

V.F. NORTH BEACH

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NORTH BEACH ON THE BLOCK

Who's Playing Monopoly with San Francisco's Favorite Neighborhood?

THE BUYING AND SELLING OF NORTH BEACH

Who's Rearranging the Face of San Francisco's Favorite Neighborhood?

BY CAMILLE PERI

When my grandmother came to San Francisco in 1894, she lived two blocks from where I do now, in the heart of North Beach. Along Grant Street—in those days, known as Dupont—there were twenty liquor and grocery stores displaying clusters of sausages and spaghetti hung in long golden cords. Dozens of sidewalk vendors peddled fruit and vegetables along the street and up Telegraph Hill. The Italians had inherited the backwater flats and old sea captains' cottages on the lower slopes after the Irish longshoremen and dock workers moved on to the Mission District and Bernal Heights. Above those they crowded into squatters' huts and shanties angled so sharply on the cliffs that wooden ladders served as the sidewalks between them.

Every day her father took his fishing boat out into the Bay, but the rest of the family rarely ventured from the community bounded on the south by Chinatown and on the north by Little Mexico. Before the earthquake, my grandmother would later tell me, many Italians who were born and raised in the neighborhood never even saw the other side of Russian Hill until they followed Union Street over to the Presidio for shelter. Though Italian children straying near the borders of Chinatown sometimes made a game of stealing up behind Chinese men to tug on their queues, for the most part they were instructed to stay away from them for fear they would be shanghaied to China.

Eventually my family joined the migration to the suburbs, returning only for baptisms, weddings and funerals, until some of the children, like me, came back. My North

Beach is not my grandmother's, but for me there's a sense of continuity in knowing that part of her life is still here for me.

A few years ago, a volley of news stories began signaling the end of that kind of continuity. Long-time family businesses were suddenly being forced out by a North Beach rent explosion: 63-year-old Gloria Sausage Factory and Deli up from \$3000 to \$6000 a month, Caffè Malvina from \$1400 to \$5000, Rossi Pharmacy from \$2700 to \$4000. Meanwhile, tenants were losing their homes as developers converted the dwellings to offices.

Change has always been part of North Beach's history, but two surveys last year concluded that the pace and nature of the current change is unprecedented. A report prepared for the San Francisco Planning Department by independent researcher Jim Stephens found a tenth of the neighborhood's storefronts were vacant, double the number of three years before. Yet even as vacancies increased, rents continued to rise. A second study by San Francisco State's Public Research Institute painted a dreary picture of a neighborhood that would all but vanish by 1990, with nearly 40 percent of the businesses currently in the neighborhood gone.

"The problem is that the market is not natural," says Supervisor Harry Britt. "You have extraordinary economic pressures coming out of downtown and a big industry of real-estate lawyers who are speculating and getting tax write-offs and creating a new kind of future for this city."

"North Beach has always changed, every wave of immigrants has left its imprint on North Beach. But what's happening now is not that kind of history, it's a lack of respect for that history. If we lose North Beach, we've lost an irreplaceable part of the city."

Preserving North Beach, according to Britt and Supervisor Nancy Walker, does

not just mean clinging to the Italian flavor but saving the intangibles that make it a desirable neighborhood to live in. When cafes start asking people to leave as soon as they've finished their coffee, says Brad Paul, director of the North of Market Planning Coalition and a North Beach resident, "the neighborhood starts catering to the tourist rather than to people in the neighborhood who use the cafes as a place to hang out, write, meet their friends."

The balance of income levels and ethnic groups—"aesthetic disarray," as one resident puts it—that rising rents threatens to destroy is the very quality that has traditionally drawn people to North Beach. When writer and editor Marian May came to the neighborhood just after World War II, it was one of the only places she could afford. As late as 1940, the rents were the cheapest in the city. May paid \$37 a month for a studio apartment with a scenic view at the top of Telegraph Hill.

"North Beach is probably where I learned to cook," she recalls. "You couldn't go into a market and not get the advice of the whole family. It's where I first saw Italian vegetables—fenocho, green Sicilian cauliflower." During opera season, she remembers the women in the blue-collar households on the Montgomery slope singing back and forth between their kitchens as they reeled in the laundry.

"It was an exciting time to be in North Beach. It was very much the arty place to live. I can remember the pay-the-rent parties. You'd be invited to an apartment, usually with no furniture, and musicians would play and everyone would throw in a buck to help out."

Patsy Chan was born in Chinatown, but her family moved to North Beach when Asians "were allowed to cross Columbus" in the 1950s. "The flavors, the smells are still



THE OLD AND NEW FACES OF NORTH BEACH: CAFFÈ TRIESTE (ABOVE) AND A NEW COOKIE FRANCHISE.



PHOTOGRAPHS BY JOHN HARDING



NEIGHBORHOOD ACTIVISTS SAY THAT NORTH BEACH INSTITUTIONS LIKE THESE HAVE BECOME AN ENDANGERED SPECIES.

automatic," she says. "The baker would hand you rolls on your way to school. I laugh at how people are just now discovering fresh pasta."

The Filbert steps were Chan's playground. "And I knew when it was safe to play in Washington Square and when it wasn't. In the schoolyard it was Chinatown on one side, the Italians on another, the kids from the projects somewhere else. But what you did at school didn't necessarily reflect the balance in the neighborhood. My mother would yell to Mrs. Fiorucci over the back fence—Mrs. Fiorucci would give her a handful of fresh basil, and my mother would bring back something special for her from Chinatown."

