

STATION 2



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

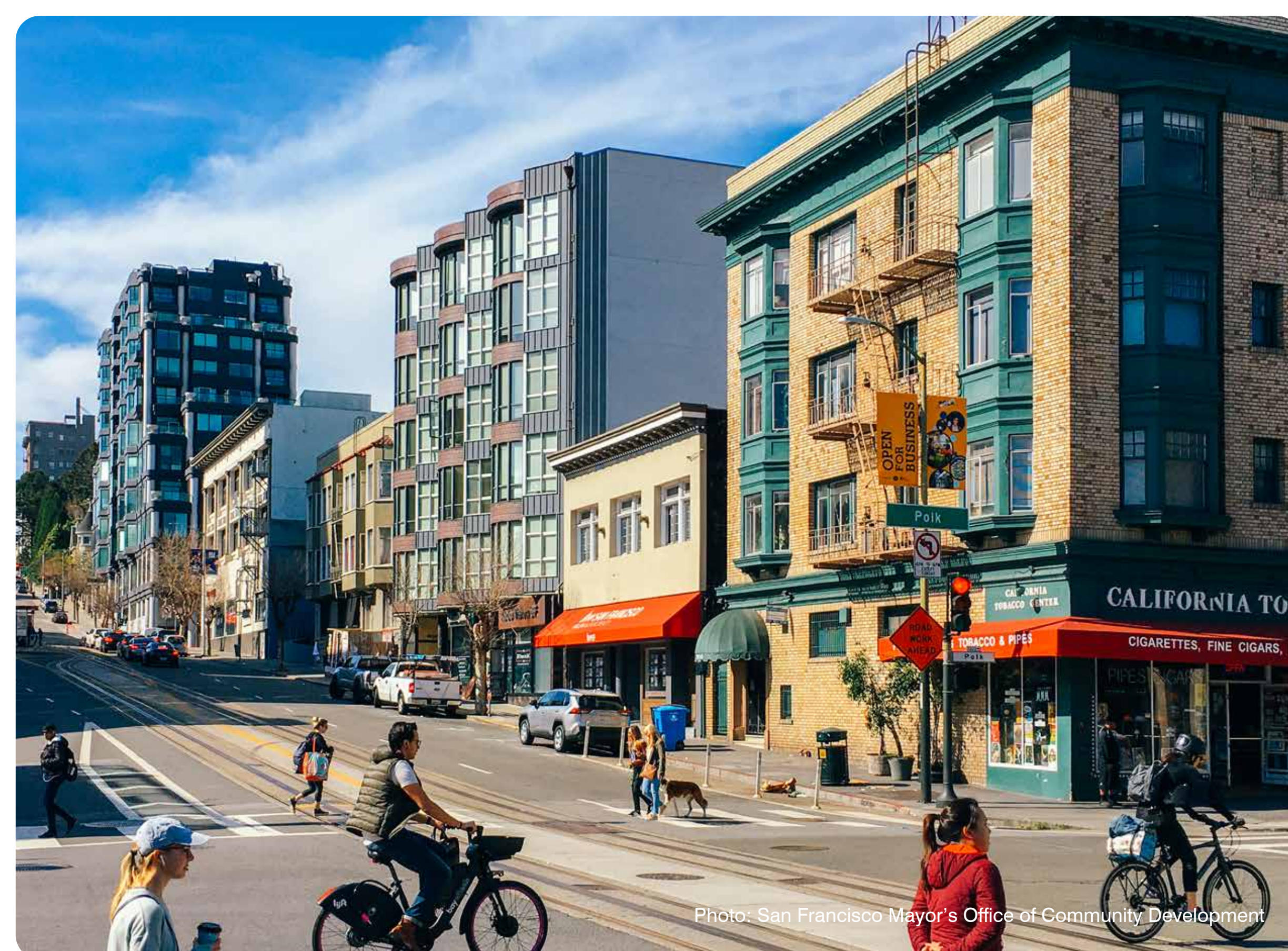
Across California, 1 in 3 households have difficulty affording housing and other basic needs, like healthcare, education, and food.

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 home 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.



San Francisco
Planning



Housing Element
ZONING PROGRAM



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



What We Are Working Towards

Increasing Housing Diversity for Stronger Communities

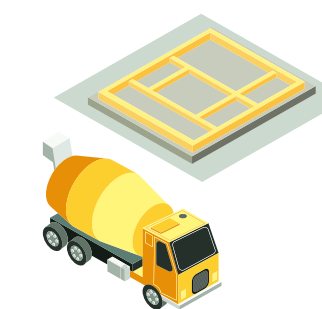
Currently, many residents in the northern and western areas of the city struggle to find housing that meets their needs, both in terms of physical space and the cost.

Areas with a predominance of older single-family homes are especially challenging, as these are the most expensive housing type, and may also need costly renovations to meet the needs of specific groups, such as seniors and persons with disabilities.



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



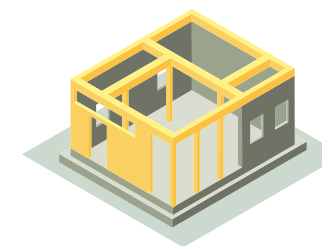
Initial zoning proposals will be shared with the public for feedback.

Outreach* will include:

- Housing Education workshops & resources
- Community Conversations
- Focus Groups
- Open House(s)

Summer 2023

PHASE 2. Building the Structure



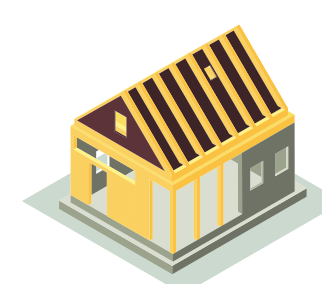
Revised zoning scenarios will be shared, responding to public feedback from Phase 1.

