

Draft for Public Review

The Market and Octavia Neighborhood Plan



San Francisco Planning Department
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BETTER NEIGHBORHOODS
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Housing People

**OBJECTIVE 2.1
MIXED-USE RESIDENTIAL INFILL ON THE FORMER FREEWAY
LANDS.**

**OBJECTIVE 2.2
NEW OPPORTUNITIES FOR RESIDENTIAL INFILL THROUGH-
OUT THE PLAN AREA.**

**OBJECTIVE 2.3
EXISTING, SOUND HOUSING STOCK THAT IS PRESERVED
AND ENHANCED.**

**OBJECTIVE 2.4
INCREASED HOUSING OPPORTUNITIES AFFORDABLE TO A
MIX OF HOUSEHOLDS AT VARYING INCOME LEVELS.**

Housing is an essential human need. No single issue is of more importance than how we provide shelter for ourselves. Housing is in chronically short supply in San Francisco, particularly for those earning low and moderate incomes. The Market and Octavia neighborhood presents a unique opportunity, because new housing can build on, even enhance, its vitality and sense of place. This plan encourages housing as a beneficial form of infill development—new buildings at traditional scales and densities, reflecting the fine-grained fabric of the place.

In many respects, this plan does not diverge from established and continually evolving citywide policies and programs of housing affordability. It does not establish new inclusionary standards, new funding mechanisms, nor create its own solutions to homelessness in the city. On these matters, which cannot be affected on an area-by-area basis, the plan defers to the larger citywide structure.

While opportunities in this plan area alone cannot solve the city's housing shortages, the Market and Octavia neighborhood has a significant contribution to make, and much to be gained from it. There are tremendous opportunities for new infill housing that will strengthen the place, such as the vacant Central Freeway parcels, and enhance its role as a walkable, transit-oriented neighborhood that supports urban living.

Existing sound housing stock is a precious resource to be preserved and supported. No demolitions, removals, nor wholesale clearings as in redevelopment projects of old are proposed. Dwelling unit mergers are strongly discouraged.

This section carries forward the following principles:



A variety of housing opportunities contributes to the character and diversity of the plan area.



Traditional residential buildings like this one provide most of the housing in the area. Because they were not required to devote large amounts of space to off-street parking, over time they have given the area a distinctly human scale.

- *Ample and diverse housing opportunities add to the vitality of the place.* This plan is firmly rooted in the idea that it is people that give the Market and Octavia neighborhood its character and life. As important, the plan aims to maximize housing opportunities to serve a variety of people. It does so by looking to the prevailing built form of the area and carefully prescribing controls for building envelopes to emulate that form. Controls that limit building area by restricting housing are eliminated in favor of well-defined height and bulk controls and urban design guidelines, encouraging building types more in keeping with the area's established development pattern, and allowing greater flexibility in the type and configuration of new housing.
- *Housing can be built more efficiently, affordably, and more in keeping with the character of the place if parking is not required.* Because public transit, walking, and bicycling are convenient and attractive ways to get around here, residents here often live with fewer cars, or without a car at all. The fact that they need to own, store, and maintain fewer cars not only enables residents to live more affordably, it also means that new housing can be built to capitalize on the area's accessibility by other modes. This will ensure that new housing adds life to the area without adding new cars to its streets, be more affordable both to developers and residents, and minimize the negative impacts of parking facilities on neighborhood streets. The plan introduces parking maximums, enabling and encouraging new development to build on the back of the area's accessibility by foot, bicycle, and transit.

The traditional housing stock in the Market and Octavia neighborhood supports a tremendous variety of living arrangements—individual homes, flats, apartments—some owned but mostly rented, including various forms of group housing and assisted living. All these housing types are part of a close-knit physical fabric that packs a great deal of housing into a small area, close to neighborhood services and transit. While the living spaces in older buildings typically have a strong relationship to the street, expressed most through stoops and bay windows, newer housing has less of a relationship to the street, largely because of the space consumed by dead walls and garage doors that parking presents to the neighborhood. With the added space parking requires, it takes more height and a more bulky building to provide the same amount of housing.

The Potential for New Development in the Market and Octavia Neighborhood

This Plan envisions new housing as a driving force in the strengthening and overall improvement of the Market and Octavia area. Building on the area’s diverse character and scale, there is a tremendous potential for new housing here. As noted, a basic principle of this plan is that, if well planned, new housing will contribute diversity and vitality to the area and minimize the problems associated with more cars.

