

# STATION 2



## EXPANDING HOUSING CHOICE: GROWING OUR NEIGHBORHOODS TO MEET OUR HOUSING NEEDS

This station describes how we will grow our neighborhoods to ensure people can stay and thrive in the City, specifically through changes to our zoning and land use laws to add new housing.

### THE CHALLENGE

Across California, 1 in 3 households have difficulty affording housing and other basic needs, like healthcare, education, and food.

California communities are required to plan for 2.5 million new housing units over the next decade, and San Francisco's share is 82,000 new housing units.

### THE OPPORTUNITY

We have the tools and expertise to tackle this affordable housing crisis and expand housing choice for all San Franciscans. Expanding Housing Choice (Housing Element Zoning Program) is a generational investment in our City. It will mean more housing for:

- **Youth**, who want to stay here once they graduate high school or return after college.
- **Parents**, who may be spry and in their middle years now, but for whom retirement and changing housing needs aren't far away.
- **Seniors and grandparents**, who still live in the single-family homes where they raised their children and worry about making it up and down the stairs.
- **Teachers, first responders, nonprofit workers, bus drivers, caregivers, hospitality workers, and service providers** - expanding housing choice is about having the ability to live close to where they work and be part of the communities they support.



Photos: April Phillips Design Works, San Francisco Mayor's Office of Community Development



San Francisco  
**Planning**



Housing Element  
ZONING PROGRAM



Learn more about Expanding Housing Choice:  
<https://sfplanning.org/housing>





# What We Are Working Towards

## Shaping the Housing Element Zoning Program

The Housing Element Zoning Program will meet certain requirements and project goals. These include:

- Meet the state requirement that we **plan for 82,000 new homes**, including homes for low- and moderate-income residents.
- Start to **reverse patterns of segregation** by expanding housing in well-resourced neighborhoods.
- **Protect tenants, small businesses, and cultural anchors** as we add new housing.
- **Improve the planning approval process** to increase predictability and reduce costs.
- Balance the need to **invest in community infrastructure and services** with consideration of financial feasibility.



## How will we grow to meet our housing needs?

Expanding Housing Choice ensures the city can grow in a **more geographically balanced and equitable way** through changes to **zoning laws**. Zoning sets the rules for what can and cannot be built in neighborhoods.

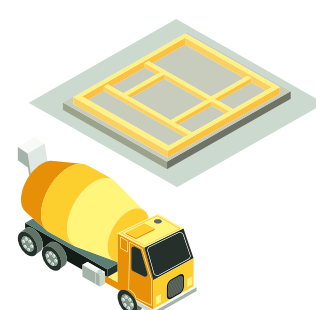
This effort will include:

- Changes to **building height and density rules** to accommodate more housing.
- Other changes to zoning rules, such as expanding where retail stores and other **community-serving uses** are allowed.



**Project Phases:** Mayor Breed’s Executive Directive on Housing for All directs the Planning Department to submit a final zoning proposal for consideration by policymakers by January 2024 to ensure we are on track to meet State requirements.

### PHASE 1. Laying the Foundation



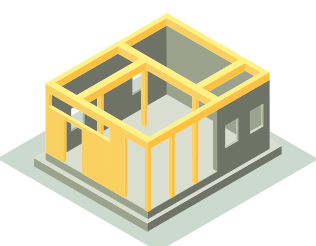
**Initial zoning proposals were shared with the public for feedback.**

*Outreach included:*

- Housing Education workshops & resources
- Community Conversations
- Focus Groups
- Open Houses

Summer 2023  
COMPLETED

### PHASE 2. Building the Structure



**A revised draft zoning proposal is being shared, responding to public feedback from Phase 1.**

*Outreach includes:*

- Community Conversations
- Open Houses

Fall 2023

### PHASE 3. Raising the Roof



**A final zoning proposal will be brought to policymakers for adoption.**

Community members will have opportunities to provide input throughout the adoption process.

Winter - Spring 2024

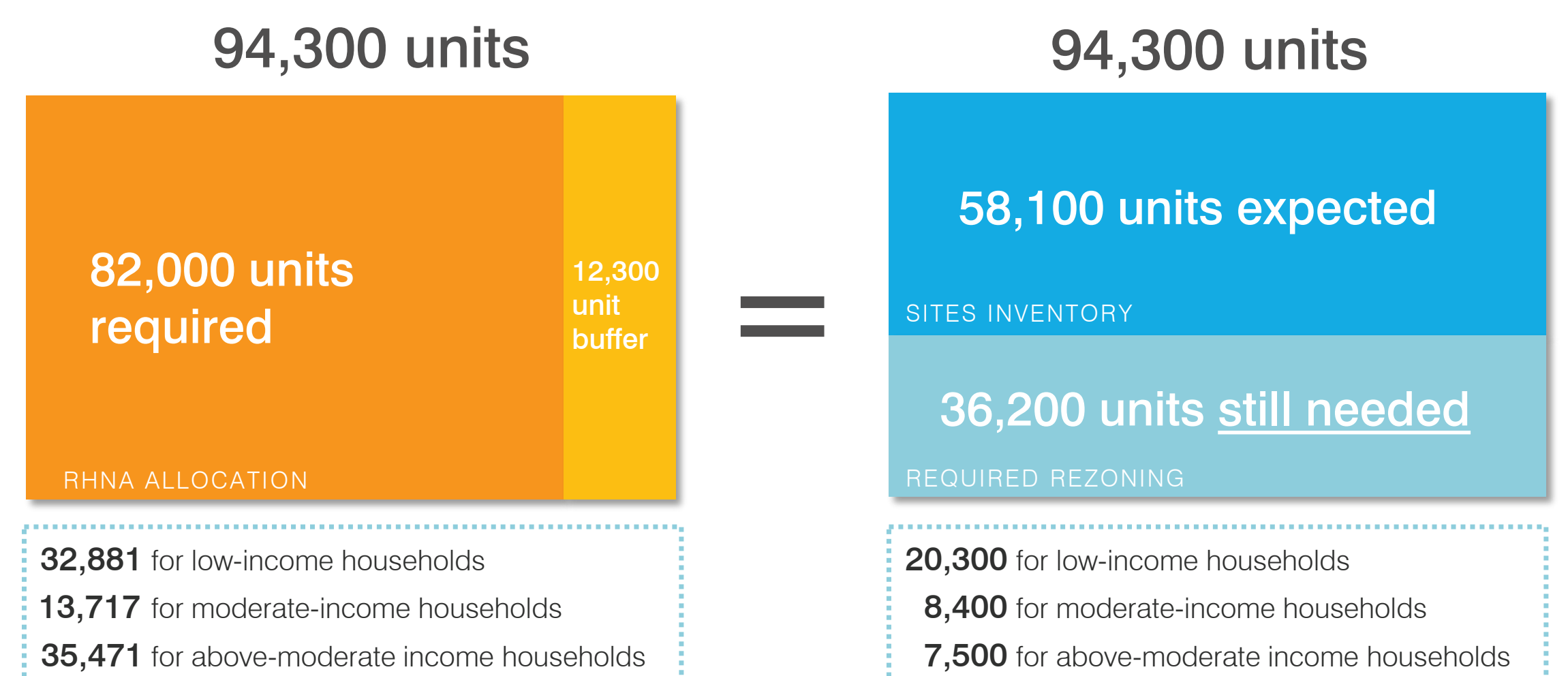
Graphic Source: San Francisco Planning Department