Outreach* will include:

- Community Conversations
- Open House(s)

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

Expanding Housing Choice will change our zoning rules with the following goals:

- Start to **reverse housing segregation** in compliance with state requirements
- **Strengthen our communities** by adding new neighbors and resources
- Coordinate new development with **investments in infrastructure and services**
- Ensure **all San Franciscans have a place to call home**

The High Cost of Single-Family Housing

Single family homes are consistently the most expensive type of housing in San Francisco. As of early 2023, the median sales price for a single-family home is 33% higher (\$350,000) than the price of a condo in a multi-family building (\$1.39m vs. \$1.04m).

We will continue to see single-family homes preserved throughout these neighborhoods but want to add diversity of housing types so that residents have other options, too.



Photo: RedFin

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, San Francisco Planning Department, Houzz, San Francisco Multiple listing Service, Cesar Rubio - US Department of Housing and Urban Development, & MITHUN



How Will We Grow to Meet Our Housing Needs?

How Much Housing Do We Need?

We are required by the State of California to plan for **82,000 more homes** in San Francisco, including at least **46,000 homes that are affordable** to households with low- to moderate-incomes.

We already have tens of thousands of units that are approved but not yet constructed. After factoring in these units and other expected growth, **we need to plan for 36,200 additional units of housing** affordable to all income levels.

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

Changing Zoning Laws

Expanding Housing Choice ensures the city can grow in a **more geographically balanced and equitable way** through changes to **zoning laws**. 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.

Why Change Zoning?

Zoning sets the rules for what can and cannot be built in neighborhoods. These rules have defined much of what we experience today:



More flexible rules in the eastern and southern neighborhoods led to a concentration of most of the city's multi-family housing in these areas, including medium and larger-sized buildings.



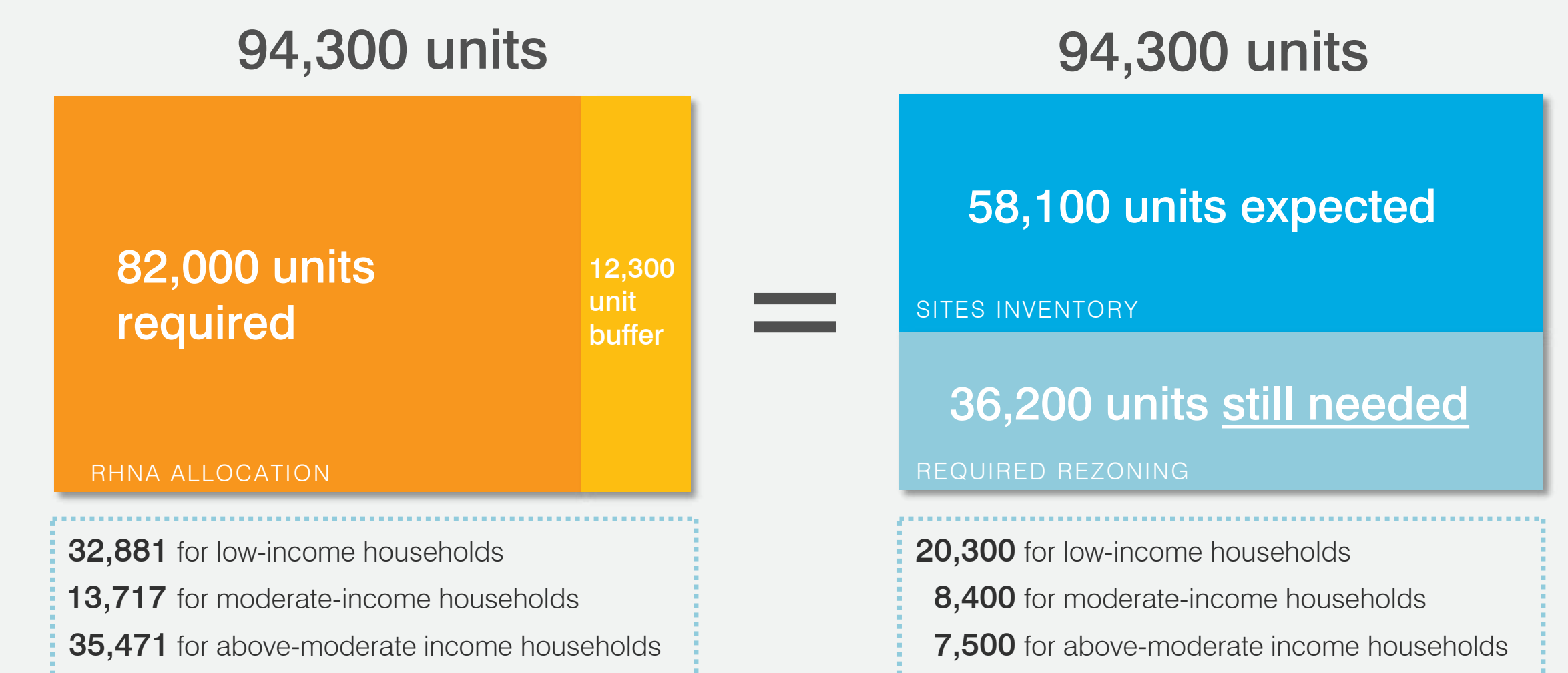
Less flexible rules in the western and northern neighborhoods resulted in the predominant pattern of single-family homes and lower density developments.



Restrictive rules make it costly and challenging to build new housing, particularly multi-family housing units.

