 December 6, 2021

469 STEVENSON STREET PROJECT UDPATE – WITH THE FACTS

Development industry supporters of the proposed massive 469 Stevenson market housing project and their political allies have launched a propaganda campaign against TODCO’s successful Board of Supervisors appeal of the project’s environmental impact report on October 28th. Their completely biased propaganda is filled with falsehoods and omits essential facts and circumstances about what happened.

* A factual basis for the Board’s upholding of the EIR appeal against the project was that its EIR completely excluded evaluation of the project’s potential seismic vulnerability as a “potentially significant” environmental impact despite the fact it is located in an area of well-known soil instability and increased earthquake risk, the historic SOMA marshlands.
* As a result of this omission, the community could not demand and the Planning Commission could not require a pile foundation as a condition of project approval if it had wanted to.
* As a result, the current project design for the proposed mammoth 27 story building still does not have a pile foundation.
* This all occurred in the context of ongoing grave seismic issues with another high-rise on filled land in SOMA, the Millennium “leaning tower.” Such concerns are not hypothetical.
* The project developer only proposed the bare minimum of City-required affordable housing units for the project – 66 on site units and a City housing fee payment for the balance required. The other 429 proposed units would be market rate. Thus the actual affordable units at the project site would be only 13% of the total new units. There are no extra affordable units actually proposed to be built anywhere at all in conjunction with the project, and any statements to the contrary are falsehoods.
* The rents for 28 of those affordable units in the proposed project would be set at 80% of median income-affordable levels, or higher, as required by City regulations, which is now $1,709 per month for a studio and $1,914 per month for a one-bedroom apartment, as if renter incomes were $85-$95,000 per year. 38 would be set at 50% of AMI, with rent of $768 per month, still assuming an income of $47,000 per year. This is absurd. SOMA and Tenderloin SRO residents cannot possibly afford rents this high. The 469 Stevenson project, even the affordable units, is not for them and never will be.
* The only definite community benefit proposed for the project is $600,000 in grants to community groups supporting the project. The rest are minimal, already required by the City, or hypothetical.
* The proposed project is financially infeasible today, because San Francisco market housing rents have dipped, construction costs have soared, and the location is next to ‘skid row.’ The developer has admitted they have no project financing. The proposed project is not “real.”
* Three years ago the developer rejected a compromise offered by TODCO that would turn over about 1/3 of the project site closest to Sixth Street, the minimum parcel size needed for an affordable project, to the Mayor’s Office of Housing for future affordable housing development, with a market housing project on the other 2/3 of the site closer to Fifth Street. The market project’s housing fee, including the affordable site’s land cost, would equal the normal City requirement overall, no more. That was all. Needed new community facilities could also be included on the ground floor of the future affordable housing.
* That is the same no-extra cost compromise approach that was approved five years ago for the controversial “Beast On Bryant” project in the Mission. As a result, both the market housing and the affordable housing next door have been built there and are now completed.
* Such a compromise project could include about 330 market units and 100 affordable units – still a very large 430 unit total development of the current parking lot site that would have full community support.
* The resulting compromise development of the project site would be 23% affordable, almost twice the 13% proposed now.
* The Sixth Street neighborhood with its many SRO’s is the last low-income community in SOMA after decades of gentrification. It is vital to protect it from the relentless market rent pressures surrounding it on all sides. A 100% affordable supportive housing development on the part of the 469 Stevenson site next to Sixth Street will do that. And it will provide vital new housing affordable for very-low income SRO and homeless SOMA residents that the proposed 469 Stevenson project would not.
* The project Appellant, TODCO, will still agree to this compromise 1/3-2/3 project.
* The City would select the future nonprofit affordable housing developer. TODCO does not seek that job, or any other community benefits funding from the project, and would not apply for it.

These are facts and realities, not propaganda. The 469 Stevenson parking lot site offers a wonderful opportunity for genuine SOMA mixed-income housing development at large scale that really does meet the needs of today’s vulnerable low-income SOMA communities and protects and enhances, rather than threatens, the future of our last low-income SOMA Sixth Street neighborhood.

The real problem is a stubborn developer who has refused to work with longtime SOMA community organizations to achieve such a compromise for both a successful market housing project and an importantly better future for our Sixth Street neighborhood.

And … thanks to the insight and community-responsiveness of our Board of Supervisors a month ago to uphold the Appeal, that mutually-beneficial path forward is still open.