## How Much Housing Do We Need?

We are required by the State of California to plan for 82,000 more homes, including homes affordable to households with low-to moderate incomes, in San Francisco over the next 8 years.

San Francisco already has tens of thousands of units that are approved and expected to be built in this timeframe, so the adjusted amount that we need to plan for is 36,200 units.

### SF’s Housing Gap:



Graphic Source: San Francisco Planning Department

Photos: SFMTA, SF Planning, Cinderella Bakery





# Where We Will Grow to Meet Our Housing Needs

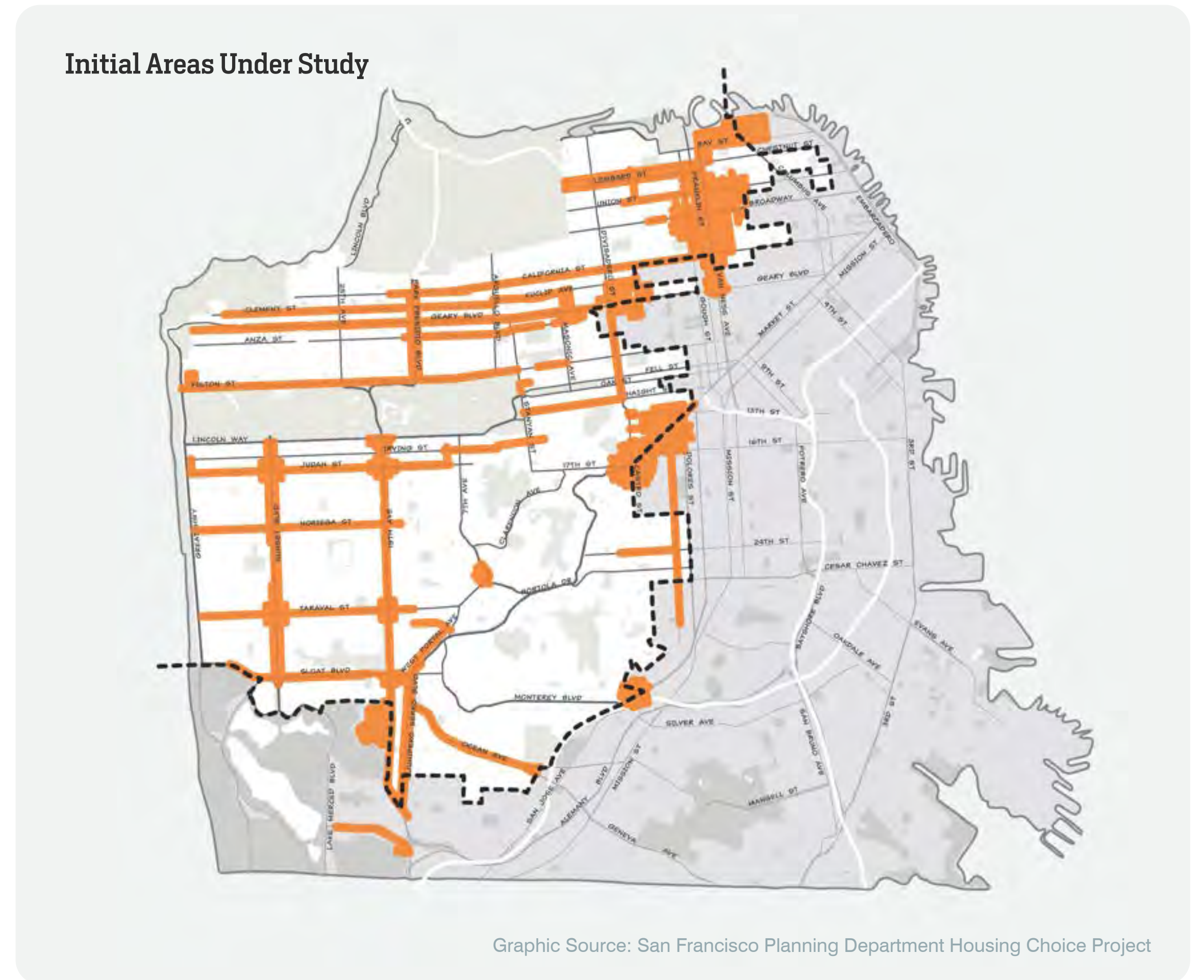
## Where will we grow to meet our housing needs?

In accordance with the Housing Element and as required by state law, Expanding Housing Choice will add more capacity for housing in **neighborhoods that historically built less housing due to exclusionary zoning rules.**

These locations – “Housing Opportunity Areas\*” – have more restrictive rules for what can and cannot be built, resulting in a predominant pattern of single-family homes and lower density developments.

**Expanding Housing Choice focuses new housing on major streets and areas of activity in Housing Opportunity Areas** because these areas:

- Have **existing infrastructure, transit, businesses, and services** that can support a future with more homes.
- Have **more sites without existing housing.**
- Offer the greatest **potential to meet and exceed our required 36,200 units.**

