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FORMER SF PLANNING DIRECTOR BACKS LURIE'S HOUSING STRATEGY

John Rahaim: "This plan offers the best opportunity to address affordability in San Francisco."

SAN FRANCISCO – Today, Daniel Lurie announced his plan to build more housing and make San Francisco more affordable. Lurie <u>famously</u> built 145 units of affordable housing at 833 Bryant Street significantly faster and cheaper than the typical affordable housing development in San Francisco. These projects traditionally take six years or more and <u>cost an average</u> of \$700,000 per unit, while Lurie's project took just three years and cost \$383,000 per unit. 833 Bryant was <u>one of the first projects</u> in the state to use Scott Wiener's SB 35 legislation streamlining 100% affordable housing. The building



now houses 145 formerly homeless tenants full-time and has become a blueprint for successfully building housing in a timely and cost-efficient way. While the project finished in 2021, the city has failed to replicate it to scale to address our affordability crisis due to mismanagement and lack of leadership at City Hall.

"A primary reason it's too expensive to build housing is because it takes longer to build here than anywhere else in California, and that is a result of city hall insiders building a broken bureaucracy that rewards corruption," **said Daniel Lurie, a longtime non-profit executive, father of two, and lifelong Democrat.** "Rezoning to create more density is important, but if these potential new units only exist on paper, it does nothing to address our affordability crisis. We need to build. I know what needs to be done to get units built on-time, on budget, and to do it with good paying union labor—and that's because I'm the only candidate that's done it."

Lurie's announcement comes as a state takeover of housing policy looms over San Francisco. The city is notorious for having the longest housing production process in California, taking over 1,100 days from pre-application to building permit approval. If the city fails to show significant progress in building 82,000 new units of housing by 2031, we risk losing even more local control and will soon become ineligible for key state housing funds.

Lurie's housing approach and candidacy is backed by John Rahaim, a former San Francisco Planning Director during both Breed and Farrell's administrations, and a renowned urban planner under whom a record number of new units were approved.

"The city's role can no longer be just about rezoning," **said John Rahaim, former San Francisco Planning Director.** "The city must help to create the local market conditions that enable approved units to actually get built. Ultimately, we can argue about zoning until the cows come home, but it does nothing to make San Francisco more affordable unless new units actually get built. To make real change we need new leadership with a different worldview or we're just going to get the same results. This plan offers the best opportunity to address affordability in San Francisco."

Lurie's plan includes:

- 1. Holding City Departments Accountable to Timely Approve Housing Projects
- 2. Plan for More Units
- 3. Make Projects Financially Viable
- 1) Hold City Departments Accountable on Housing Projects

In order to speed up the permit approval process and in turn save the city both money and time, Lurie unveiled a comprehensive City Hall Accountability Plan earlier this year that includes a permit "shot clock" that sets maximum review times, complies with the Permit Streamlining Act, and sets key performance indicators (KPIs) to identify where the bottlenecks are.

The plan also requires city departments to conduct a Project Review meeting prior to application and start the shot clock. This will streamline the Department of Building Inspections' permitting for projects that qualify for SB 423. Experts say this plan alone will decrease review times by 4-5 months.

Lurie's housing plan will also direct the city's Planning Department to simplify impact fee categories and eliminate subjective design guidelines and standards. Departments will also be required to publish all requirements and interpretations of relevant municipal codes that will be applied to post-entitlement permits and ensure staff apply them consistently to reduce subjectivity that results in delays, frustration, and cost.

2) Plan for More Units

Under Lurie's administration, San Francisco will show the state that we are serious about finding a way forward on zoning. City Hall is already behind. To catch up, Lurie's plan will follow through on the promises made to the state in our housing element and rezone for enough *new* density that the market can actually create enough new units by 2031 to prevent a state takeover.

Lurie's plan allows for more citywide mid-rise 6-8 story base zoning along main corridors, near transit, and corner lots that foster walkable, inclusive neighborhoods, and advance our climate goals. Lurie will direct planning staff to use an analytical model to test the probability that rezoned parcels are developed to check our progress, since the odds of any one parcel being developed are quite low.

The plan also creates a Deputy Chief of Staff for Housing Production position who will be responsible for coordinating and holding departments accountable both pre-entitlement and post-entitlement to deliver projects while working with neighborhood leaders.

3) Increase Financial Viability of Housing Projects

Zoning and systemic reform alone are not enough to prevent a state takeover. The city needs to actually get construction across the finish line. But between some of the world's

most expensive construction costs, high interest rates, and policy constraints on housing, the economics of new housing are unfeasible right now. Housing is critical infrastructure and San Francisco needs a mayor who will lead the charge to get San Francisco's housing projects completed on time and within budget.

Lurie's plan will first require an economic feasibility impact analysis of major local housing policies and regulations, both proposed and existing. The plan will also lower fees, exempt multi-family projects from transfer taxes, and temporarily lower inclusionary requirements tied to market factors that make it difficult to build during times of high interest rates, labor, land, and materials costs until we are on track to meet our housing goals. For example, in the current climate wherein interest rates, labor, land and materials costs are high, almost no housing is getting built.

A hallmark of Lurie's campaign is supporting middle-income housing. Lurie's housing plan calls for creating a combined public financing entity such as a Joint Powers Authority with the ability to acquire land and housing, to issue bonds, or partner with the Bay Area Housing Finance Authority to build or rehabilitate middle-income workforce housing. Finally, the plan will encourage the use of state density bonus for middle-income housing in appropriate locations and projects for teachers, nurses, police officers, and firefighters, allowing the city to recruit, retain, and support public servants while helping more first responders live locally.

San Francisco has an affordability crisis because the city has built up a system that makes it nearly impossible to build anything in a timely and cost-efficient manner. As the only person in this race who has successfully built housing in this city, Daniel Lurie has a track record of getting the construction of affordable housing across the finish line on time and under budget.

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Daniel Lurie was born and raised in San Francisco. He founded Tipping Point Community in 2005. Under his direction as CEO, Tipping Point has raised over half a billion dollars to help house, employ, educate, and support hundreds of thousands of Bay Area families. Last year alone, Tipping Point provided over six thousand people with services that either helped them transition out of homelessness or prevented them from experiencing it. Between 2015 and 2022, Tipping Point housed over 38,000 people not including those prevented from falling into homelessness. At Tipping Point Lurie led the development of affordable housing at 833 Bryant Street, a project that was delivered significantly faster and cheaper than similar projects and still used union labor.

Former Mayor Ed Lee selected Daniel in 2013 to lead the San Francisco Bay Area Super Bowl 50 Host Committee, an effort that brought over \$240 million in economic impact to the region. Following the devastating fires in the North Bay in 2017, Daniel and Tipping Point partnered with 90 Bay Area business and community leaders to organize Band Together — a benefit concert that raised \$17 million for those hardest hit by the deadly fires. In total, Tipping Point's Emergency Fire Relief Fund raised over \$34 million.

Lurie is a lifelong Democrat. He lives in San Francisco with his wife Becca and two school-aged children.