes 60,000 square feet of retail space.

Prospective renters seeking an apartment in one of several neighboring rental complexes in the South Beach redevelopment area often mistakenly come to the guarded gates of Delancey looking for a leasing office, said long-time Delancey resident Abe Irizarry.

"It's because we have the nicest development in the area," said Irizarry who served as a construction supervisor on the Triangle.

Until the Triangle project, Irizarry said his "only construction experience was filling cracks with cement in the handball court at San Quentin prison."

'Some sort of magic'

Founded in 1971 by Silbert and the late John Maher, Delancey is named after New York's Lower East Side where immigrants at the turn of the century banded together to support each other for survival.

The philosophy at Delancey centers around self-reliance and struggle. After visiting Embarcadero Triangle, I was left with two thoughts — either these values have unlimited capacity to overcome obstacles, or Delancey is blessed with some sort of magic that accounts for its success as a developer.

I have heard countless do-gooder groups and even well-qualified private developers talk about their plans to build real estate projects half the size of Delancey. Most of them never move off the drawing boards.

The Triangle project was built by ex-felons who had very little if any building experience, and it was started with no construction financing. Nevertheless, it turned out to be the largest and most splendid sweat-equity, owner-built project that I have ever seen or heard about. The craftsmanship is found throughout the development — from the window boxes to the stained-glass windows to the hand-built railings.

"This is our neighborhood and our home; it's not a program or a housing project," said Silbert. "The whole idea of Delancey is to pull people up and this (project) has become a physical representation of that credo," said Silbert.

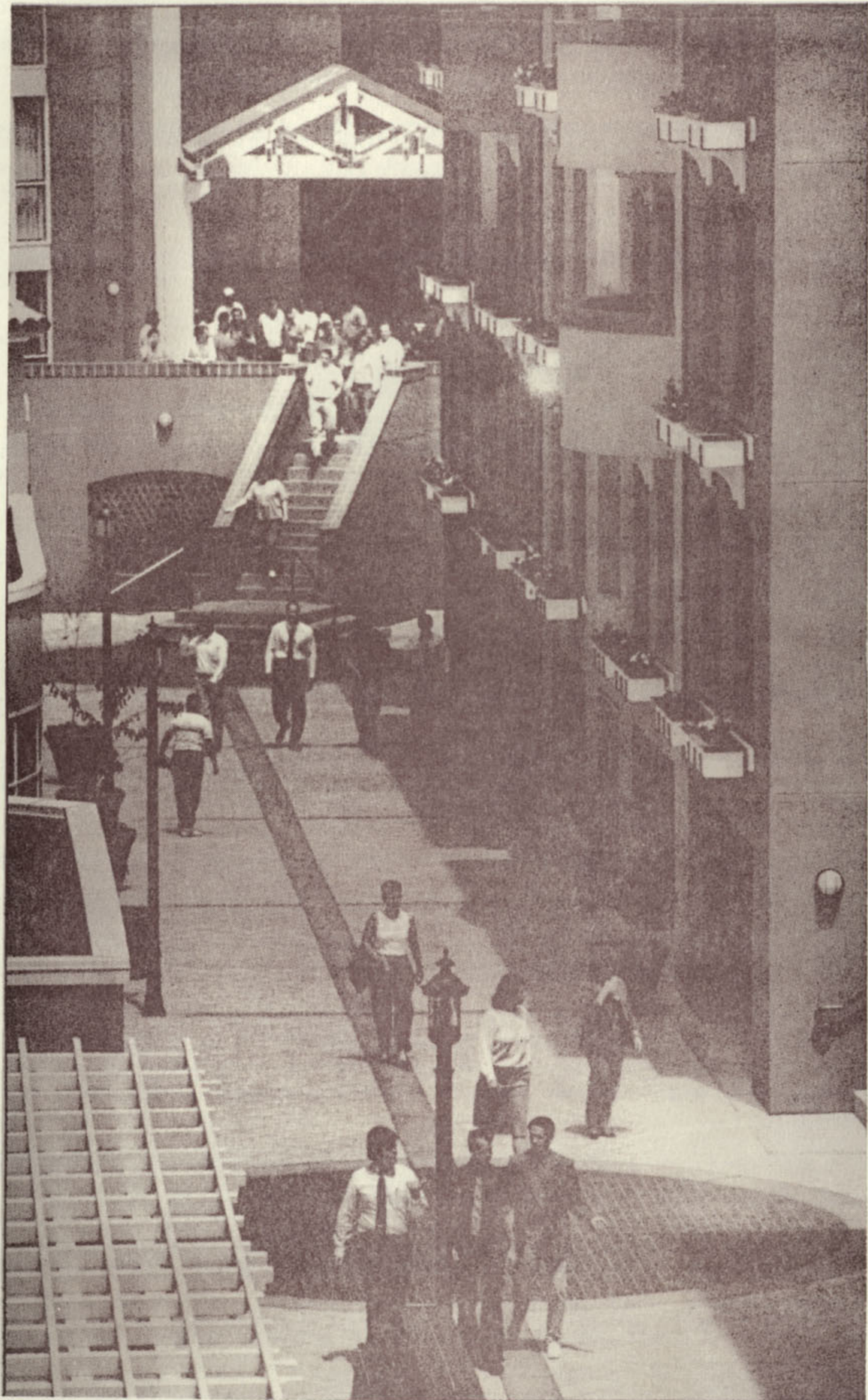
In the end, successful developers are adept organizers, which explains Silbert's success. More than 3,000 businesses and individuals donated time, money and materials to the project. More than \$15 million in labor costs were saved from donated labor by the residents.