In terms of the area’s physical capacity for new development, there will be potential for 7,500 to 13,000 new housing units under the controls proposed by this plan—an increase of 20 to 45 percent over the potential under the existing zoning.

These figures do not reflect the number of units likely to be produced, however. That figure is a product of what share of the city’s overall housing growth can be expected to take place in the Market and Octavia neighborhood. **Over the next 20 years, the Market and Octavia neighborhood’s share of the city’s housing growth is expected to be up to 4,500 to 5,300 units.** In other words, roughly 40 - 50 percent of the area’s physical capacity for new development is likely to be developed over the next 20 years.

The full package of policies proposed in this plan take real steps to encourage housing production. The plan clarifies the expectations and rules governing new development and defines building form and use controls according to proven, feasible building prototypes. Once adopted, a program-level Environmental Review will be completed, expediting the review process dramatically and providing a significant incentive to build.

Physical Development Capacity

Under Current Zoning	Net Residential Units
5% Softsites*	1,769
30% Softsites	4,354
Full Build Out**	11,439

Under Proposed Zoning	Net Residential Units
5% Softsites	7,528
30% Softsites	13,020
Full Build Out	22,582

² This figure is based on assumptions about the potential range of sites available for new development in the foreseeable future. Appendix 5 provides a full description of the assumptions used to develop estimates of housing potential.

* Two tiers of “softsites” are used, based on percentage of the site’s buildable potential (as per zoning) that is currently occupied. 5 percent softsites, for instance, are those sites where 95 percent of the site’s potential is not currently being used.

**This figure represents the maximum physical capacity of the area for new development, assuming full buildout.



New development on the Central Freeway parcels will provide a range of housing opportunities to people at a variety of income levels.

OBJECTIVE 2.1 MIXED-USE RESIDENTIAL INFILL ON THE FORMER FREEWAYLANDS.

The removal of the Central Freeway and construction of Octavia Boulevard will create 22 publicly owned parcels, on about 7 acres of land. In keeping with the city's existing policy of using surplus publicly-owned land to house San Francisco residents, approximately one-half of these lands have been earmarked for affordable housing, including a substantial amount of senior housing. In keeping with the mixed-use character of the neighborhood, commercial uses are encouraged on the ground floor of new development on the freeway parcels, and required on parcels fronting Hayes Street and portions of Octavia Boulevard.

Policy 2.1.1

Develop the Central Freeway parcels with mixed-use, mixed-income housing.

Housing priced to be affordable at a variety of incomes, along with supportive commercial and neighborhood services, should be established as one criterion for the selection of developers for the Central Freeway parcels. Affordable housing should ideally be distributed among a variety of different housing types and levels of affordability, rather than concentrated in individual projects.

- Development requests for the Central Freeway parcels should recommend a mixed-use, mixed-income housing program and require housing as a use in the disposition agreements.
- Supported projects should provide the greatest possible affordability as part of an overall mixed-income housing program.
- Projects should adhere to the general urban design guidelines described in Element 3, and the specific planning and design guidelines outlined in Element 6.

OBJECTIVE 2.2 NEW OPPORTUNITIES FOR RESIDENTIAL INFILL THROUGHOUT THE PLAN AREA.

There are numerous opportunities for small-scale infill housing throughout the plan area. As part of the ongoing process of incremental changes, every effort will be made to make it attractive and viable to build housing. New units can be added to existing residential uses, new housing can be built on small lots—providing essential housing within the area’s established urban fabric. As much housing as possible is encouraged close to transit and services, provided that it meets the urban design and transportation objectives outlined elsewhere in this plan.

Policy 2.2.1 Eliminate housing density maximums close to transit and services.

While appropriate in less developed areas, density maximums unnecessarily constrain the housing potential of infill development in relatively dense, established urban neighborhoods like the Market and Octavia area. Carefully-prescribed controls for building height, bulk, light and air, open space, and overall design can successfully control a building’s physical characteristics while allowing the maximum amount of housing opportunity within it. Flexibility and creativity leads to new potential consistent with the traditional fine-grained character of the area.

