



# NMTCs Boost Antenna for Warfield Commons' Multitenant Structure, Market Street Business Corridor

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For more than a century, San Francisco's Warfield Theatre has hosted some of the biggest names in music and entertainment. Known to many as "The Warfield," its stage's boast-worthy history includes more than 100 appearances by Jerry Garcia, the late singer of the iconic, psychedelic Bay Area jam band Grateful Dead.

The block on which The Warfield sits is ready to add new chapters to the city's rich music and entertainment legacy, thanks in part to new markets tax credits (NMTCs). That effort is Warfield Commons, a nine-story, mixed-use property that includes an independent media, arts and culture hub on San Francisco's famed Market Street corridor.

The sponsors behind the endeavor, Bay Area nonprofit real estate organization Community Arts Stabilization Trust

(CAST) and 85-year-old National Public Radio (NPR) member station KALW, teamed up to buy the right triangle-shaped block—all but the famed theater—with plans to create a multitenant community hub that will preserve or add more than 100 local jobs while providing vital support for community programs and organizations.

*Image: Courtesy of CAST*

Members of Community Arts Stabilization Trust in San Francisco pose for a photo inside the Warfield Commons building that the organization redeveloped.

KALW plans to make the site its permanent home, as do several other San Francisco organizations. Three ground-floor retail suites will aim to stimulate the economy in the Mid-Market neighborhood, as well as activate this central corridor through public access to the programming developed and produced in the building.

“The location at The Warfield has a lot of potential,” said Carolyn Choy, managing director of real estate for CAST. “We believe that you get the credits because of the project’s community benefits, so I think that is a primary reason why CAST has used new markets tax credits so frequently. Our projects do generate these community benefits. That’s the measure that we do have to report out on, but fortunately it is also a key reason why we do this work.”

The current NMTC-financed phase will prepare the top two floors of the building for KALW’s relocation, bringing its broadcast studios, administration and programs under one roof.

Other partners involved with Warfield Commons include Tenderloin Community Benefit District (TLCBD), a nonprofit seeking to beautify and secure the San Francisco neighborhood; and Psyched! Radio SF, an independent Bay Area radio station run by volunteers.

### Set Out Running, But I Take My Time

As the web 2.0 tech boom of nearby Silicon Valley poured money into the region in the early 2010s, that success made staying in the Bay Area unaffordable for some artists and nonprofits. In 2013, CAST sought to preserve the presence of those artists and cultural workers in the region, particularly San Francisco’s Tenderloin and Mid-Market neighborhoods.

CAST formed to create and preserve Bay Area arts, culture, resources and more, first seeking to secure long-term affordable space for existing arts and cultural organizations with a lease-to-own model before expanding its approach to include larger endeavors that provide multiple options

for arts and culture groups to secure a home. Warfield Commons marks its fourth transaction using NMTCs.

“We have since realized that not every arts organization wants to own its own facility,” said Choy. “So, we’ve moved into these multitenant properties.”

This is CAST’s approach with Warfield Commons.

“We never work on our own,” said Ken Ikeda, CEO of CAST. “Our vision is that the anchor tenant sets the tone for the building. For Warfield Commons, that’s storytellers, writers, culture makers.”

Making the connection between CAST and KALW was easy—Ikeda was a board member of KALW. James Kass, executive director of KALW, watched CAST from afar in its infancy before he and Ikeda joined their respective organizations earlier this decade.

“Ken came in when the market was in a different place,” said Kass. “San Francisco and Oakland emptied out their downtowns because of COVID. (Ikeda) saw an opportunity to get as much property for CAST as they can. In the worst-case scenario, they owned the properties. In the best-case scenario, they’re filled with amazing organizations that are part of the cultural fabric of these cities.”

### What a Long, Strange Trip it’s Been

While Ikeda and CAST have transformed, so too has KALW. In 1941, the station was the nation’s first on the FM dial west of the Mississippi River. Today, the station’s programming is a blend of popular NPR shows alongside its own local news, music and interview programs. In 2021, it became an independent nonprofit.

Kass became executive director after the nonprofit designation, when KALW operated out of a San Francisco high school. In recent years, the station has had a street-level space approximately a mile away from Warfield Commons.

“(Warfield Commons) has brought a whole new visibility to us,” said Kass. “It’s creating opportunities. It’s allowing us to think about different partnerships, different events strategies, different ways to earn revenue.”

Among the budding partnerships is synergy between KALW and The Warfield’s visits from popular touring musicians. Kass said KALW and the venue are in the process of developing a feature highlighting up-and-coming artists named “Opening Acts” that will echo NPR’s long-running “Tiny Desk Concerts” series.

Following construction, KALW’s new studios at Warfield Commons are set for completion this summer.

### Let My Inspiration Flow

CAST acquired the building in February 2025 for \$7.3 million. The NMTC element was a deal-making factor for CAST, which first considered purchasing a property across the street from Warfield Commons. However, that site south of Market Street is in a census tract that does not qualify for NMTCs.