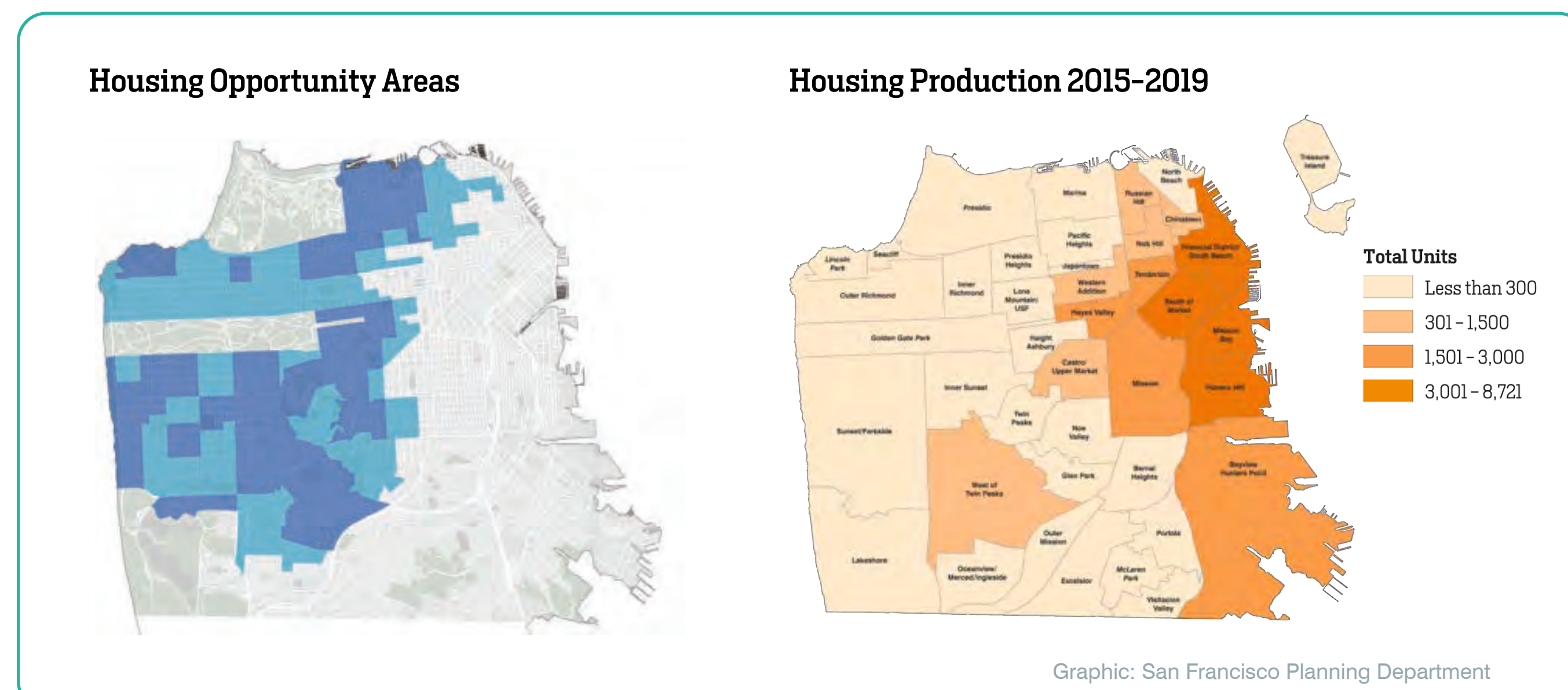


## Adding housing citywide, including in Housing Opportunity Areas

**San Francisco will continue to plan for and build housing throughout the entire city.** Even though the rezoning is focused in the Housing Opportunity Areas, we still expect to see tens of thousands of housing units built in other areas of the City under existing zoning rules.

One reason why Expanding Housing Choice has a special focus on Housing Opportunity Areas is because over the past two decades, **only about 10% of new housing units were built in these state-designated areas, even though they comprise more than 50% of the city’s land.**

About 10% of subsidized affordable housing units have been in these areas, leading to intense competition for units. For example, in the Outer Sunset, there are currently only 45 affordable housing units and over 4,100 people applied for those units.



\* Areas designated as “Highest Resource” and “High Resource” on the Opportunity Area Map published by CA Department of Housing and Community Development. These areas were also called “Well-Resourced Neighborhoods” in the 2022 Housing Element.

Photos: AvalonBay Communities Inc., SF Planning



# Working Towards Affordable and Diverse Housing

## Advancing Affordable & Diverse Housing

The Housing Element requires that we plan for more housing at all income levels, including **46,000 units across San Francisco affordable to low- and moderate-income residents**. We will need unprecedented investments in affordable housing production to realize this vision of a more inclusive and equitable city.

The City is working to increase availability of affordable and diverse housing types, both citywide and in the Housing Opportunity Areas.

### Affordable Housing:

- The City is working to meet the goal of producing 46,000 units affordable at low and moderate incomes, including a target of **building 25-50% of these units (approximately 10,000 – 20,000 units) in Housing Opportunity Areas**. These affordable homes will include a mix of 100% affordable housing (e.g., City-funded projects built by nonprofit housing developers) and inclusionary housing (e.g., BMR units integrated in mixed-income projects, built by private developers) as well as housing that is rented at moderate incomes without subsidy (such as ADUs and moderate-cost apartments).

### Diverse Housing:

- Through the rezoning and related efforts, **the City is also working to support a greater diversity of housing types in the Housing Opportunity Areas**, such as multi-family apartments, townhomes, 4-plexes and 6-plexes, accessory dwelling units, group housing, and senior housing. These types of units tend to be more affordable than single-family homes.

## Celebrating Diverse Housing & Buildings

Until the mid-1900s, our zoning rules allowed for more flexible uses and building types. There are many examples of taller buildings scattered throughout neighborhoods that would not be allowed under today's rules.