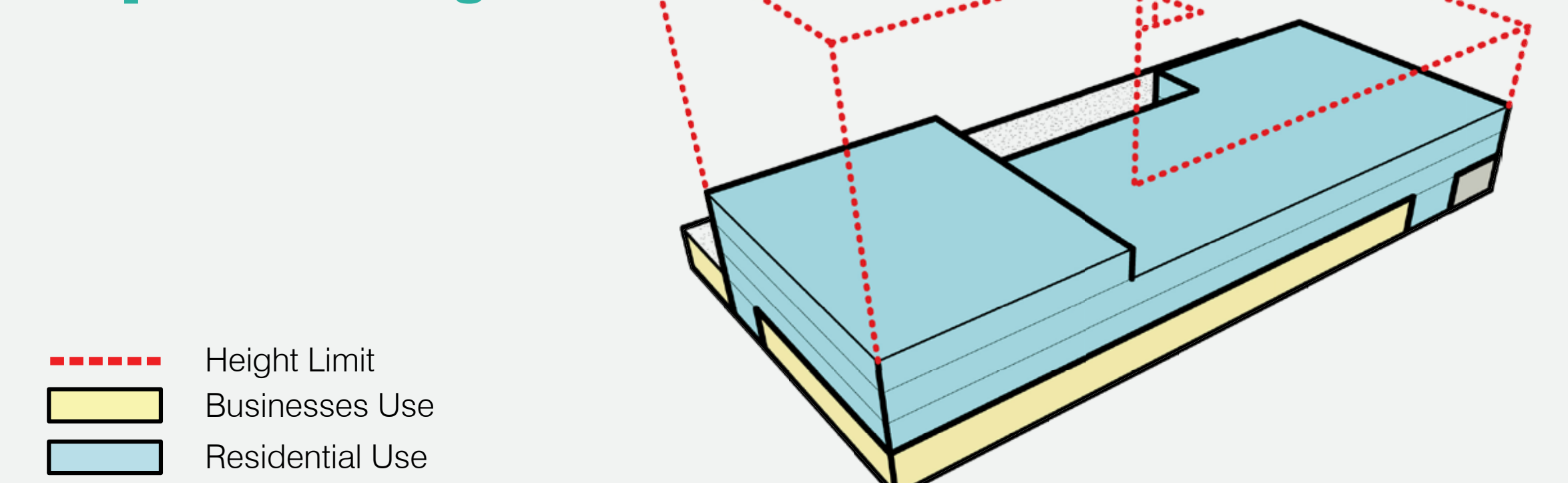
Photos: Mayor's Office of Housing and Community Development, San Francisco Housing Authority, Joel Engardio

SF's Housing Gap: How Many Units We Need



Graphic Source: San Francisco Planning Department

How Zoning Shapes a Building



Graphic Source: San Francisco Planning Department Housing Element 2022



Photo: Allison Albertici - San Francisco Planning Department

What happens if we don't meet state-mandated zoning targets?



Expanding Housing Choice is a required implementation action from our state-mandated Housing Element. Failure to adopt compliant rezoning could result in:

- Loss of important state funding, including transportation and affordable housing funds.
- Fines and lawsuits
- Loss of local permitting control (e.g., the state could assume responsibility for approving housing)



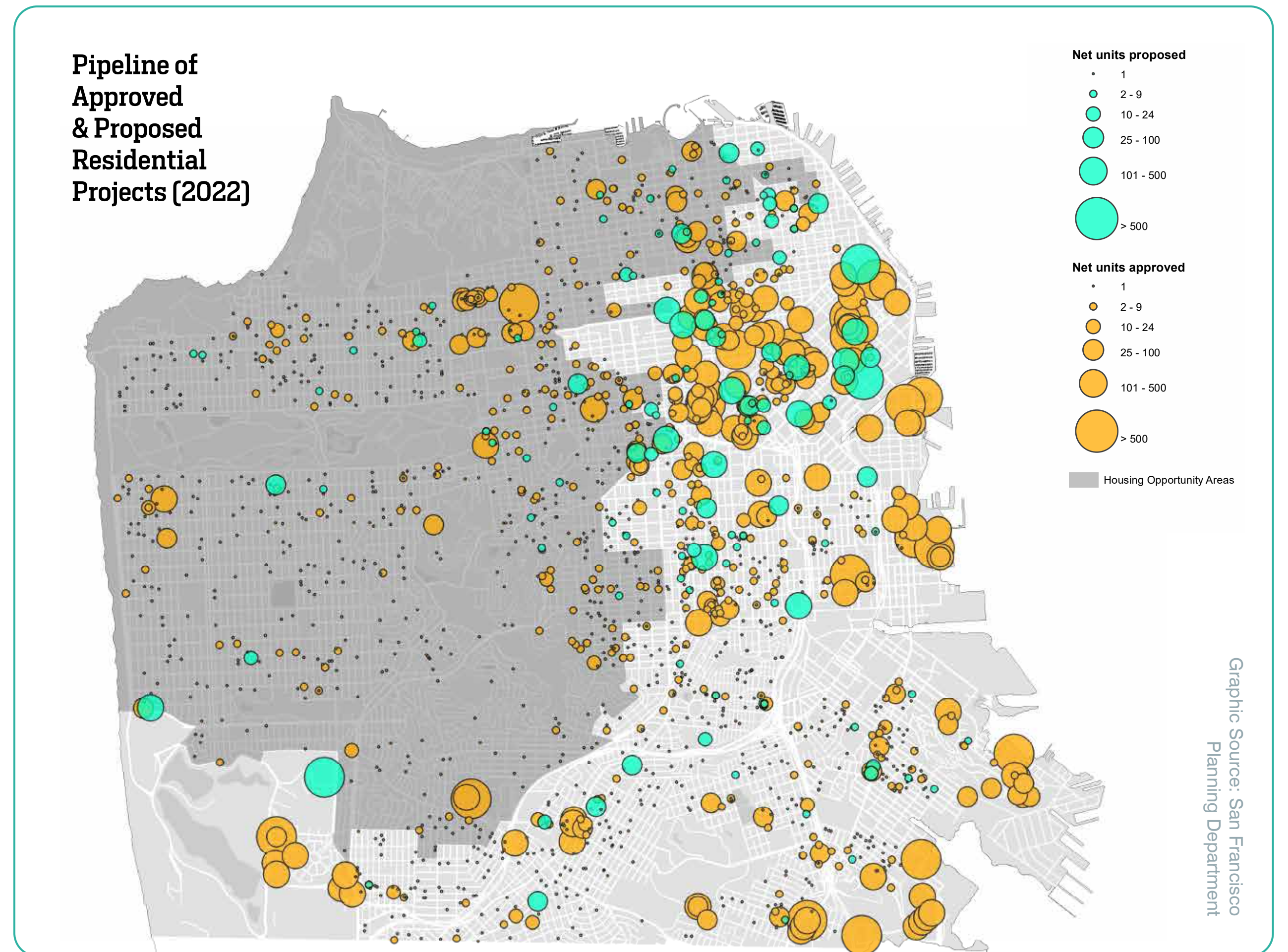
Where Will We Grow to Meet Our Housing Needs?

