

For Immediate Release
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Supervisor Kim Secures Biggest Off-site Affordable Housing Commitment in SF History

San Francisco – The Board of Supervisors approved legislation today to secure \$13.85 million in development fees from the luxury developer of 181 Fremont Street to develop affordable housing in the Transbay neighborhood. Even though this is a former Redevelopment Area, the Planning Department mandates that developers fulfill their affordable housing obligation to the City through one of three mechanisms: dedicating a minimum of 12% of their development to on-site affordable housing, committing to build 15% affordable housing off-site or “feeing-out” (ie., paying a flat sum to the City for affordable housing development at some time in the future).

The Office of Community Investment & Infrastructure (OCII) and Supervisor Kim negotiated a landmark funding commitment from the Jay Paul Corporation, who is developing the 52-story market-rate office & residential high-rise at 181 Fremont. The legislation approved at the Board of Supervisors not only garnered \$9.35 million more in affordable housing funding than what is legally required per the Planning Code, but ensured that the total \$13.85 million in fees would go directly to 117 units of affordable housing in the immediate vicinity of 181 Fremont, to be developed in the next year and a half by Tenderloin Neighborhood Development Corporation (TNDC). The typical pipeline wait for enough city funding to build an affordable housing development is 4 years. In addition, while the on-site obligation could have yielded 11 below market rate home-ownership units, those units would have been required to pay \$2,000.00 a month in homeowners’ association dues– almost as much as the average rent for a studio in the City.

“I have always pushed for on-site inclusionary housing option with developers in our district, but this was an extraordinary opportunity to secure an unprecedented amount of affordable housing funding for development literally 2 blocks away from 181 Fremont,” said Supervisor Jane Kim. “For the 177 families who will be able to live in one of the most expensive neighborhoods in the City, this affordable housing is a victory and an absolute gamechanger for future housing policies by setting a precedent to demand more from luxury developers.”

“This is a landmark deal for the City, where even middle-income people are struggling to afford HOA fees,” said Don Falk, Executive Director of the Tenderloin Neighborhood Development Corporation. “This neighborhood in particular has very few options left for an affordable housing project of this magnitude – to be able to fully fund this project is boon for the neighborhood and enforces the City’s commitment to ensuring low-income families can enjoy access to great transit and neighborhood improvements.”

In addition, the Board of Supervisors voted today to approve Supervisor Kim’s interim planning controls along Second Street, legislation introduced to protect small businesses from being converted to tech office space. Meanwhile, a package of Planning Code amendments regulating formula retail was forwarded out of the Land Use & Economic Development Committee on Monday, bringing Supervisor Kim’s Interim Formula Retail Controls, designed to protect small businesses along Market Street from 5th to 10th Streets, one step closer to being permanently implemented.