17th St. & Geary Blvd. - Richmond District



Photo: SF Planning

Steiner St. - Pacific Heights



Photo: Redfin

W. Portal & 15th Ave. - West Portal



Photo: SF Planning

California St. & Broderick St. - Pacific Heights

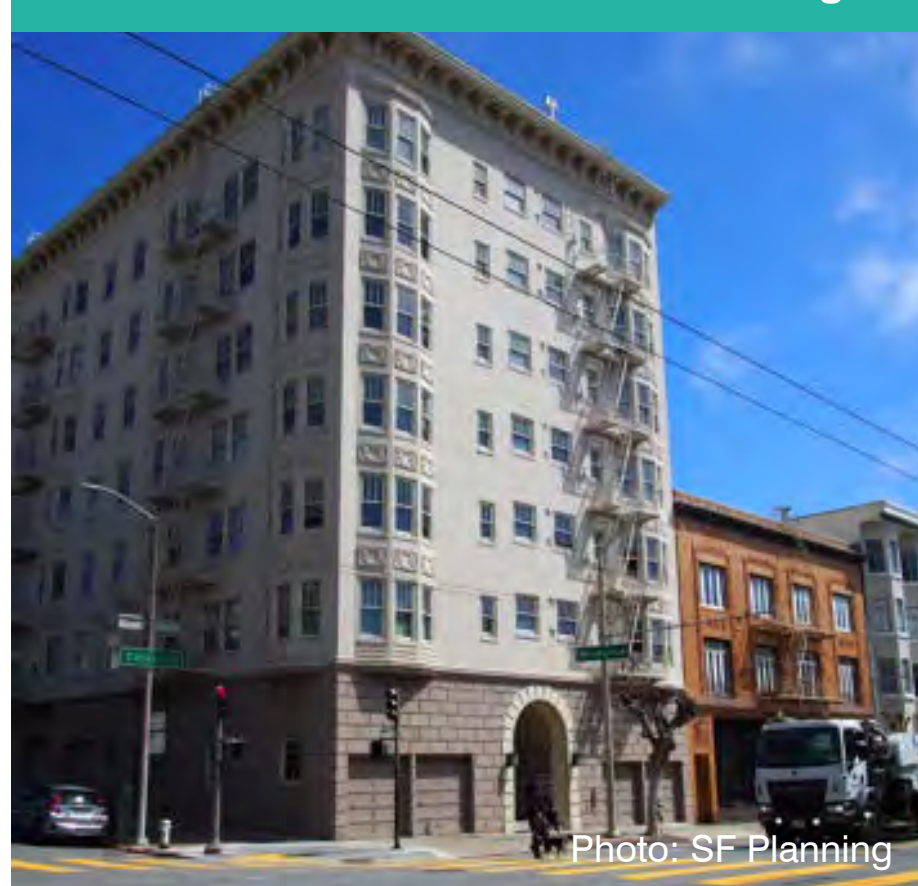


Photo: SF Planning



Photo: Casa Adelante 2060 Folsom Street by Bruce Damonte.

**We can better meet our housing needs by adding more diversity of housing types, including:**



Townhomes



Multi-family Apartments



Accessory Dwelling Units ("in-law units")



Group Housing



4-plexes and 6-plexes



Senior Housing



Subsidized Affordable Housing

Photos: Redfin, Supervisor Joel Engardio, building Lab Inc., San Francisco Community Land Trust, Compass, Cesar Rubio - US Department of Housing and Urban Development, & MITHUN





# Affordable Housing and Protecting Tenants

## Ongoing efforts to advance affordable housing:

The 2022 Housing Element includes over 350 implementation actions, including the following two key strategies to support the development of affordable housing:

- The City has convened an **Affordable Housing Leadership Council** charged with identifying funding sources and financing tools to produce and preserve affordable housing. Their final report and recommendations will be complete in Winter 2024.
- Local and regional governments are developing **additional funding for affordable housing**, including a local bond measure for the March 2024 ballot that could generate \$300 million for affordable housing, and a regional housing bond for the November 2024 ballot that could raise \$10-20 billion across the Bay Area, including up to \$2.4 billion for San Francisco.

## Protecting Tenants as Neighborhoods Grow

San Francisco is a majority renter city, with 64% of households renting their homes. In addition to building more housing, **it is also critical to protect tenants in existing housing**, particularly low- and moderate-income households who are more vulnerable to displacement and face greater challenges in finding new housing.

**Expanding Housing Choice will leverage existing City and State laws that provide strong protections for tenants.** The rezoning proposal will build on these protections and will try to address additional concerns the City has heard about tenants' needs. Some of these existing laws include, but are not limited to:

### State laws:

- **Housing Crisis Act of 2019 (SB 330):** Requires new housing projects to replace existing rent-controlled units and units occupied by low-income households. Tenants are eligible for relocation assistance and the right of first refusal (e.g., the right to move back into the new unit).
- **Tenant Protection Act of 2019 (AB 1482):** Established statewide rent control for eligible units (San Francisco's local ordinance still applies to eligible properties).

### Local laws:

- **Zoning controls on dwelling unit removal (Section 317):** Establishes hearing requirements to discourage projects that demolish or substantially diminish existing housing units.
- **San Francisco Rent Ordinance (a.k.a., rent control and "just cause" eviction protections):** Establishes maximum rent increases and other protections for tenants in applicable properties.
- **San Francisco Rent Board's Housing Inventory:** A registry of rental units launched in 2021, which will support enforcement of tenant protections by gathering valuable data on unit vacancies, rents, and other characteristics.



Photo: SFMTA

## Additional Strategies Under Consideration:

Here are policy and program ideas, which could be included as part of the rezoning or addressed through separate legislation.

- **Identify and acquire sites for 100% affordable housing developments** in Housing Opportunity Areas
- **Incentivize rental housing:** Currently, rental housing is less financially feasible to build than for-sale housing. Expanding our rental housing stock can help bring costs down and provide a foothold for lower- and moderate-income households.
- **Review rules for residential demolitions and mergers** to protect against loss of rental units.
- **Increase resources for enforcement of existing tenant protections**, including funds for tenant counseling and continued progress in expanding the San Francisco Rent Board's Housing Inventory.
- **Support acquisition of existing rental housing and its conversion to permanent affordable housing** through programs like MOHCD's Small Sites Program.



# What We Heard

The various outreach and engagement events during Spring and Summer 2023 yielded a wide range of feedback on the zoning proposals and related topics.

This board summarizes some of the main themes from the feedback, though it is not an exhaustive list of everything we heard. We engaged with community members through:

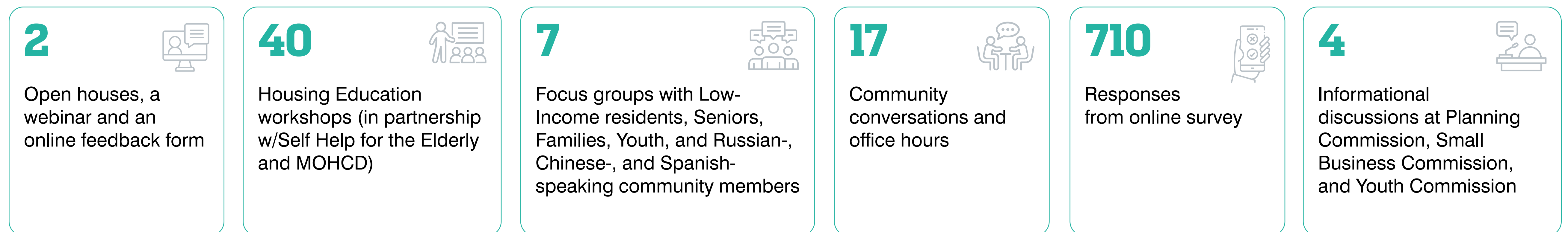


Photo: SF Planning

## Themes from Community Feedback

Here are some high-level themes that we heard during Phase 1 of community engagement:

### Mixed reactions toward proposed increases to heights and density:

- Call from some stakeholders to add even more housing capacity, including increasing heights further and adding other corridors and sites not on the maps
- Desire from others to maintain existing low-density development pattern
- Concerns about infrastructure and services needed to serve new housing
- Feedback on criteria for refining proposed heights and densities, such as street widths, topography, and street orientation