Housing Opportunity Areas: Why Focus Here?

Under state law, we are required to plan for a minimum of **36,200 housing units in the Housing Opportunity Areas**.* These are designated by the State of California as neighborhoods with **higher incomes, good access to jobs, well-performing public schools, and low levels of environmental pollution.**

San Francisco is required to plan for housing in these areas to **create housing and economic opportunities** for low- and moderate-income households.

New housing will continue to be built outside of these areas. Even after this rezoning is completed, **between one-half to two-thirds of new housing will be built outside of the Housing Opportunity Areas over the next decade.**



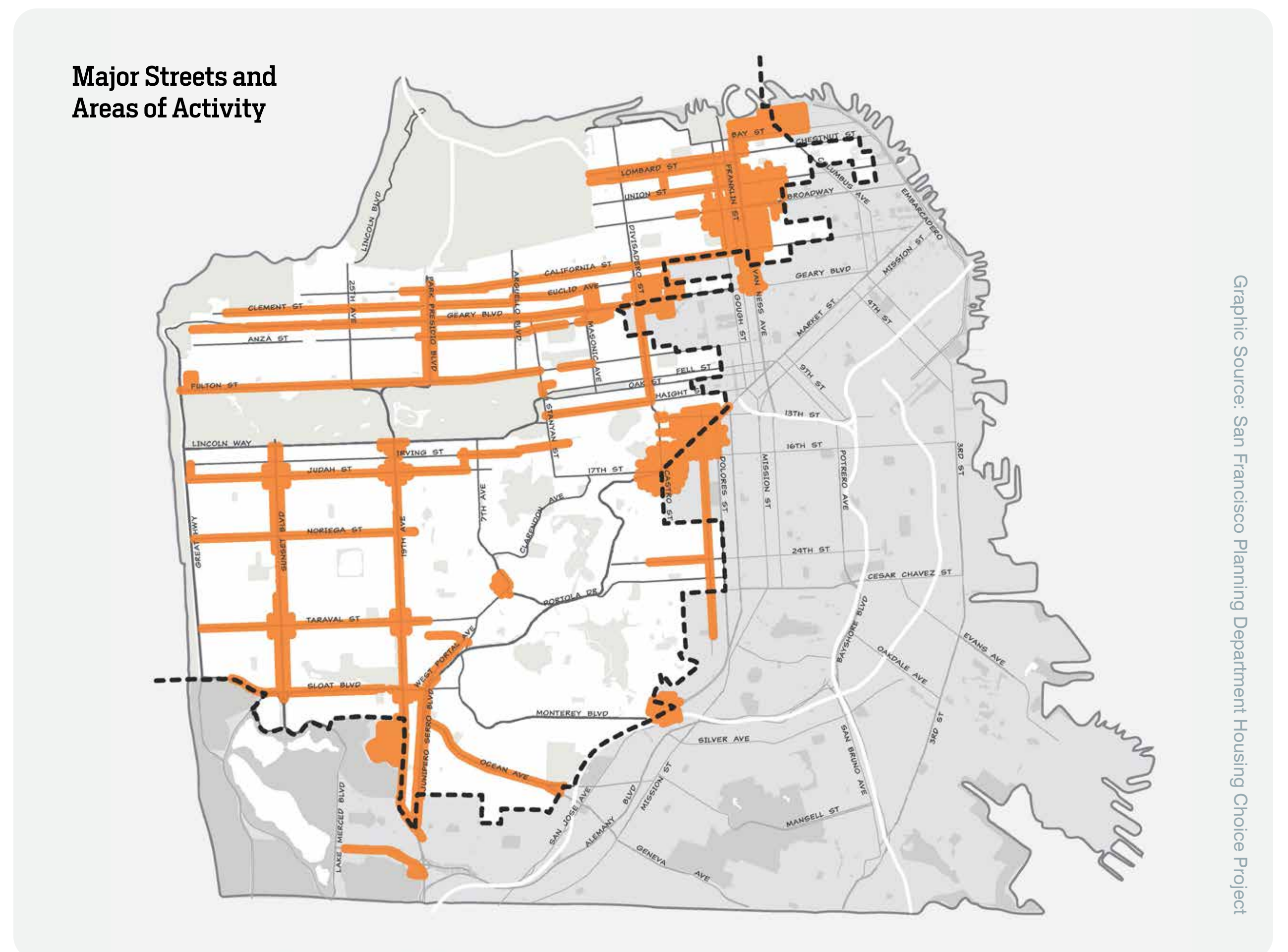
Why focus on major streets and areas of activity?

Expanding Housing Choice is **focused on major streets and areas of activity** in Housing Opportunity Areas because:

- They have **existing infrastructure, transit, businesses, and services** that can support a future with more homes.
- They have **more sites without existing housing.**
- Changing the zoning rules here **offers the greatest potential to meet and exceed our required 36,200 units.**