"I don't want to live anywhere else," says Chan, who now co-owns Departments, a boutique on Grant Street.

But many long-time North Beach residents are finding it increasingly difficult to stay in the neighborhood, despite the city's residential rent control laws. "Rehabilitation has become a big thing," says housing attorney Jim Faye. "They clear a building out to get it fixed up. Even though they're obligated to rent to the former tenants, most don't come back once they move or can't afford the new rent. Or an owner claims they have a relative who wants to move in." In owner-occupied buildings of four units or less, a tenant is not even protected by rent control.

Many North Beach residents also find it hard to hang on in a neighborhood where familiar stores—unprotected by the city's rent control laws—keep disappearing. "Even if their rent stays cheap, it becomes impossible for low- and middle-income people to live here if they can't find places to shop," says Brad Paul.

While moratoriums on new savings-and-loan franchises and fast-food chains have helped slow galloping commercial rents, existing businesses still have little protection. Merchants can be slapped with whopping rent hikes and forced to vacate the premises in 30 days if they can't afford to pay; negotiations are at the whim of the landlord. "They give you an offer, then you give them one, then they give the final one," says Victoria Pastry co-owner Renzo Larezzo. "It's no more than that."

The Public Research Institute found that nearly three-quarters of the neighborhood merchants it surveyed supported some form of rent control, a surprisingly high number that indicates "how burdened [and] anxious . . . many North Beach merchants are." Yet the only concrete measure in the works is a proposal before the Board of Supervisors that would require landlords to give nine months notice before a rent raise or eviction. Even this modest measure, Britt says, is facing a fight.

"The sleaziest part of San Francisco, and the face we see increasingly, is the politics of development and real estate," says Herb Chao Gunther, director of Public Media Center, whose offices are in North Beach. "Everybody stands in the right place around AIDS research, everybody's for minorities getting ahead—as long as you lay off developers and don't limit the size of office buildings and let people make a quick buck. That's what San Francisco has unfortunately become."

Real-estate management consultant Tom Gille estimates that only 10 percent of North Beach's landlords can be accused of exploitation. Some, in fact, have resisted market pressures and kept their rents lower than what they could get, out of loyalty to their tenants. But, more often, the neighborhood buzzes with sad tales. One North Beach merchant says his clothes store may be forced out of the neighborhood, where it has been for three decades, because his rent has been jacked up 65 percent twice in the last four years. "We just can't afford it," he sighs. "We're not the Gap, with stores on every corner. We're not trying to make a killing, just a living."

Some of the rent "gouging" has come from surprising sources. The Intersection Theater, North Beach's only arts institution, was abruptly ousted from its Union Street building and forced to relocate in the Mission when its landlord, the United Methodist Church, demanded a 400 percent rent hike, from \$800 a month to \$4000. A spokesman for the church said at the time that the higher rent was "comparable for that area." Roberto Bedoya, the theater's literary director, recalls, "We tried to negotiate but they were pretty adamant. San Francisco usually

treats its community arts better, but it turned out to be the right move. The artists moved out of North Beach a long time ago."

As rents rise in North Beach, so do neighborhood tensions. "After we picketed outside Gloria's to protest the landlord's rent hike," says Marsha Garland of the Telegraph Hill Dwellers Association, "I heard another of my favorite merchants was threatened with a substantial rent increase, so I went in and asked what we could do to help. He said, 'Get out. I don't want to talk to you about it because you picketed Gloria's and now the landlords are so scared they'll have commercial rent control, they're immediately jacking up rents to protect themselves.' I was shocked. After ten or twelve years of patronage and a really good relationship, now he doesn't want to speak to me anymore."

A single landlord with a key property has the power to transform a whole area. That's what happened recently on the block of Grant between Green and Union. In 1983, J. Brad Lampley bought two buildings for \$2.6 million from Freddie Kuh, who used to operate the Old Spaghetti Factory in one of them. Over the next three years, Lampley evicted seven of the the buildings' residential tenants, including long-term residents with the cheapest rents. Then the commercial tenants started leaving or being forced out, depending on whom you talk to. Only three of nine businesses remain—the Savoy-Tivoli, the Shlock Shop and East-West Leather—all of which had signed leases with Kuh.

Lampley says he evicted the residential tenants because they were bad tenants, not to make more money off the buildings, but as they left, he substantially raised the rents. Lampley recently sold the two buildings for \$6.1 million—more than twice what he paid for them three years earlier.

For better or worse, Lampley changed a chunk of North Beach forever. Meet four other landlords who are making an indelible imprint on the neighborhood. They say that they are simply playing by the rules of the volatile real-estate market. But tenants and community groups charge that their actions typify the growing disregard for the neighborhood that is threatening to make North Beach one more interchangeable commercial center. In the words of one angry neighbor-

hood activist, these four landlords are "the kind that cause problems for other landlords."

Six years ago, what was once a pleasant apartment building on the corner of Montgomery and Broadway became a bitter combat zone between the low- and middle-income people who lived there and a group of developers known as 1000 Montgomery Associates, who wanted to convert the apartments into offices. In the end both sides lost. The building's tenants—a mix of Asians, Italians, and Hispanics, including elderly people on fixed incomes who were long-time North Beach residents—are now scattered throughout the Bay Area. And, except for an oyster bar on the ground floor, the building remains empty. The 1000 Montgomery fiasco, declared Assemblyman Art Agnos, is "a brutal example of the disintegration of a neighborhood and the city's middle class."