### Emphasis on livable urban design and public realm:

- Open and green space are critical for livability
- Establish objective design standards to decrease subjectivity and create more predictable process
- Comments for and against the use of setbacks and setoffs

### Encouraging housing affordability, production, and availability:

- Streamline processes and allow more flexibility of rules
- Prioritize housing for all income levels and needs, including low-income, essential workers, seniors and people living with disabilities, and youth

### Preserve, protect, and support community and cultural spaces:

- Celebrate and prioritize community histories, contributions, and treasured spaces
- Recognize and increase access to legacy and community-serving businesses, landmarks, parks, local art
- Safer streets and consideration for impacts to transportation within neighborhoods





# Background on the Housing Element Zoning Program

## Developing a Flexible Zoning Program

The proposed rezoning maps show intended final heights for key corridors and sites. When the rezoning is adopted, projects will have multiple pathways to reach these heights:

- Projects may opt-in to a local Housing Element Zoning Program (“local zoning program”) – OR –
- They may use other bonus programs and ministerial programs (such as the State Density Bonus program)



Rendering of Noriega St. looking west towards 25th Ave.; Graphic: AECOM

## Why create a local zoning program?

The State Density Bonus (SDB) has grown in popularity in recent years and is a valuable tool to incentivize housing production. That said, **there are distinct advantages of creating a local zoning program** as an alternative to be used in parallel with SDB and other local and state programs:

- **Codifies and incentivizes core public policy goals:** A local program would set expectations around building form, uses, zoning procedures, and other requirements, and can be crafted to advance and incentivize various public

policy goals such as affordable housing, racial & social equity, and ease of implementation

- **More predictable urban form:** Under State Density Bonus, projects routinely seek waivers and concessions from code requirements, which can lead to unpredictable outcomes regarding the ultimate building height, bulk, design, and other characteristics of buildings, particularly for larger sites and denser zoning districts. A local program can create more intentional shaping of height and form across corridors and neighborhoods.
- **More certainty on other policy goals:** Some projects have used SDB

concessions in ways that conflict with core city policies and principles of sustainable and equitable communities, such as by increasing parking above maximum limits, eliminating pedestrian-oriented ground floor uses, and adding formula retail uses. With a local program, the City would set clear standards for the topics that matter most, while allowing flexibility on a defined set of topics.

- **Less risk for project sponsors:** The local zoning program would be designed to include clear and objective code standards, and compliant projects would receive streamlined and by-right (“ministerial”) approval, providing greater certainty to project sponsors.

## Balancing Community Benefits and Financial Feasibility

In San Francisco, government does not build housing directly. To meet our housing needs, we need to work with affordable housing developers and private developers that build market-rate and mixed-income housing (which includes below-market rate units).

Currently, very few housing types are financially feasible to build due to economic conditions such as high construction costs

relative to rents, high interest rates, and other trends. These factors are exacerbated in the Housing Opportunity Areas, where existing zoning severely constrains density and prohibits housing at a scale that is more economically viable.

The Planning Department is conducting a financial feasibility analysis to understand the impact of the draft zoning on development potential, which will help us design the proposal to encourage the housing that we need. This study will be completed before the final zoning proposal is introduced.

Preliminary results from this and recent studies\* suggest that all scales of housing are difficult to construct in the current economic context. This limits our ability to add increased financial requirements as part of the rezoning, such as inclusionary housing and/or other exactions. However, through this analysis, we will consider tweaks to existing requirements that may be cost neutral or relatively low-cost that can help us achieve project goals.

\* Financial feasibility studies were recently completed to support the following processes: the Inclusionary Housing Technical Advisory Committee (March 2023), Automotive Uses to Housing Uses ordinance (November 2022), Housing Element Constraints Analysis (January 2023), and Senate Bill 9 (January 2022).





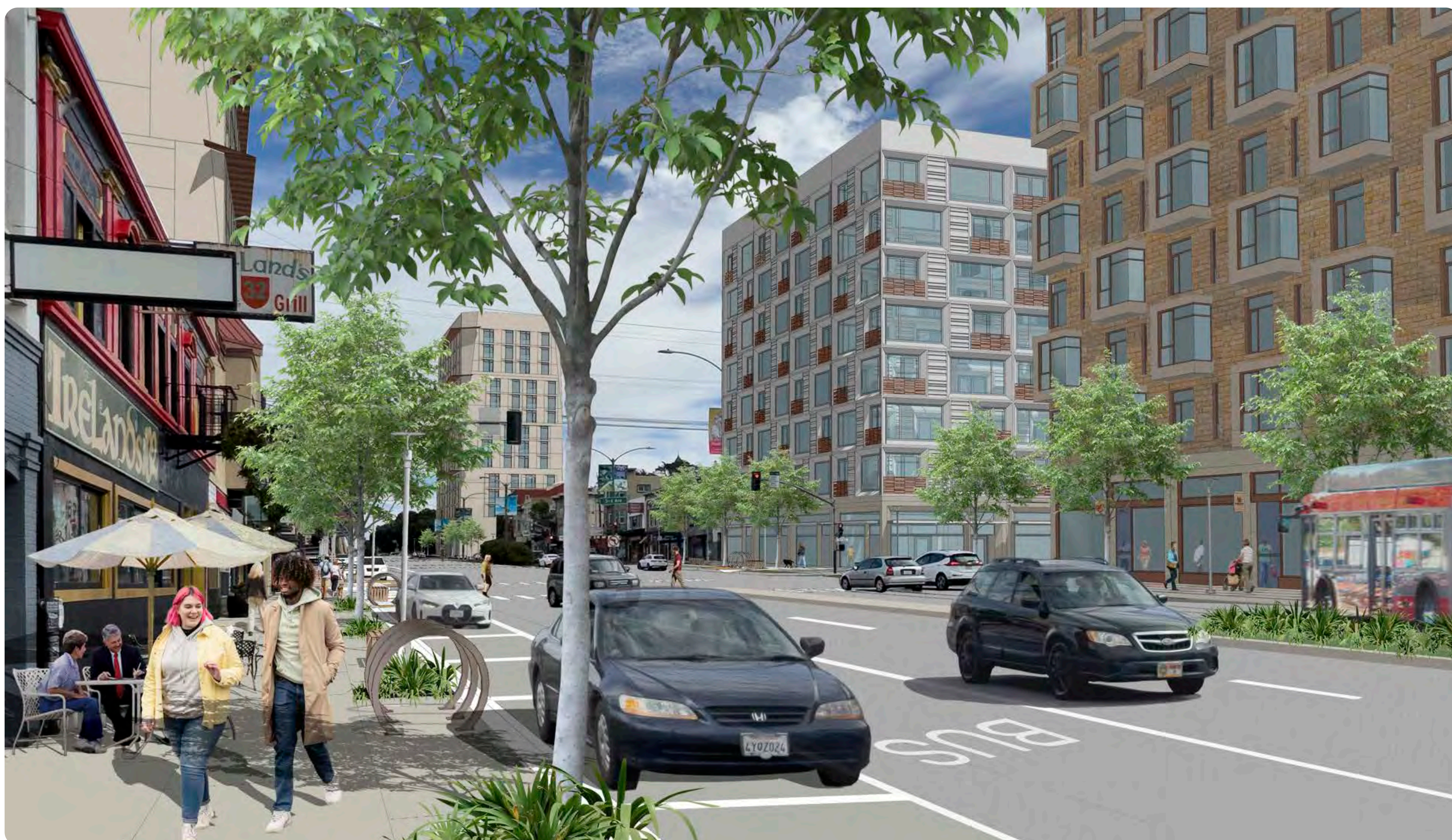
# Housing Element Zoning Program Design & Implementation

