



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-2000

ASSISTANT SECRETARY FOR  
FAIR HOUSING AND EQUAL OPPORTUNITY

August 3, 2016

Mr. Olson Lee  
Director, San Francisco Mayor's  
Office of Housing and Community Development  
1 South Van Ness Avenue, 5th Floor  
San Francisco, CA 94103-5416

Dear Mr. Lee:

This letter responds to the request of the City of San Francisco and the Tenderloin Neighborhood Development Corporation (TNDC) that the Department approve an Affirmative Fair Housing Marketing Plan (AFHMP) for the Willie B. Kennedy Apartments ("WBK") that would provide persons who live in San Francisco Supervisorial District 5 with an occupancy preference for 40 percent of the units at initial occupancy. The City and TNDC also ask that HUD approve, for 100 percent of the units, a preference for persons who live or work in the City of San Francisco. The Department will not approve the Supervisorial District preference because it could limit equal access to housing and perpetuate segregation, inconsistent with the Civil Rights Related Program Requirement of the HUD Multifamily Occupancy Handbook. Although in a review of an AFHMP, the Department would not typically undertake a full Fair Housing Act analysis, the Supervisorial District preference may also violate the Fair Housing Act.

The Department has conditionally approved the City live/work preference in this particular application to WBK. As discussed in last Friday's telephone call, the City and TNDC must, prior to finalizing tenant selection with the preference, show that the preference will not have a disparate impact on members of a protected class. The City and TNDC should provide the Department with data on actual applications to WBK, to facilitate the Department's final approval prior to tenanting. For further information on submission of data related to actual applications to WBK, please contact Jeff Jackson at (415) 489-6538. The Department has also conditioned approval on the City and TNDC maintaining a policy that permits individuals with disabilities who are unable to work in the City because of their disability to qualify for the work preference. In addition, the Department notes that the work component of the City live/work preference must conform with the requirements of the HUD Multifamily Occupancy Handbook, which requires any residency preference to contain a specified work component.

The Department recognizes the significant affordable housing challenges San Francisco faces. We hope to be a partner in helping the City address these challenges. We are optimistic that anti-displacement strategies can be designed to be consistent with fair housing law and policy.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gustavo Velasquez', written over a horizontal line.

Gustavo Velasquez  
Assistant Secretary for Fair Housing  
and Equal Opportunity