Thomas LaLanne, a general partner and spokesman for 1000 Montgomery Associates, sees it differently. The conversion attempt, in his eyes, was part of an inexorable business migration from the Financial District. LaLanne, who grew up in San Francisco, remembers the old North Beach with affection. He recalls walking through the neighborhood with his father, who owned a marine business near Fisherman's Wharf. "It was all Italian then. I can remember him taking me into the old restaurants and bars and meeting people—it was a real neat social, cultural place."

But as an adult and investor, LaLanne

sees it with different eyes. Like many developers, he views Broadway as separate from North Beach, a street in transition. The tumultuous transition of 1000 Montgomery began in 1981 after the building ping-ponged between different owners, finally ending up in the hands of LaLanne's group, which paid \$892,000 for it. When he first started looking at 1000 Montgomery, LaLanne says, "I saw a building in great need of repair, it was damn near falling down. I saw a neighborhood that was moving toward office use, from this block down." What he didn't see, according to former tenants, was a residential community that had existed almost since he was born.

Frances Brandolino had a lot to do with the creation of that community. A North Beach resident for 35 years, she had lived in and managed the building with her husband, Fred, for almost as long. It was a kind of extended-family living quarters, with sometimes two generations living upstairs or across the hall from each other, as did Frances and her mother, Mary Ghirardini. "I had built a place where the elderly still had pride but also had a member of the family there to help," says Brandolino. "My mother could still shop, go to church, do things on her own."

Both LaLanne and his partner, developer Richard Mitchell, who was interviewed separately by phone, insist they would never have disrupted the community if the tenants hadn't told them prior to the sale that they were willing to move. The Brandolinos say they didn't see either man until after the sale,

when Mitchell announced that the group was converting the building to offices and asked Fred to tell the tenants he would move them and help them find new homes. At about that time Fred was offered a salary in addition to the free rent he had received as manager.

Soon after, he was fired. Here partners Mitchell and LaLanne start telling it differently. Says Mitchell, "We paid him a small amount to continue sweeping the porch and make sure the lights were on, but then we stopped because I had a guy on the construction crew who could do it." According to LaLanne, it was because "we found out Fred had been lying to us" about the tenants' agreement to vacate. Fred says, "They started paying me to ask people to move—in other words they were paying me to try to get people out. I couldn't get results, so they fired me and started charging me rent."

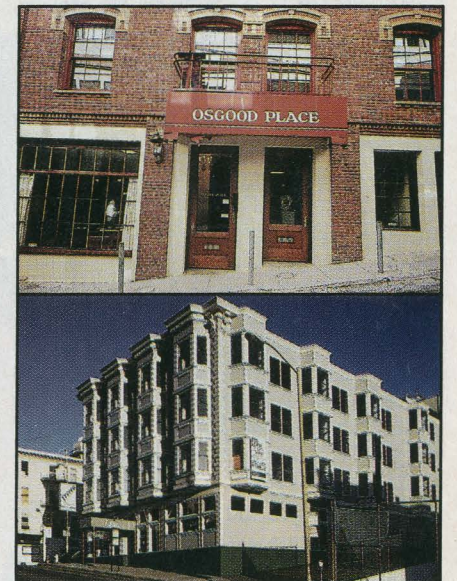
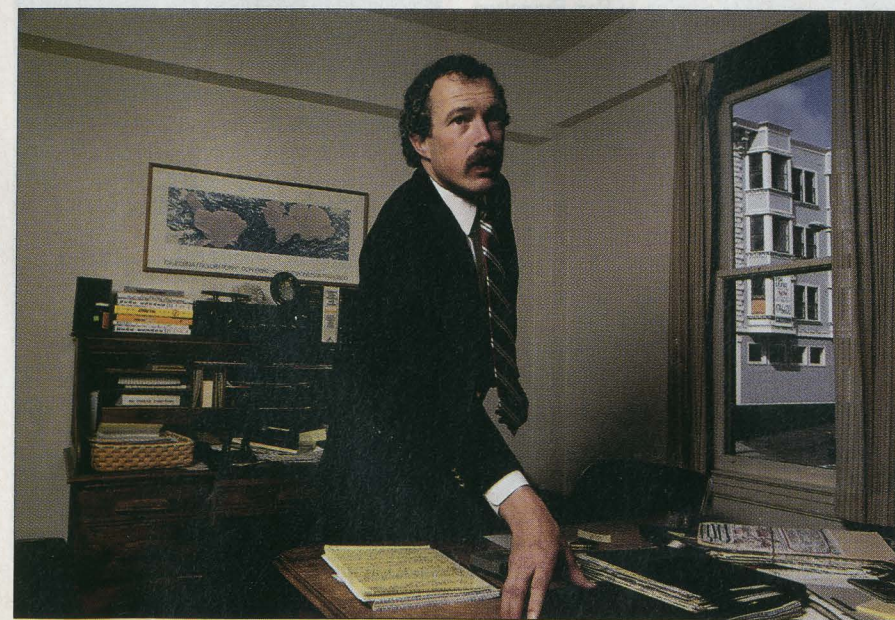
In Mitchell's eyes, the tenants then became pawns in a political struggle, worked into hysteria by experienced community organizers. "I'm a kid of the '60s," he says. "I worked on antipoverty programs, and the same techniques were used—all the fervor and emotion, Tom and I, the big developers, against these oppressed people."