## Local Zoning Program topics under development

The structure and requirements of the local zoning program are currently under development. Some of the policy topics we are exploring include:

- **“By-right” (ministerial) approval:** Code-compliant projects will have multiple pathways to receive “by-right” (e.g., “ministerial” approval, which ensures faster housing development and less cost and risk for sponsors).
- **Objective Design Standards:** Standards will be adopted in the Planning Code to ensure high-quality urban design and architecture, while offering some of the flexibility sought through other state bonus programs.
- **Affordable housing and rental housing incentives:** The program aims to provide more flexibility on affordable housing compliance than the SDB, including on-site, fee, off-site, and land dedication options. It may also include incentives to produce more rental housing, which is currently less financially feasible to build.
- **Tenant protections and demolition controls:** The program will include processes and standards to limit demolition of rent-controlled housing and displacement of existing tenants.
- **Business relocation support:** The City is exploring requiring developers to provide relocation payments to certain commercial tenants displaced by construction (similar to laws already in place for residential tenants).

We are conducting analyses to meet requirements and city goals described earlier in this station. We will continue to develop details of the Housing Element Zoning Program until the final zoning proposal is introduced in January 2024.



Rendering of Geary Boulevard looking east towards Arguello Boulevard; Graphics: AECOM







# Updated Draft Zoning Proposal Fall 2023

In Summer 2023, the Planning Department held Open Houses and other community engagement events to introduce the rezoning goals and requirements. The Department solicited feedback on two Zoning Concept Maps that presented different alternatives for meeting our housing needs and state requirements.