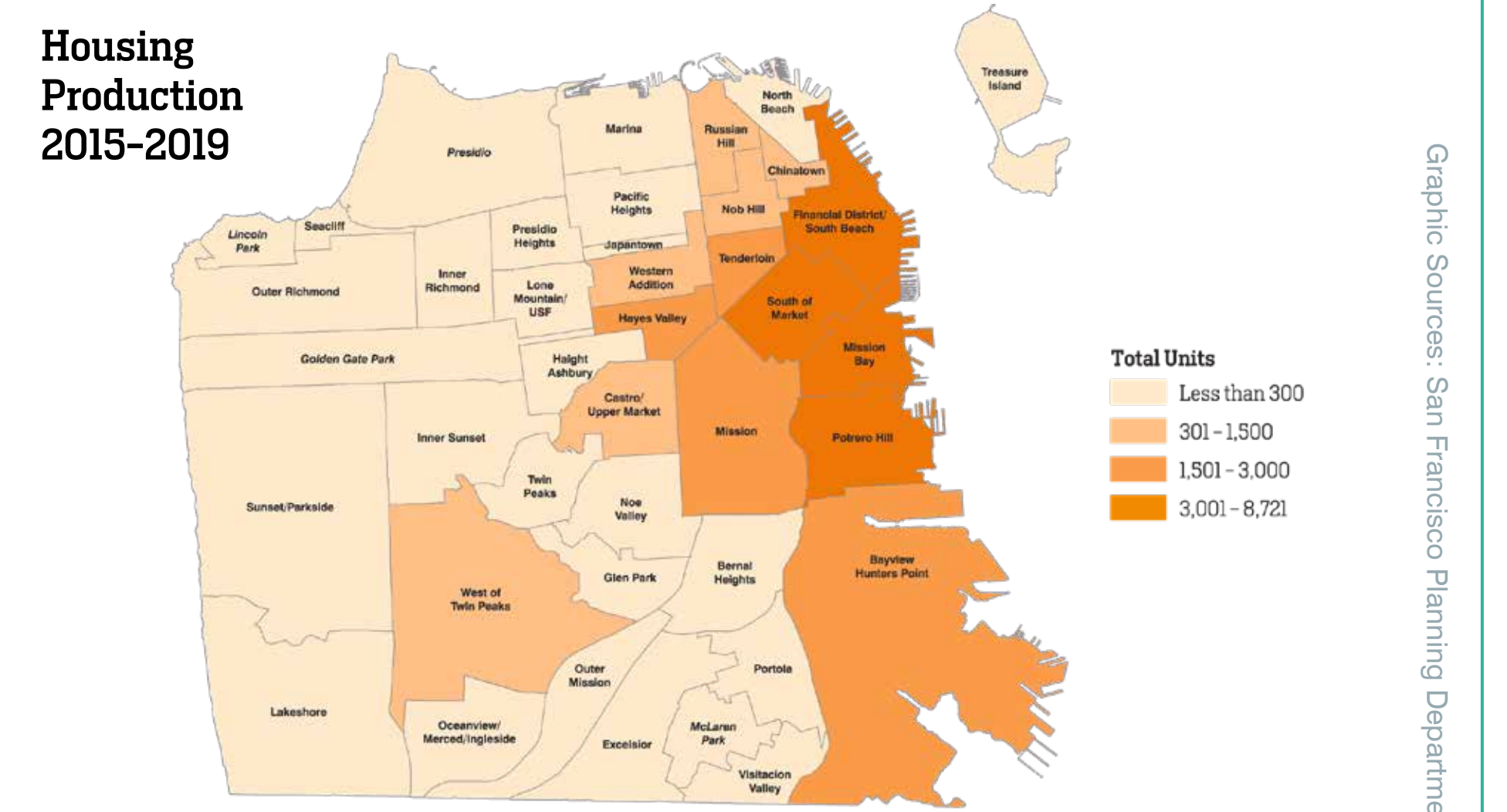
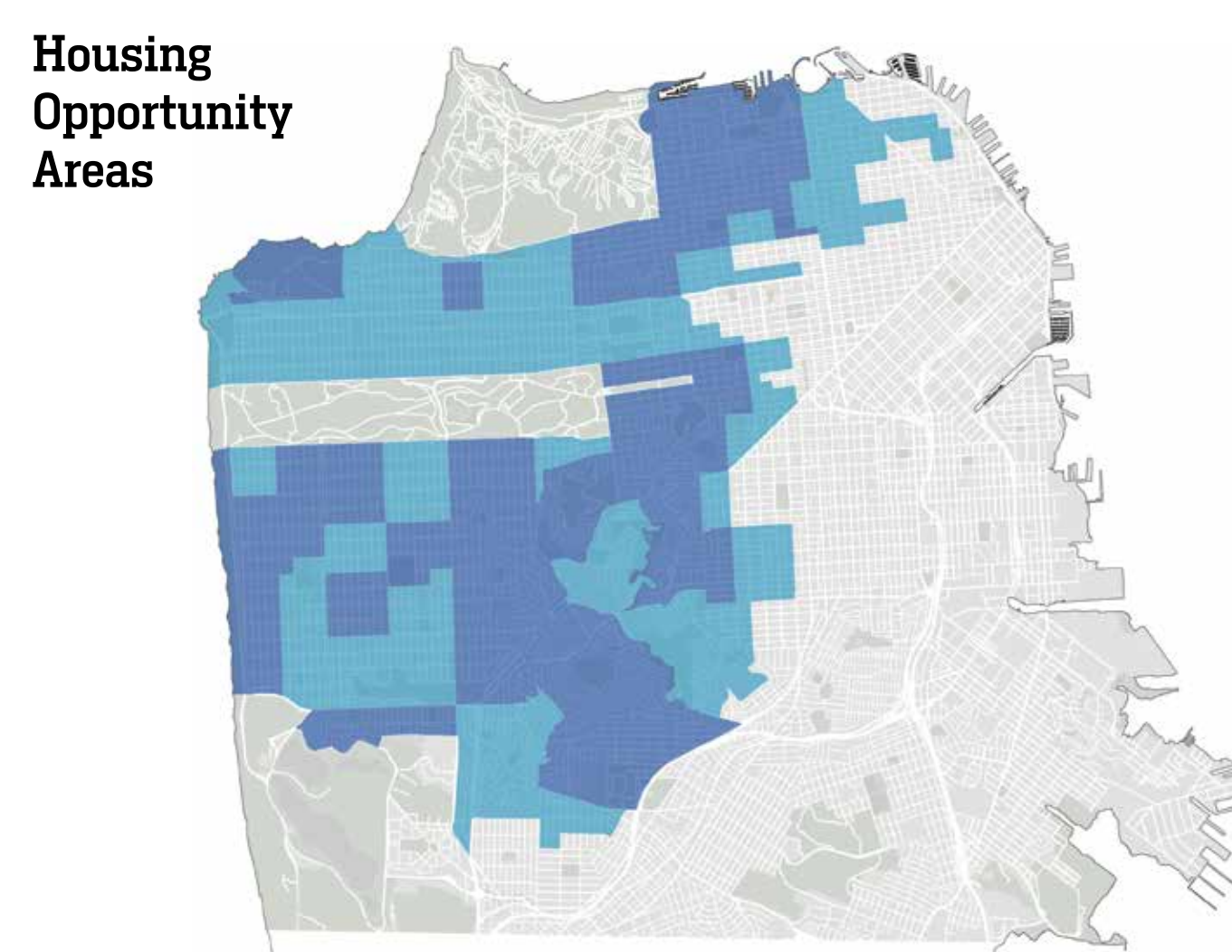
Photo: San Francisco Planning Department