For the next two years, the battle raged in San Francisco Planning Commission hearing rooms, municipal courtrooms and the hallways of the building, getting dirtier as it dragged on. According to tenant accounts, electricity was cut off, maintenance was terminated and construction debris littered the hallways. (Mitchell denies the charges.) LaLanne says the tenants picketed his San Francisco home and that Mitchell received an anonymous kidnap threat against his child.

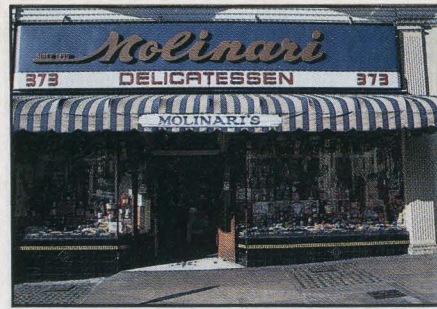
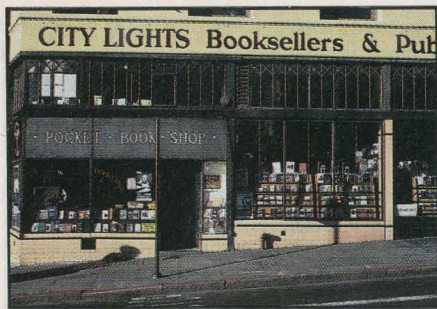
By July of 1983, the developers' patience was running out. "These people [the tenants]," a frustrated LaLanne told the *Examiner* at the time, "seem to feel they have the

These (tenants)," said LaLanne, "seem to feel they have a right to control their destinies. They've never had any of the difficulties associated with owning something."

DEVELOPER THOMAS LALANNE.



BUILDINGS IN TRANSITION: 1000 MONTGOMERY AND 41 OSGOOD.



PRESERVING NORTH BEACH DOES NOT JUST MEAN CLINGING TO THE ITALIAN FLAVOR, BUT SAVING INTANGIBLES.

right to control their destinies. They've never had any of the difficulties associated with owning something." Though the tenants had not moved out, the developers decided to move in their construction crew, which began tearing down walls and punching out windows. LaLanne says they had a permit to begin the renovation, but city Planning Director Dean Macris says they were supposed to relocate the tenants first. Columnist Warren Hinckle reported visiting the building on the day the construction crew came through 64-year-old tenant Christina Luna's kitchen wall with a crowbar. The developers deny Hinckle's report. "Warren's story wasn't very good without a pickax coming through the wall," says LaLanne. "All I can say is somebody was telling a big lie, and I think it was Warren." Hinckle sticks by his story: "I was there when it happened, I saw it—they ripped the place down around those people, there was dust everywhere."

Two years later, the roof caved in on the developers themselves, when they ran out of money. American Savings and Loan foreclosed and took over the ill-starred building. The developers had agreed to give lifetime leases in the building to four elderly tenants, build replacement housing for the others and give twelve of them a total of \$225,000. But by the time the project collapsed, there were no tenants left in the building, the replacement housing was nonexistent and, according to tenants' attorney Steven Schectman, only \$125,000 had been paid to his clients.

The developers might have avoided this disaster had they accepted a 1982 offer by the Chinese Community Housing Corporation to put together financing for the tenants to buy the building. Paul Wartelle, another lawyer who represented the tenants, remembers, "LaLanne kept saying, 'Look, I'm going broke, I'm just a little guy,' so we said, 'You don't have to go broke. There's an investor, us, waiting in the wings to take this off your hands and assure that you don't lose money—in fact you'll make some money.' But he was interested in substantial speculative gain."

Both LaLanne and Mitchell call the offer a sham. LaLanne says it was "so full of crap, even the Planning Commission people and the Board of Permit Appeals said there was nothing there that showed they had the

ability to finance it." But Planning Director Macris and Bill Witte, director of Mayor Feinstein's Office of Housing and Economic Development—who presented the offer on behalf of the nonprofit agency and the tenants—say that LaLanne simply had no intention to sell.

In the end, according to the developers, 1000 Montgomery Associates lost half a million dollars on the project. The tenants' loss is harder to calculate. Frances Brandolino says she still deeply regrets that she could not spare her mother and the building's other elderly tenants the hardship of moving. Three weeks after she moved, Mary Ghirardini, Brandolino's 97-year-old mother, suffered a massive stroke; three months later she died. "It was such a rude awakening to find out we had nowhere to go," says Brandolino. "But the people who own the property own the neighborhood."

LaLanne and his partners are not the only landlords in the thick of North Beach's conversion controversy. Ironically, LaLanne's office is in a three-story red brick building at 369 Broadway that the city charges was illegally converted by its owner, lawyer Ron Hothem. Tall, pale, almost prim in manner, Hothem does not come off as the hard-nosed trial attorney who built a lucrative law practice defending Fibreboard Corporation in thousands of asbestos cases. Since coming to San Francisco in the 1960s, he has also built a substantial real-estate empire assessed at \$1.9 million.

Hothem concedes that he got into the real-estate business to make money, but he also talks of a higher purpose: to save office workers from the concrete jungle and to rescue Broadway from its trashy decline by building cozy, airy offices along the boulevard he calls a "gateway to the city." Hothem's vision, however, conflicts with the measures established by city planners to prevent North Beach from becoming an extension of the Financial District. Ironically, the very qualities that make North Beach attractive to developers like Hothem—the low rent, diversity and character—are the ones this vision threatens to destroy.

