



## San Francisco Fee May Get Around Affordable Housing Ruling

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In the *Palmer/Sixth Street Properties v. City of Los Angeles* case in 2009, an appellate court ruled that when Los Angeles imposed affordable-housing rates on some units in new apartment projects, it violated a state law that protects the rights of building owners to establish initial rents in apartment units. Only if a project received some public benefit could a city make such demands.

Since then, the approximately 170 jurisdictions in California with affordable-housing laws have been working to conform with the court decision while preserving their ability to get below-market housing from new apartment projects.

In San Francisco, new legislation changes the rules so that only those apartment developers whose projects receive tax breaks, zoning changes or other public benefits may meet the city's affordable housing requirements by renting a percentage of their units at affordable rates. Under the old city ordinance, developers, regardless of whether their projects received some government assistance, had the choice of renting a certain percentage of new units at affordable rates or paying a fee.

For more: <http://bit.ly/gc6Alr>

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