- Housing density maximums are eliminated throughout the plan area.
- A minimum residential-to-commercial use ratio of 2 to 1 is introduced in the DTR District.
- Carefully prescribed controls for height, bulk, and use size are proposed as part of the land use and height plans.



Older buildings in the plan area were built to provide as much housing as possible while keeping to the area’s established scale. Rather than controlling a building’s scale by limiting the density of units, the plan carefully defines the appropriate building envelope for new buildings, and encourages as much housing as possible within that envelope in creative and flexible forms.



Current residential parking standards require buildings like this one to provide large parking structures that increase the overall height and bulk of the building.



Buildings built before residential parking standards, by contrast, provide housing a greater density and at a scale that fits well with the area.

Policy 2.2.2

Eliminate residential parking requirements and introduce a maximum parking cap.

The City’s current minimum parking requirements are one of the most significant barriers to the creation of new housing, especially affordable housing, and transit-oriented development in the plan area. Providing parking as currently required reduces the total number of units that can be accommodated on a given site and increases the cost of individual units to residents.*

The amount of off-street automobile parking provided can be tailored to achieve larger community goals such as mobility, convenience, and economic development. To meet the larger goals of this plan, the parking policies for the Market and Octavia area have been developed to support the plan’s highest priorities for good place making:

- Maximize the provision of housing.
- Maximize the affordability of that housing consistent with creating a healthy, mixed income neighborhood.
- Minimize the disruptive effect of traffic, particularly peak-period commute traffic.
- Build on the neighborhood’s accessibility by transit, bicycle, and on foot.
- Support the creation and retention of small retailers and other commercial businesses, especially locally serving retail.

As described in Element 5, parking is not required of new housing because the Market and Octavia neighborhood is a place where people can and do live with fewer cars. While parking is permitted, maximums on the amount of parking that can be provided are established based on location: near transit and services, little or no parking is permitted. In purely residential areas not close to transit and services, some amount of new residential parking is permitted. No parking is required of new commercial uses.

*See Element 5 for a complete discussion.



New developments with housing above commercial uses provide substantial new housing and add to the vitality of commercial streets.

Policy 2.2.3

Encourage new housing above ground-floor commercial uses in new development and in expansions of existing commercial buildings.

Several stories of housing above ground-floor commercial uses is typical on neighborhood commercial streets throughout San Francisco. This pattern links housing directly to the services on the street, provides a variety of housing types (typically more studio and one-bedroom units) and encourages a 24-hour presence of people living, shopping, and working on the street. This pattern is well established in the Market and Octavia neighborhood; it is built upon and expanded upon by the plan where possible.

Policy 2.2.4

Encourage additional units in existing buildings.

New housing can be made available incrementally without significant changes to the physical form of the area by adding accessory units to existing buildings. Because these units are typically smaller and more directly attached to existing units, they are an ideal way to provide housing for seniors and people with special needs. Additions to existing buildings and conversions of ground floor spaces that create new housing units are allowed and encouraged.

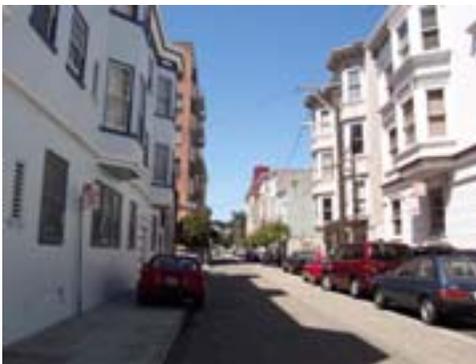
- Encourage the addition of accessory units to existing residential buildings throughout the plan area.
- Encourage the conversion of garage spaces to accessory housing units and the restoration of on-street parking spaces. Where such a conversion would remove on-street parking, require the removal of the curb cut and the planting of at least one new street tree.

Policy 2.2.5

Where possible, simplify zoning and planning controls to expedite the production of housing.

Existing planning code policies and project review procedures can sometimes create uncertainty and ultimately raise the costs of new housing. For projects that respond to the goals and meet the standards of this plan, the permitting process should be simple, quick and easy to administer. With clear zoning controls and urban design guidelines in place, discretionary actions requiring a Planning Commission hearing will be avoided where possible. Consistency with the policy and intent of this plan should be the primary factor in deliberations.