"Ron is a real yuppie," says an associate. "He hates nightclubs, hates what he calls the 'sleaze' of Broadway. He thinks sooner or later the economic conditions of Broadway

will determine the kinds of businesses that go in there. He wants offices on all sides, although he says there should be a mix."

Hothem had a hand in converting four buildings in the Broadway area to office use. The building at 369 Broadway, where Hothem too maintains his office, was classified as a residential hotel when he bought it in 1981, but Hothem says it was being used as an office. Asked if he knew that it was officially listed under the city's building code as a hotel, he smiles: "Well, how do they say it? If it walks like a duck and talks like a duck and smells like a duck and eats like a duck, it is a duck. The same is true of the building. If it's always been used as an office building, back into the 1960s, then it's that way and there's no loss of residential space."

The Department of Public Works didn't buy the metaphor. In 1982, Hothem appeared at a department hearing after he was cited for failing to obtain a building permit for the conversion. Hothem presented declarations from a former tenant and owner of the building saying that it had been used exclusively as commercial space as far back as 1971. But records submitted from the DPW files indicated that it had been classified continuously as a hotel since 1966 and that a permit of occupancy authorizing its operation as a hotel was issued to Hothem in March, 1981. At the hearing, Hothem said he was told the permit had been issued solely for tax purposes.

The DPW denied Hothem a permit and retained the building's classification as a residential hotel. Hothem appealed the case to superior court and won. The city in turn has contested that decision in appellate court, citing the fact that Hothem failed to produce pertinent evidence.

Hothem says that he likes preserving old things—it distresses him to see vintage buildings in disrepair or defaced with graffiti. Yet tenants of two legendary brick buildings at 41 and 55 Osgood Place say there was little evidence of this respect for architectural history when Hothem entered the picture in the early 1980s. The adjoining buildings, which date from 1907, are virtual North Beach time capsules. According to legend, 41 Osgood was part of fan dancer Sally Rand's mansion and was later home or crash pad to the Committee and Lenny Bruce while they

appeared on Broadway, prostitute rights activist Margo St. James and German director Wim Wenders during his work on the movie *Hammett*. One tenant recalls that a door to the building had a brief pornographic film career as *the green door*. Another remembers firing up an old brick fireplace in the building's cobblestone courtyard for starlight parties, including one thrown for the cast of *Oh, Calcutta!* "There was nothing like it," says one former resident.

In the late 1970s, architect Harold Major and the Preservation Group restored the buildings. "It was done with a beautiful level of finesse," says Susie Coliver, who owned an architectural supply store on the ground floor of 41 Osgood. "Tile work, brass fittings, WC's with pull cords, Victorian chandeliers." Then in 1983 the residents of 41 Osgood say they were asked to vacate the building so the owners could bring it up to seismic code. By the following year, according to former resident Brad Paul, what had been \$300 and \$400 apartments were renting out as offices for \$1000 to \$2000 a month. "And in the name of renovation," says Coliver, "they tore out what was restored."

According to Hothem, he is not an owner of the buildings—he is the agent for the association that owns them. But deeds in the county recorder's office show that Hothem and partner Richard Simkalo purchased 55 Osgood in 1982 and 41 Osgood in 1985. Correspondence between Hothem and the Bureau of Building Inspection further indicates that he was involved in building alterations at 41 Osgood as early as 1983.

Hothem's conversions have resulted in the loss of approximately 70 housing units in North Beach. All the properties, says the landlord, "are considered legal and commercial. I don't think there's any doubt about that." But Peter Burns, a senior housing inspector with the Bureau of Building In-

spection, disagrees. "I think the owner knew they were illegal conversions, especially since he was advised early on about 369 Broadway," says Burns. "Our intention is to get them converted back."

Ironically, last year Hothem was cited by the Department of Public Works after it received a complaint that a basement had been converted into a residence in one of his Noe Valley properties. This time he pleaded his case differently. "The housing stock in San Francisco is extremely limited and the loss of every unit is important," he wrote in a declaration to the agency.

Stenciled on the wood beams that frame the entrance to what was once Caffe Malvina is a single word: *Greed*. The glass doors have been chained shut since last summer and the tables that were brought out to the sidewalks on sunny days have long since disappeared, as have most of the other graffiti scrawled on the walls and windows: *Lease here and lose, Boycott this slumlord, Bad karma*.

Malvina's was once a quiet side-street cafe that probably more than any other catered to North Beach residents. Last year it became a media event when the owner of the Union Street property announced that she was tripling its rent to \$5,000 a month and nearly tripling that of its next-door neighbor, Cuneo Italian-French Bakery.

The Malvina story is a kind of capsule history of the crumbling of the Italian community in North Beach; a classic story of the distance and formality that overtake the landlord-tenant relationship when the two

parties are no longer neighbors, when the landlord's business is taken over by the son or daughter whose only ties to the community are financial.

The tale starts with Louis DeMartini, a self-educated Italian immigrant with a passion for fine art and a talent for playing the stock market. In the early 1930s, he built a tile-roofed Mediterranean-style villa at the top of Chestnut and Grant, complete with courtyard fountains, marble imported from the old country and hand-painted porcelain religious statuary.