From start to finish, the Triangle project took three years, which was longer than a conventional project. Equity to begin the project came from the sale of a Delancey building in the Richmond neighborhood, which had appreciated handsomely over the years.

The land is on a long-term lease from The City and Bank of America provided both construction and mortgage financing. However, Silbert is determined to pay off the loan and convinced bank executives not to secure the loan with the property.

"Leverage is for rich people, this is poor people's mentality," said Silbert. "We worked for it and we want to own it," she said.

Delancey also overcame the challenges of getting approval to build. State legislation had to be passed that exempted the project from tidelands rules that prevented development on the site. The land was also targeted for a ballpark, which delayed approval.



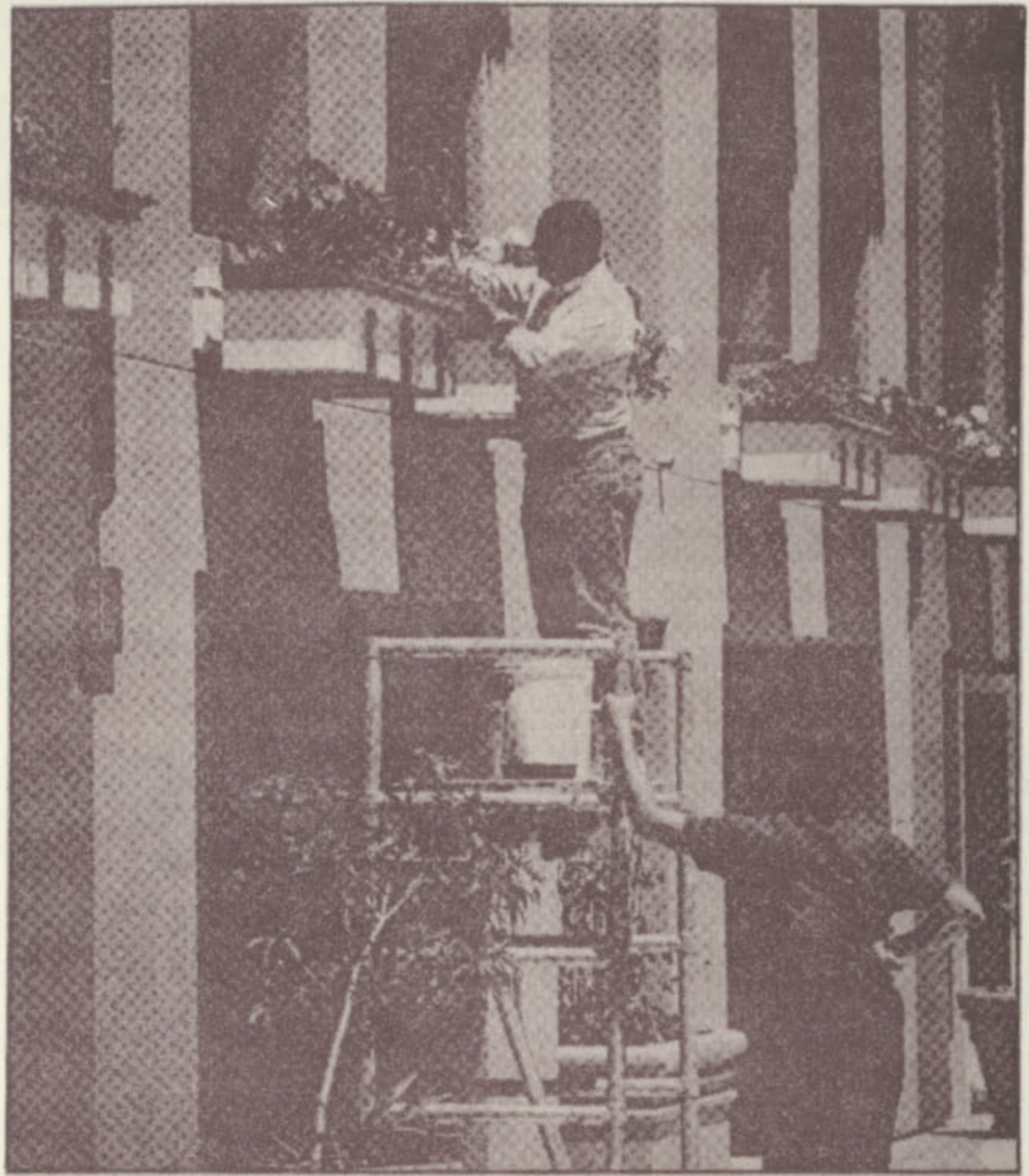
EXAMINER/CRAIG LEE

On the Embarcadero at the foot of Brannan and First streets, the Embarcadero Triangle is the home for 350 Delancey Street Foundation residents, who built the 3-acre development themselves.

When nearby property owners were first contacted about the plans, they objected because they thought it would hurt their ability to rent their new upscale apartments. But Silbert said, "We were the cleanest neighbors that they could have: We're drug free, crime free and alcohol free, what more could they want."