The transformation of Warfield Commons follows the trend along Market Street itself, which has been home to the likes of Square, Lyft, Match.com, Spotify, social media site X and more. Many such companies put work into redeveloping Market Street properties only to depart for, as Kass put it, other locales with more favorable tax advantages or ramifications from the rise of work-from-home after the emergence of COVID-19.

“The spaces in Warfield Commons were generally ready to go,” said Choy. “It had been an office building for tech companies before the bottom fell out of the market. Zendesk had renovated floors 7, 8 and 9 and not occupied them. The previous owner was thinking about doing a commercial-to-residential conversion. We were able to stop that process soon enough that when we closed on acquisition, people could just move in.”



Image: Courtesy of CAST

The Warfield Commons building, center right, is seen from across Market Street in San Francisco. San Francisco Community Investment Fund allocated new markets tax credits to the site’s redevelopment.

Choy said part of the complexity of the transaction, which closed in March, was the many moving parts: The number of floors, securing leases with tenants throughout the site, varying in size, while also managing redevelopment of the building, including KALW’s portion.

“It became a closing requirement to have either leases or LOIs (letters of intent) on the vast majority of the office space,” said Choy. “When we closed, we did all of that. Floors two through nine are occupied or have LOIs or pending leases.”

That brings stability for organizations like KALW, TLCBD, Psyched! Radio and more. Kass said it creates an opportunity for an important piece of San Francisco’s history to remain in place.

“I don’t think a city should be all arts and culture and all nonprofits,” said Kass. “But it should be a part of it. ... Our building is full of organizations born in San Francisco and committed to San Francisco. And we’re not leaving. I think it’s important that nonprofits, arts and culture, journalists and media organizations make up a city. This will help us not just survive but thrive.”

### Estimated Profit

San Francisco Community Investment Fund (SFCIF) was the community development entity, allocating \$14.9 million in NMTCs.

“The Warfield project creates long-term, affordable space for artists and community organizations in a part of downtown that needs sustained activation, while bringing consistent foot traffic, programming and economic activity to the corner,” said Dylan Smith, director of operations for SFCIF. “That kind of responsive, community-rooted investment is exactly what SFCIF aims for with our NMTC allocation, delivering lasting neighborhood impact while creating and protecting good jobs. We were proud to partner with CAST to get this project over the finish line and help build a more vibrant and resilient San Francisco.”

Warfield Commons marks the third collaboration between CAST and SFCIF. Smith said the development at 988 Market St. was a historic building in need of activation.

“This was a clear opportunity to bring The Warfield back to life in a way that serves the community and aligns with the city’s vision for the neighborhood,” said Smith. “When we learned that CAST was looking to step in and transform it into a hub for arts, media and community organizations, and that NMTC financing would help make that possible, it felt like a strong fit.”

JPMorgan Chase (JPMC) invested in the NMTCs, delivering \$4.7 million in tax credit equity. Jalen Marable, vice president at JPMC, said that CAST and KALW have combined on a distinct endeavor.

“Historically, new markets has been used to fund projects like education centers and grocery stores,” said Marable. “This project provided an opportunity to invest in a mixed-use project supporting the creative economy and public media, and was made stronger by having a connection to The Warfield and KALW, which has been an anchor in the Bay Area for several decades.”

Warfield Commons is a clear example of meeting the “but-for” requirement of NMTCs, Marable said.

“This is truly a project that would not happen but for NMTCs,” said Marable. “There are ongoing capital campaign efforts,

but NMTCs filled a critical gap and allowed this project to come to fruition.”

The emphasis on job growth is one element of the NMTC agreement on which Warfield Commons is based. Another is workforce development programs, including KALW’s journalism training programs as well as the continued delivery of emergency broadcast services on the part of KALW, which can notify the public in case of emergencies, Choy said.

In completing what Marable called the lasagna of NMTC financing, KALW brought \$5 million, with \$2.2 million in loans and the rest through a capital campaign. CAST also has a leverage loan of \$5.7 million.

Novogradac partner Bryan Hung and his team, including Hector Vicuna, took part in the transaction.

“For Novogradac to have a hand in revitalizing such an important corner on the historic Market Street corridor makes this a special transaction,” said Hung. “This is in line with what the CDFI Fund wants to see from the new markets tax credit: supporting small businesses and boosting job creation. We’re pleased to bring our expertise to the deal.”

Elefante Consulting LLC, an NMTC consultant, also supported the qualified low-income community business to a successful closing.

Ikeda is hopeful that Warfield Commons can be a template for CAST and others who do similar work in other cities across America.

“The space in which CAST operates, our work effectively goes beyond the nuts and bolts of a real estate group, which is to secure affordable capital,” said Ikeda. “I don’t think people fully grasp how much capital we can underwrite and activate if we have slightly more affordable capital available to us. It’s not nearly as much of a high-risk ecosystem as people imagine.” ◆