There he lived with his wife, Josephine, and her niece, Ada Flori, who later moved out of the villa and became Ada Torrigino. When DeMartini died in 1971, he left his art collection to the Palace of the Legion of Honor and some of his North Beach properties, including the Malvina's building, to Ada upon his wife's death.

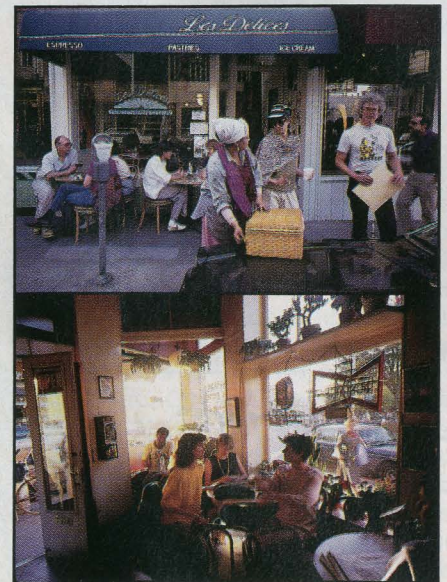
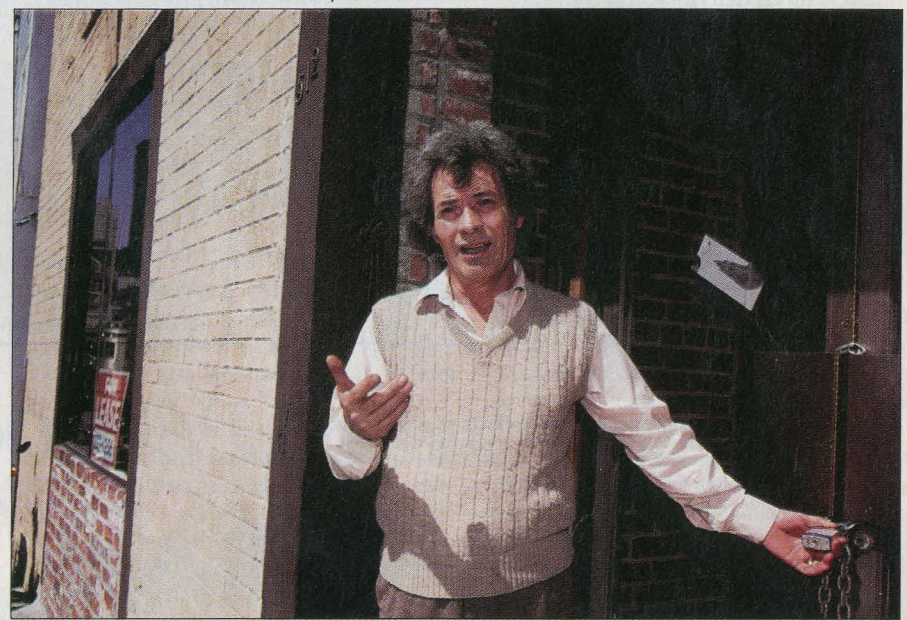
When Ada Torrigino suddenly announced last year that she could not make ends meet without tripling the rent on Malvina's, many in the neighborhood were stunned. This was not the woman they knew. Torrigino had always been a "dream landlord," in the words of one tenant who operated a collectibles store out of one of her buildings. "She loved the community as it was. She could have raised my rents like crazy but she said she liked me, my family, the way my store fit into the neighborhood."

No one was more shocked by the sharp rent hikes than Franco Bruno, the proprietor of Caffe Malvina. A native of Trapani, Italy,

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The landlord was an idiot," says one Caffe Malvina supporter. "She has property rights, granted. But the community has rights too."

FRANCO BRUNO, OUTSIDE THE OLD CAFFE MALVINA.



TWO DIFFERENT CAFES: LES DELICES (ABOVE) AND MARIO'S.

NORTH BEACH

(Continued from page 25)

Bruno could barely speak English when he came to San Francisco in 1956. At that time, he says it was almost impossible to get Italian coffee. "My wife and I used to buy beans at Safeway and then re-roast them on our stove," he recalls. "So I wrote to my mother in Italy and asked her to send me an espresso machine." Before long he was selling them. He sold the city's first cappuccino machine to Malvina Franceschini, who he says introduced "the foamy cup" to San Francisco. Later Malvina sold him her business with no down payment.

Up until 1974, Bruno's customers were mostly hippies. "Many of them were so lousy, I'll show you the pictures," he smiles, as he peruses a large cork board covered with photos. "Now they come back as lawyers, one's a famous photographer. This one I remember ordered a double espresso the day his wife had twins, and this one—this one went kind of crazy, I think. This guy's daughter came in to see a picture of him, she had never seen him. You see, we went through life there—the joy and pain."

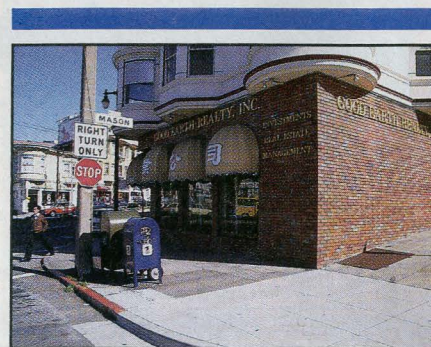
Bruno was about halfway through his lease in the early 1980s when his aging landlord started turning over her business affairs to her daughter, Georgia Corneliusen. Overnight, according to former tenants, things seemed to change. One describes Corneliusen, an El Cerrito resident, as "a very simple 'housewife' type person, very suburban, who just wants to see the greatest return on her money. But her values about the neighborhood are nil."