Limited housing options in Housing Opportunity Areas

Over the past two decades, only about 10% of new housing units were built in state-designated Housing Opportunity Areas*, even though these areas comprise more than 50% of the city's land.

Likewise, 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.



What Changes Will I See in My Neighborhood?

Change in neighborhoods will be gradual, even after new zoning rules are approved.

Neighborhoods will likely see incremental changes happening over many years. The City does not build housing directly– it will be built by private developers and non-profit affordable housing developers.

Due to the availability of existing infrastructure, construction impacts will be mostly contained to the specific new housing sites and will be less noticeable than for larger-scale housing and infrastructure projects.

Supporting existing tenants and businesses as our neighborhoods grow.

We know that these neighborhoods are already diverse and active places with a blend of residential, commercial, and cultural uses. As new housing is added, we must also address how these changes could impact existing tenants and businesses by:



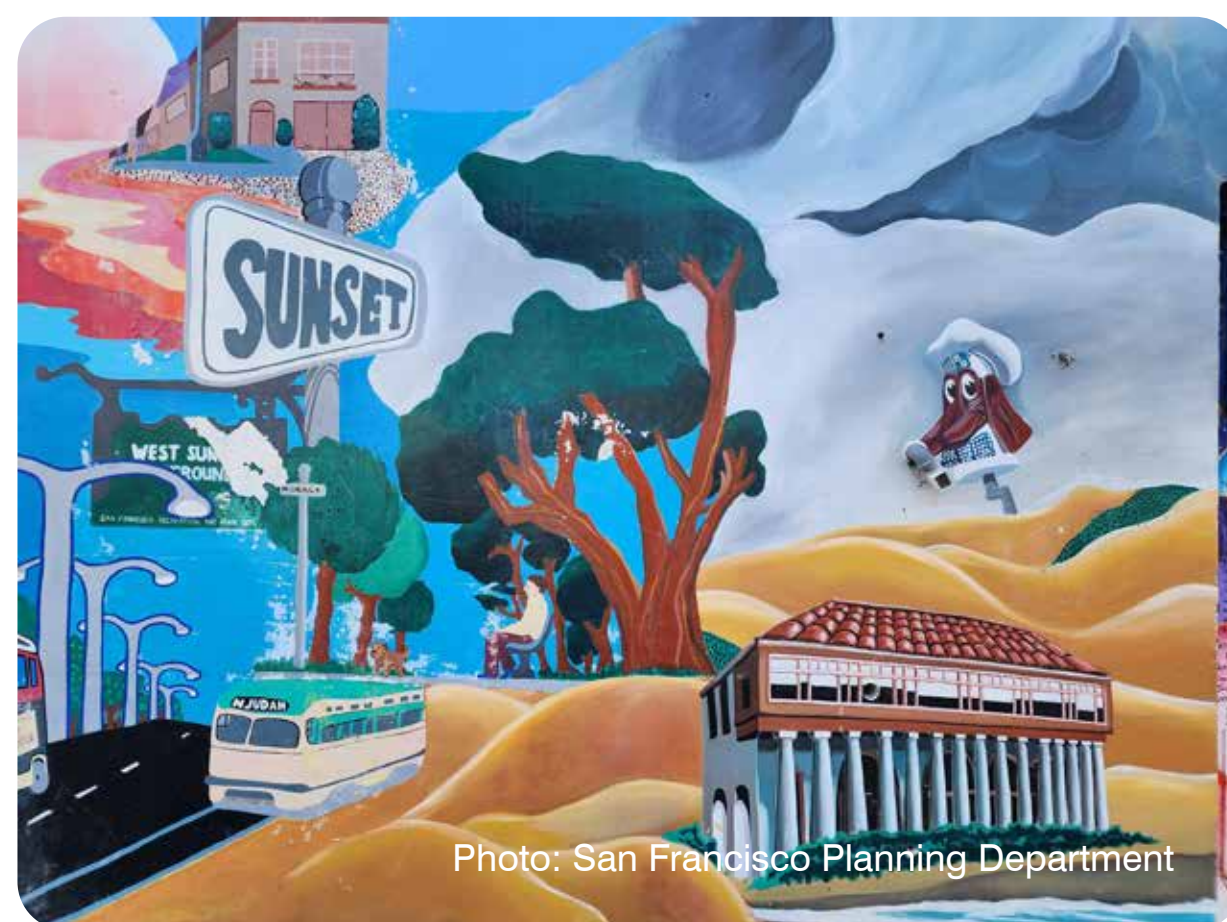
Incorporating and enforcing rules to **protect against demolition** of existing rental housing.



Requiring **tenant protections** in both the rezoned properties and broader community.