On My Livable and Sensible Scale:

Embarcadero Triangle added a spirit to South Beach that can't be matched.



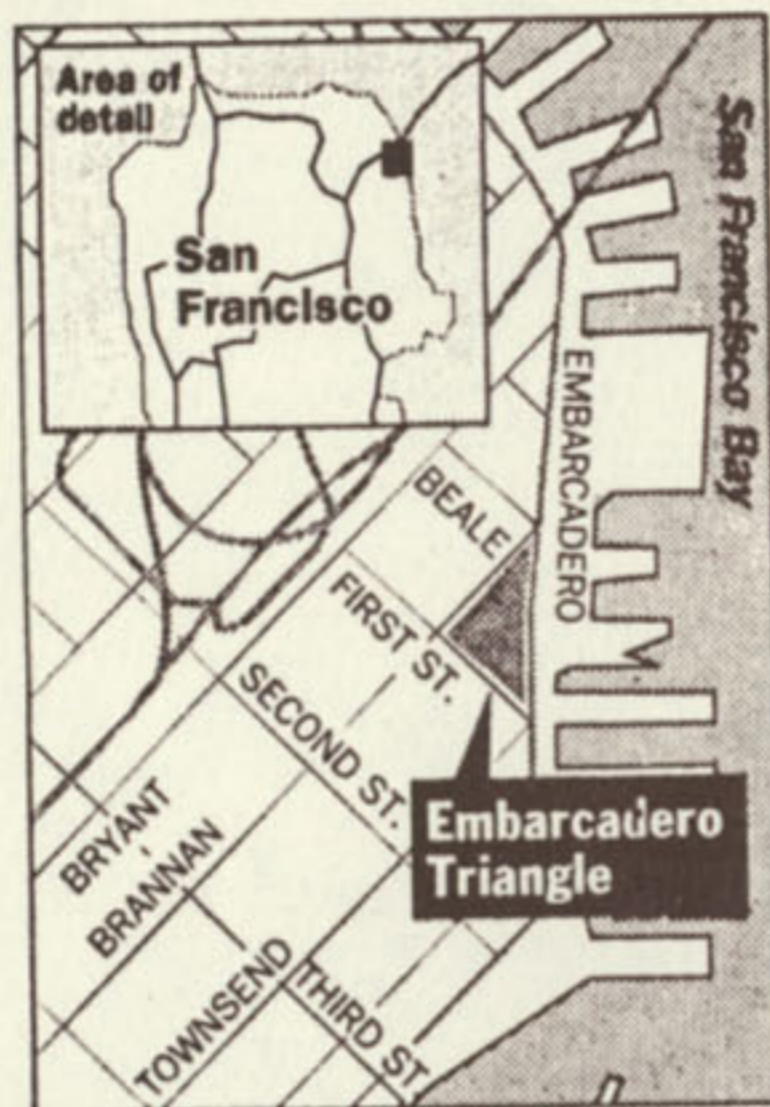
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EXAMINER PHOTOS BY CRAIG LEE

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EMBARCADERO TRIANGLE



► **EATS:** Owned and operated by the Delancey Street Foundation, the Delancey Street restaurant will open next

month. The menu will be ethnic American.

► **LEASING:** Leasing up the retail space has been a challenge for the foundation. Silbert is currently working on a plan with "San Francisco firms that have succeeded nationally," such as the Gap and Williams-Sonoma, to open shops in the Triangle.

► **OWNERS:** Embarcadero Triangle is owned by the Delancey Street Foundation, which is organized as a 501-C3 non-profit and is controlled by the residents.

► **FEATURES:** The project includes courtyards with interior stores and services such as a cleaners, bookstore and sundry shop. They serve only the residents but don't cost anything to use. There are expansive dining facilities, a state of the art film screening room and a town hall meeting center.