"Boy, has North Beach changed," exclaimed Ada Torrigino when contacted by phone, but she declined to be interviewed, referring all questions to her daughter. Corneliusen, in turn, said she has been advised by her attorney not to speak to the press. "The mediators [in the Malvina's dispute] know how it was," she added.

The way it was, according to mediator Tom Gille, was that Bruno agreed to a compromise rent of \$3,750, but his landlords refused to budge on their demand for \$5,000, so the negotiations fell through. Bruno subsequently moved his cafe out of North Beach to a South of Market warehouse. But now he is returning to the neighborhood, just a few doors down from his old building, on a corner across from Washington Square. His new landlord—who offered him a more favorable lease than Torrigino and Corneliusen—is a Hong Kong investor. "It's funny," says Bruno. "When I was getting thrown out of Malvina, everyone always said, 'You must have a Chinese landlord, right?' But I said, 'No, you can't say that this time.'"

Meanwhile, Torrigino and Corneliusen have been unable to rent out the old Malvina's. Neighbors speculate that they are clinging to the high rent demand so the

building can be sold at a higher price. The word in the street is that it's being considered for a disco, but Malvina supporters say that whatever business goes in can expect a chilly reception. "Everyone's watching the property and I feel sorry for whoever goes in there," says one. "But the landlord was an idiot. She has property rights, granted. But the community has rights too."



THE LAUS' GOOD EARTH REALTY.

When Sophie Lau decided a ficus tree in front of her property on Columbus Avenue had become a nuisance, her solution was not to trim it, but to cut it down. "That's indicative of her approach to things," says former tenant Herb Chao Gunther. "If it's in the way, chop it down. Sophie Lau is a classic instance of a very driven real estate person who sees money and that's it. She has a very poor sense of what this neighborhood needs and what she should do to help preserve it."

Petite and attractive, Lau hardly fits her neighborhood nickname, Dragon Lady. But since she and her husband, Jeffrey, opened Good Earth Realty in the early 1970s, Lau has been locked in frequent battles with tenants and neighborhood groups.

Lau's is a classic immigrant success story: arriving from Taiwan "in the bottom of the boat," she and her husband went on to amass a San Francisco real-estate empire assessed at \$2.9 million. Some North Beach residents are quick to blame Chinese landlords for the neighborhood's rapid transformation. As Rose Pak of the Chinese Chamber of Commerce points out, the Chinese community has no monopoly on bad landlords. But, she adds, "One bad landlord can make everybody look bad."

Lau's controversial image is due in part to her candor. While other neighborhood landlords pay at least passing respect to the notion of neighborhood preservation, the outspoken Lau scoffs at it. "That's an outrageous, ridiculous philosophy that is driving San Francisco to a dead end," she laughs. "People interested in history should go to the library. When I see the way other cities are progressing—Los Angeles, Las Vegas, Tokyo, Hong Kong—it gives me a sorry feeling for San Francisco."

Lau says she would like to see North Beach commercially developed to "its most

extreme." Neighborhood preservation groups like the Telegraph Hill Dwellers, she says, should stay on the hill. "We, the business people and property owners, want the area booming, want to create more jobs and more visitors."

But there is not much bustle in Lau's properties. More than half the Laus' North Beach rental space is vacant. Gone are all of the businesses that occupied the storefronts from 716 to 722 Columbus when the Laus bought the building. Two of the four storefronts are still empty, as are the two floors above her office. Sophie Lau blames the high vacancy rate on the neighborhood's parking crisis, asserting that once prospective commercial tenants do a survey of the area they back off. (Lau would love to see underground parking facilities dug beneath Washington Square and the North Beach Playground.) But others blame it on the Laus' stiff rent hikes.

Industrial designer Marshall Roath, who occupied 718 Columbus from 1962 until 1980, says that when Lau took over the building, his rent doubled and continued to rise every few months: "I would have been willing to pay more but I couldn't negotiate with her. No one in the building could. She has put rent levels outside the market."

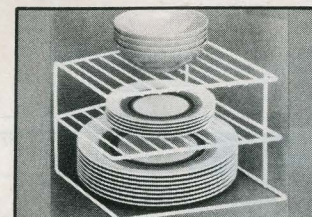
The floors above the Laus' Good Earth Realty were vacated after the city slapped the landlords with an illegal conversion citation in 1981, forcing the businesses that operated in the building to move out. Lau claims that she did not know she needed a permit to convert. The Laus went before the Board of Supervisors twice to legalize the conversion. The week before the second hearing, the couple made headlines when they sent checks for \$500 to each board member. For days the supervisors wrestled with the ethical dilemma while the newspapers kept tabs on their progress. In the end, all but Nancy Walker and Carol Ruth Silver returned the money or gave it to charity and the Laus' petition was rejected.

Over the years, the Laus have been hit with dozens of health and safety code citations for failing to provide heat, not maintaining sanitary conditions and other infractions. Rent board director Ricardo Hernandez, whose files on the Laus fill a box, says the couple has been the subject of more than twenty tenant petitions in the last six years. Hernandez says the violations often go uncorrected. "It's chump change for the DA," says Hernandez. "What's the most they can get out of them—\$25,000 and probation?"