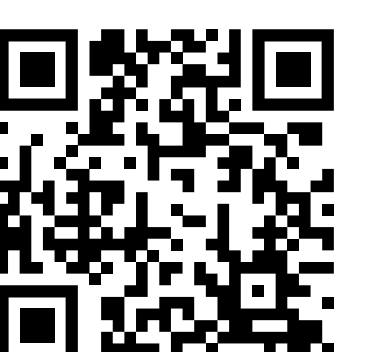
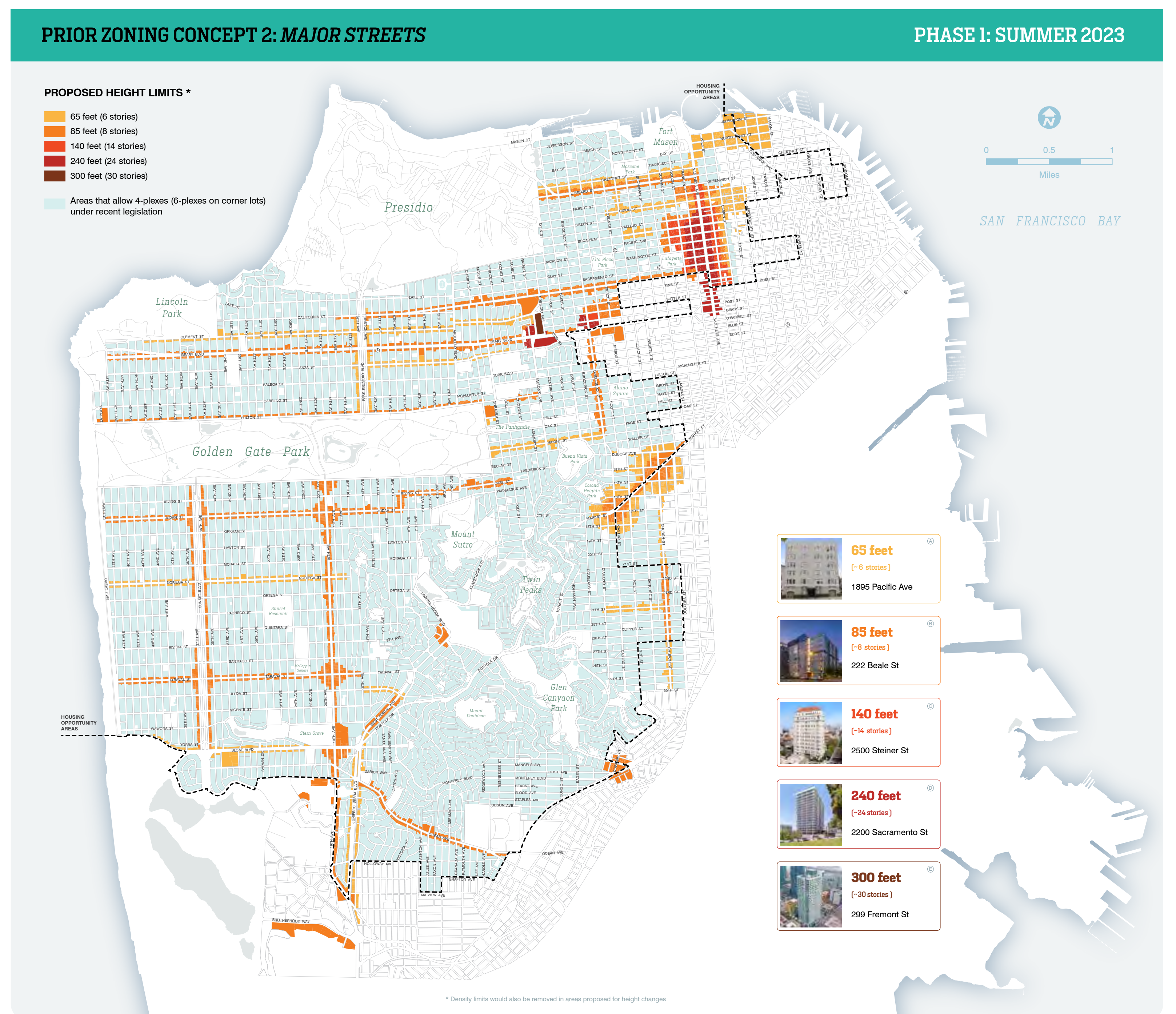
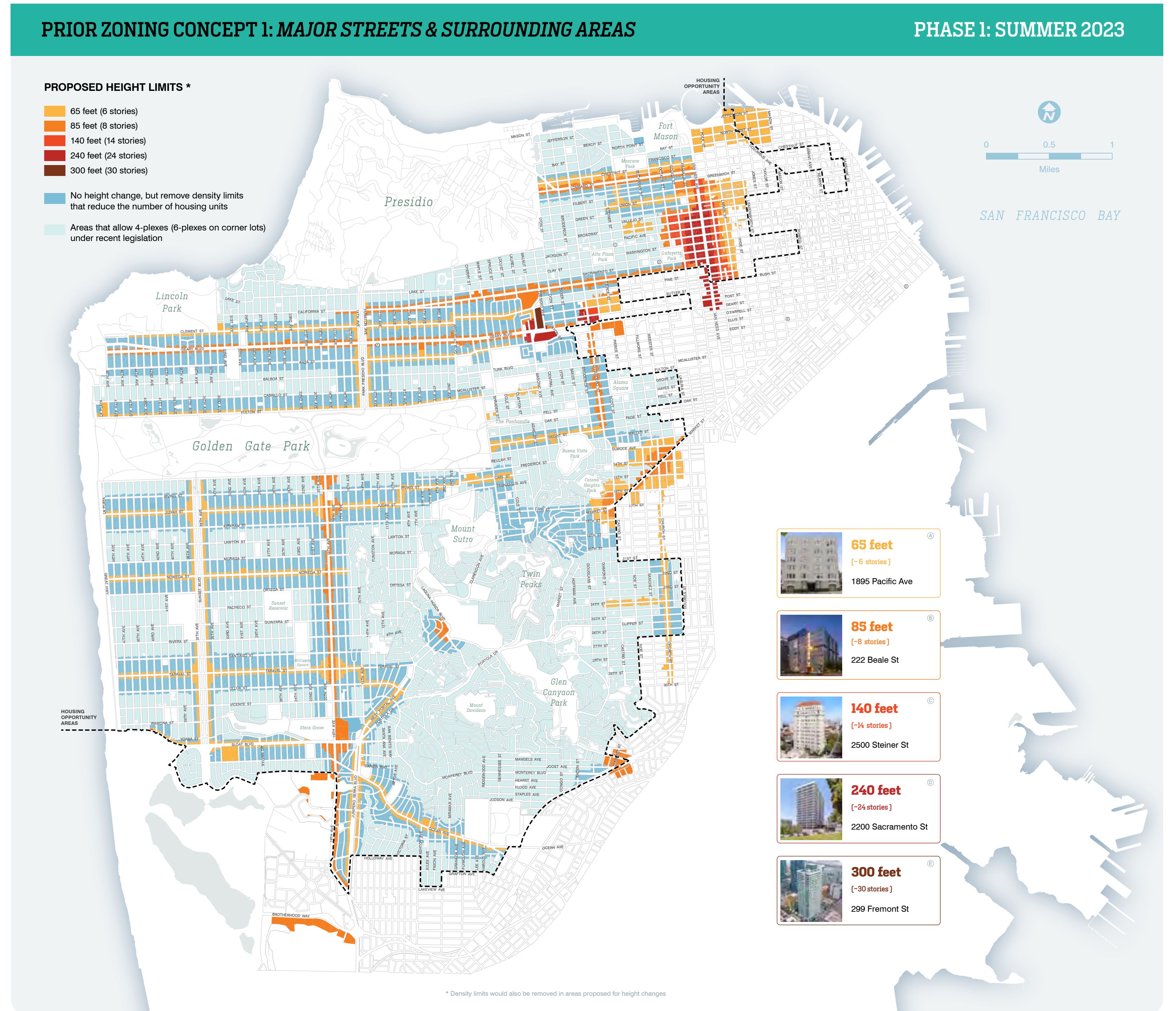
### Key elements of the Draft Zoning Proposal include:

- Proposed changes focus on major transit routes, commercial streets, and other hubs of activity.
  - For some parcels, the rezoning would also expand the allowable ground floor uses to permit retail and other neighborhood-serving uses (under existing zoning, some properties on these streets only allow residential uses).
- New housing would be distributed evenly across the Housing Opportunity Areas so that no single neighborhood or set of neighborhoods would bear most of the new housing.
- Most sites would be rezoned to result in mid-rise development (65' to 85', or 6-to-8 stories). Heights of 85' are generally proposed for wider streets adjacent to or near major transit lines (such as rail and bus rapid transit).
- Some higher heights (ranging from 140' – 300', or 14-to-30 stories) are proposed in areas that:
  - Currently allow heights greater than 85' (for example, around Van Ness Ave)
  - At key intersections and locations along major corridors.