- Consider a commission policy to not take discretionary review for proposals that provide substantial new housing and meet the land use, height, transportation, and urban design policies outlined in this plan.
- Establish a standard for the review of proposals that meet the land use, height, transportation, and urban design standards outlined in this plan that ensures they are processed as expeditiously as possible.
- As part of new land use zoning districts described in Element 1, generally avoid conditional use requirements.



The area’s sound housing stock will be preserved and enhanced as an asset for future generations as well as current residents.

**OBJECTIVE 2.3
AN EXISTING SOUND HOUSING STOCK THAT IS PRESERVED AND ENHANCED.**

The Market and Octavia neighborhood has approximately 10,500 housing units today, providing homes to more than 23,000 people. In contrast to new housing, existing housing tends to be more affordable. The area’s existing housing stock will be preserved and remain available for occupancy by as many people as possible.

Policy 2.3.1

Prohibit residential demolitions unless they would result in sufficient replacement of existing housing units.

The city’s *General Plan* discourages residential demolitions, except where it would result in replacement housing equal to or exceeding that which is to be demolished. This policy will be applied directly to any residential demolition proposed in the Market and Octavia area, and expanded to ensure that the net addition of new housing to the area offsets the loss of existing affordable housing.

- Establish planning code controls for new zoning districts in the Market and Octavia area that require replacement of existing units according to the following ratios:

In DTR Districts:	At least 4 units for every unit lost
In NCT Districts:	At least 3 units for every unit lost
In named NC Districts:	At least 2 units for every unit lost
In RTO Districts:	At least 1 unit for every unit lost

- Require a 1-for-1 replacement of affordable units throughout the plan area.

Policy 2.3.2**Discourage dwelling-unit mergers.**

Dwelling-unit mergers reduce the number of housing units available in an area. If widespread, over time, dwelling unit mergers can drastically reduce the available housing opportunities, especially for single and low-income residents. This plan maintains a strong prejudice against dwelling unit mergers.

- Require a CU for all dwelling unit mergers, except where it is accompanied by an addition to the housing stock that offsets the loss due to the merger.

OBJECTIVE 2.4**INCREASED HOUSING OPPORTUNITIES AFFORDABLE TO A MIX OF HOUSEHOLDS AT VARYING INCOME LEVELS.**

In addition to preserving and increasing the supply of housing in the area, there is much that can be done to make housing more affordable and to reduce unnecessary costs associated with producing it. By building on the area's existing strengths as an accessible, mixed-use neighborhood, housing costs associated with driving can be reduced, making housing substantially more affordable. Other innovative means of increasing affordability have been explored as part of the community planning process. This plan supports the creative application of all means to enhance this amount and diversity of affordable housing in the area.

Policy 2.4.1**Disaggregate the cost of parking from the cost of housing and space for other uses.**

In much of the housing built under current parking requirements, the cost of parking is "bundled" into the cost of owning or renting a home, requiring households to pay for parking whether or not they need it. As part of an overall effort to increase housing affordability in the plan area, costs for parking should be separated from the cost of housing and, if provided, offered optionally.

- Encourage parking provided in new residential developments to be made publicly available for lease.
- Encourage private developers to partner with carsharing programs in locating carshare parking in new buildings.
- Encourage shared use of private and public parking facilities to meet residential needs, including surplus parking available in the Opera Plaza and Civic Center Garages.

Policy 2.4.2

Encourage lending institutions to expand the existing location efficient mortgage program (LEM) and allow residents to leverage the plan area’s advantages as walkable, transit-accessible neighborhood.

Because it is possible to live in the Market and Octavia neighborhood without a car, residents can choose not to pay the relatively high fixed costs of owning and maintaining a private automobile. As part of the burgeoning LEM program, these savings can enable residents to qualify for a larger mortgage for a home.

- Develop programs to highlight Market and Octavia as a “location-efficient” neighborhood as part of the LEM program.

Policy 2.4.3

Encourage innovative programs to increase housing opportunity and affordability.

In addition to encouraging housing production, there is a demonstrated need to reduce the overall cost of housing development and ownership in the Market and Octavia neighborhood. Several innovative approaches were discussed as part of the community planning effort, including the establishment of a community land trust that would hold land in trust and make it available for the development of affordable ownership housing. The city should encourage the further development of a community land trust in the area, and support the exploration of other innovative approaches to reducing housing costs for residents.