Lau believes that the city is on a witch hunt; she is guilty only of following the American Dream. "Maybe people think you should bow down, especially you Orientals," she says angrily. "When I came to this country at sixteen, I saw the American flag, free enterprise. I became a citizen with that belief. I work hard for my money." □

ANTHONY ENTERPRISES SPACE SAVERS FOR KITCHEN CABINETS, HOUSEWARES, CLOTHES CLOSET

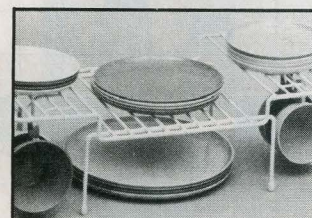
Heavy steel wire construction; coated with white vinyl. Rustproof.



CORNER STORAGE RACK
10" L x 10 1/2" W x 7 1/2" H
#315 Corner Storage Rack
\$9.29 + \$1.75 Mailing



SPICE RACK
11" L x 3" D x 2 1/4" H
#260 Spice Rack
\$2.99 + \$1.25 Mailing



DINNERWARE RACK
19 1/2" L x 10" D x 6" H
#227 Dinnerware Rack
\$8.99 + \$1.75 Mailing



CLEANSER RACK
11 1/2" L x 4" D x 4" H
#218 Cleanser Rack
\$3.69 + \$1.50 Mailing



IRON 'N BOARD CADDY

7 1/2" W x 3 1/2" D x 13 1/2" H

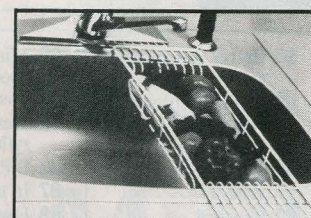
#337 Iron 'n Board Caddy
\$4.99 + \$1.50 Mailing



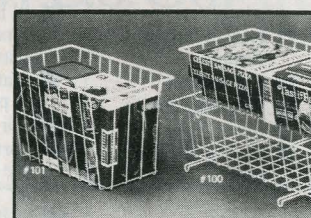
GARBAGE BAG HOLDER
11 1/2" W x 13 1/2" H x 7" D
#320 Garbage Bag Holder
\$7.29 + \$1.75 Mailing



CLOSET SHELF EXPANDER
20" L x 9 1/2" W x 8" H
#230 Closet Shelf Expander
\$6.79 + \$1.75 Mailing



RINSE BASKET
20 1/2" L x 6" W x 2" D
#130 Rinse Basket
\$6.49 + \$1.75 Mailing

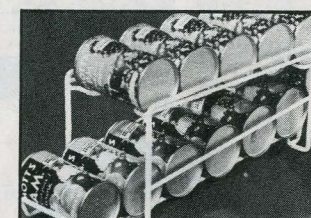


FREEZER BASKETS

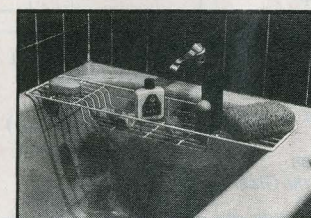
Stacking, 19 1/2" L x 9 1/2" W x 5" H
Upright, 15" L x 8 1/4" W x 9" H
#100 Stacking, \$8.29 + \$1.75 Mailing
#101 Upright, \$8.29 + \$1.75 Mailing



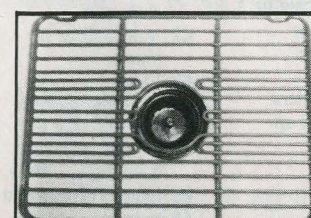
SMALL STRETCH-A-SHELF
11" L x 5" W x 6" W, Stretches to 20" L
#283 Small Stretch Shelf
\$6.79 + \$1.75 Mailing



CAN DISPENSER
15" L x 5 1/2" W x 5 1/4" H
#312 Beverage Can Dispenser
\$5.29 + \$1.50 Mailing

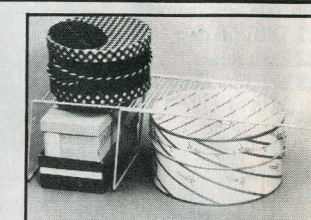


TUB CADDY
26" L x 6" W x 2" D
#323 Tub Caddy
\$8.29 + \$1.75 Mailing



SINK PROTECTORS

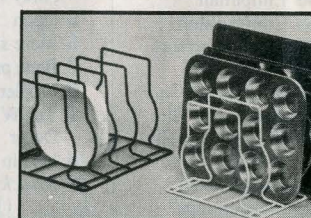
Twin Sink Size, 13" L x 10" W
Standard Size, 16" L x 12" W
#113 Twin size, \$4.29 + \$1.50 Mailing
#116 Std. Size, \$4.99 + \$1.50 Mailing



CLOSET STRETCH-A-SHELF
20" L x 9" W x 8 1/2" H, Stretches to 35" L
#292 Closet Stretch Shelf
\$10.29 + \$2.00 Mailing



LARGE STRETCH-A-SHELF
18" L x 9" W x 5" H, Stretches to 33" L
#284 Large Stretch Shelf
\$9.59 + \$1.75 Mailing



PAN 'N TRAY ORGANIZER
11" L x 10" W x 8" H
#225 Pan 'N Tray Organizer
\$7.29 + \$1.75 Mailing



SHOWER CADDY

17 1/2" H x 8" W x 5" D

#326 Shower Caddy
\$6.99 + \$1.50 Mailing

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