### What has Changed from to Zoning Concept Maps 1 & 2 (from Phase 1)

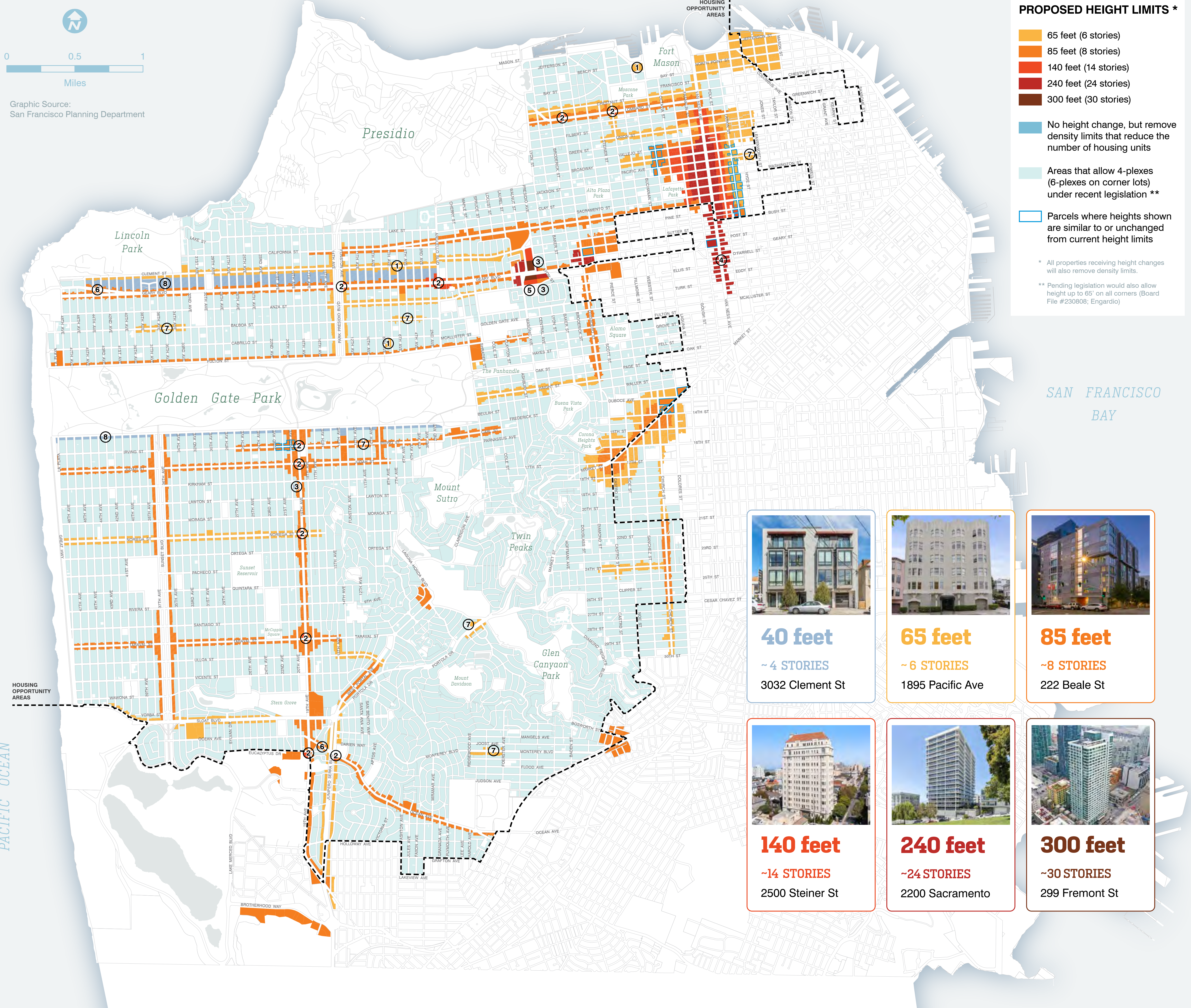
Here is how the map compares to Zoning Concept Maps 1 & 2 (from Phase 1 outreach):

- Heights are comparable to what was presented in Zoning Concept Map 2, with some additional height increases:
  - At selected intersections on key corridors (including Geary, 19th Ave, etc.)
  - At additional sites that present opportunities for development (such as lots that have low-density commercial and parking uses)
- The Draft Zoning Proposal elects to concentrate growth on the major streets rather than the “buffer” areas from Map 1, because:
  - The main streets have more sites suitable for multifamily housing development (e.g., larger sites and more sites without existing housing)
  - Enabling growth in larger buildings is more efficient and results in more community benefits (like affordable housing) compared to small projects.
  - Small multifamily housing types are currently less feasible to build. The City will continue to evaluate opportunities to encourage these housing types and may consider future zoning changes.





# Updated Draft Zoning Proposal **Fall 2023**









**PROPOSED HEIGHT LIMITS \***

- 65 feet (6 stories)
- 85 feet (8 stories)
- 140 feet (14 stories)
- 240 feet (24 stories)
- 300 feet (30 stories)

- No height change, but remove density limits that reduce the number of housing units
- Areas that allow 4-plexes (6-plexes on corner lots) under recent legislation \*\*
- Parcels where heights shown are similar to or unchanged from current height limits

\* All properties receiving height changes will also remove density limits.  
\*\* Pending legislation would also allow height up to 65' on all corners (Board File #230808; Engardio)

 <p><b>40 feet</b> ~ 4 STORIES 3032 Clement St</p>	 <p><b>65 feet</b> ~ 6 STORIES 1895 Pacific Ave</p>	 <p><b>85 feet</b> ~ 8 STORIES 222 Beale St</p>
 <p><b>140 feet</b> ~14 STORIES 2500 Steiner St</p>	 <p><b>240 feet</b> ~24 STORIES 2200 Sacramento</p>	 <p><b>300 feet</b> ~30 STORIES 299 Fremont St</p>

### Comparison to Zoning Concept Maps 1 & 2

- ① Added proposal to increase height limits to 65' on select housing opportunity sites.
- ② Added additional height increases from 85' to 140' at key intersections along major streets (including Lombard Street, 19th Avenue, Geary Boulevard, and Ocean Avenue).
- ③ Modified height limits on larger lots to sculpt heights in relation to neighboring blocks.
- ④ Added proposal to increase height limits to 240' along Van Ness Avenue from Myrtle Avenue to Golden Gate Avenue.
- ⑤ Added additional height increases from 240' to 300' at southeastern lot at Masonic Avenue and Geary Boulevard.
- ⑥ Added proposal to increase height limits to 85' along major streets (including portions of Point Lobos Avenue and Ocean Avenue).
- ⑦ Added proposal to increase height limits in additional named Neighborhood Commercial Districts (NCD) and Neighborhood Commercial Cluster Districts (NC-1) on Pacific Avenue, Balboa Street, Monterey Boulevard, Portola Drive, and Irving Street.
- ⑧ Applied "buffer" areas in selected locations (between Geary Boulevard and Clement Street and along Lincoln Way).





# Share your feedback on the Local Zoning Program

Please read through the questions below and provide feedback on the Local Zoning Program.

**You can use stickers and sticky notes to provide feedback on this board.**



## What features of the Local Zoning Program are most important to you?

Add a sticker to your top 3 priorities?

“By-right” (ministerial) approval

Tenant protections and demolition controls

Objective Design Standards

Business relocation support

Affordable housing and rental housing incentives

Other (Please post description below)

## How can we make this program as effective and easy to use as possible?



## Do you have any other questions or feedback?





# Share your feedback on the Draft Zoning Proposal

Please read through the questions below and provide feedback on the Draft Zoning Proposal.

You may use a post-it to provide feedback on this board.

If you would prefer to write comments directly on a map, please grab a printed map available at this station and return it to staff.



What feedback do you have on the specific areas proposed for rezoning?



What are your hopes as we grow these neighborhoods with new housing?



What are your concerns as we grow these neighborhoods with new housing?



Do you have any other questions or feedback?