Offering **support to small businesses** to leverage existing programs and identify additional resources



Identifying and protecting **places** of cultural significance

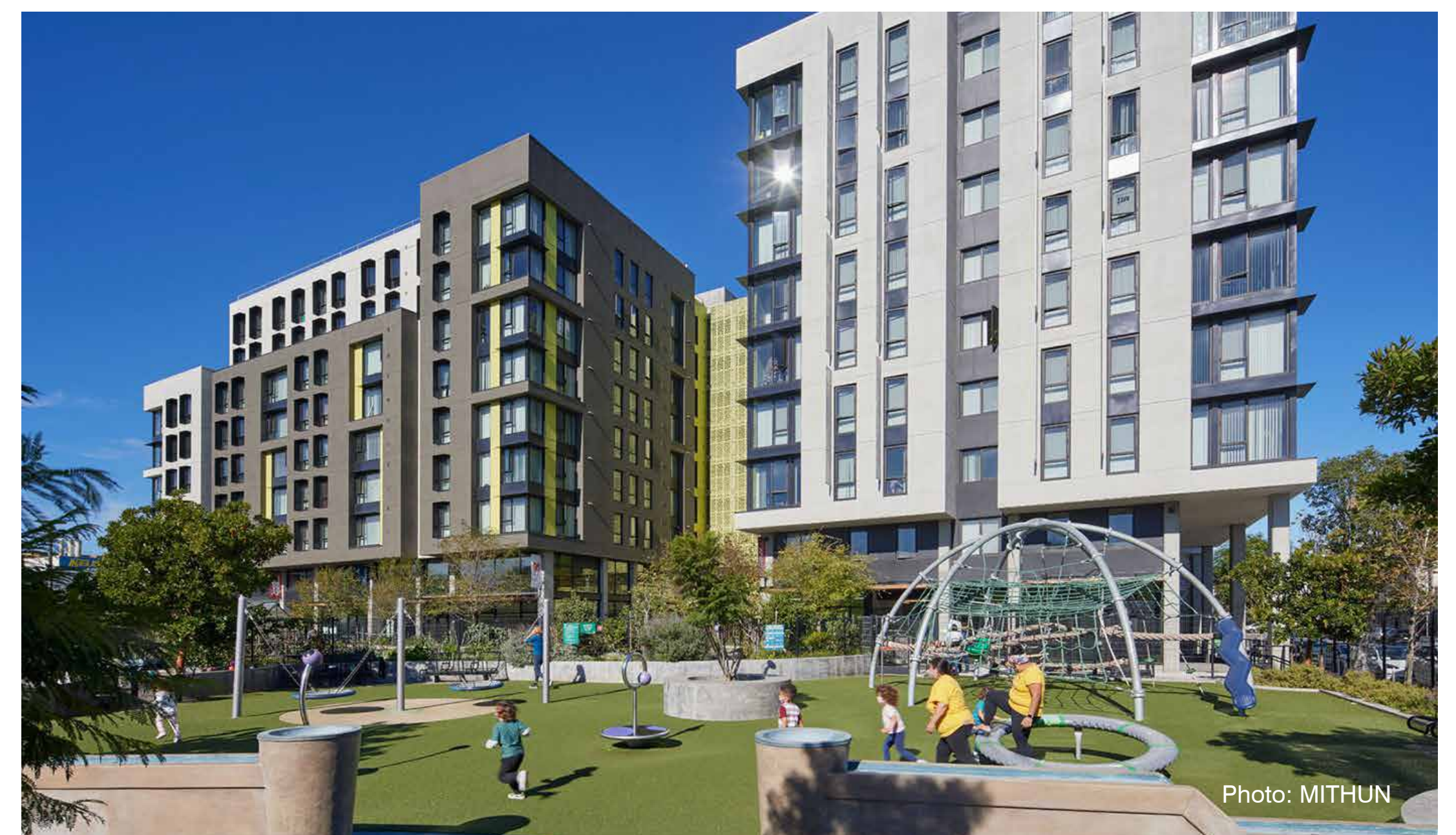


Planning for Affordable Housing

The Housing Element requires that we plan for more housing at all income levels, including **46,000 units affordable for low- and moderate-income residents**. Expanding Housing Choice will change zoning to make space for this housing, but we will also need unprecedented levels of investment in building affordable housing to realize our vision of a more inclusive and equitable city.

The Housing Element lays a comprehensive roadmap for how we can collaborate across sectors to maximize affordable housing production in these areas, including:

- Convening the **Affordable Housing Leadership Council** to develop recommendations to expand affordable housing funding, with input from community organizations, philanthropy, and private and non-profit developers. The final report and recommendations will be complete in Winter 2024.
- Setting a **target of building 25-50% of new affordable housing units** in the Housing Opportunity Areas



Related Legislation to Implement the Housing Element



Realizing the vision of the Housing Element involves coordination across policymakers and City agencies.

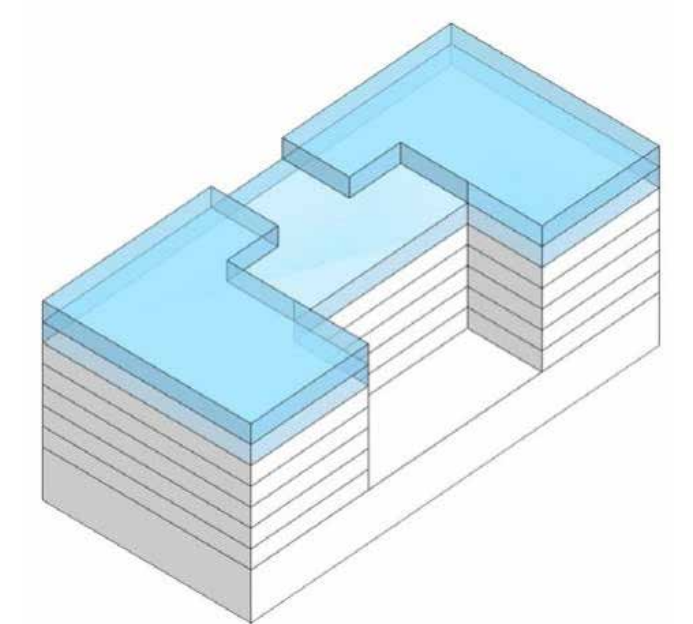
City policymakers are advancing legislation to implement Housing Element actions related to zoning as well as other important aspects of delivering our housing goals:

- **Changes to Approval Processes to Streamline Housing Production:**
 - Housing for All (Mayor, Engardio, Dorsey)
 - Streamlining Site Permit Review (Melgar)
- **Changes to Expand Where Housing is Allowed:**
 - Density Calculation in RC, RTO, NC, and Certain Named NCDs (Mayor, Melgar)
 - Removing Residential Numerical Density Limits in Neighborhood Commercial Districts (Safai)
 - Family Housing Opportunity Special Use District (Melgar, Engardio)
 - Office to Residential Conversion & Downtown Economic Revitalization (Mayor, Peskin)
- **Changes to Affordable Housing Requirements to Jumpstart Production:**
 - Inclusionary Affordable Housing (Mayor & Peskin; introduction pending)

City agencies are working with policymakers to shape these proposals. For those that overlap with Expanding Housing Choice, the Planning Department will evaluate how the rezoning can incorporate and build off these initiatives.

What about State Density Bonus and other bonus programs?

The State Density Bonus program offers development incentives, including added height and density, to projects that provide certain percentages of affordable housing on-site.



The zoning concepts presented here represent variations of desired ultimate building height, inclusive of the use of State Density Bonus program and other State or local programs. Adjustments to local bonus programs are under consideration as part of Expanding Housing Choice.

In other words, the final Expanding Housing Choice zoning proposal will account for the state density bonus program and other bonuses (such as AB2011 and HOME-SF) with the goal that **projects would not exceed the proposed heights shown here.**

Graphic Source: San Francisco Planning Department



Existing Zoning Map and Existing Height & Bulk Map

Zoning sets the rules for what we can and cannot build. These rules are approved and regularly updated by policymakers, including the Planning Commission, Board of Supervisors, and Mayor.

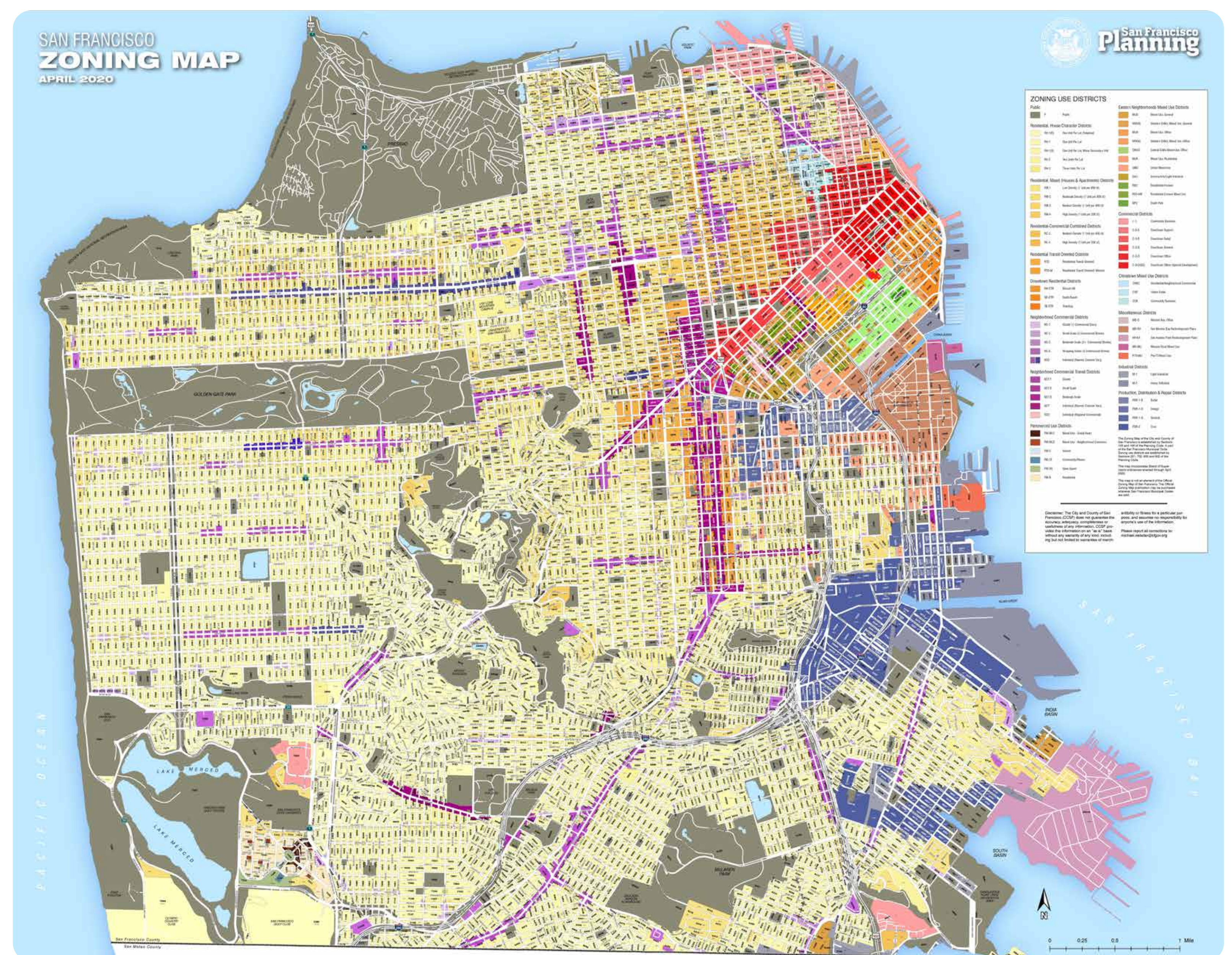
These maps show San Francisco's existing zoning regulations:

- **Zoning Map:** divides all properties into use districts (e.g., residential districts, commercial districts, and mixed-use districts)
- **Height & Bulk Map:** sets physical limits for new buildings

The Planning Code establishes rules and standards that apply to properties, regulating topics such as permitted uses, building design, and operational standards (ex: business hours). Some rules may apply to specific zoning districts, while others may apply citywide.

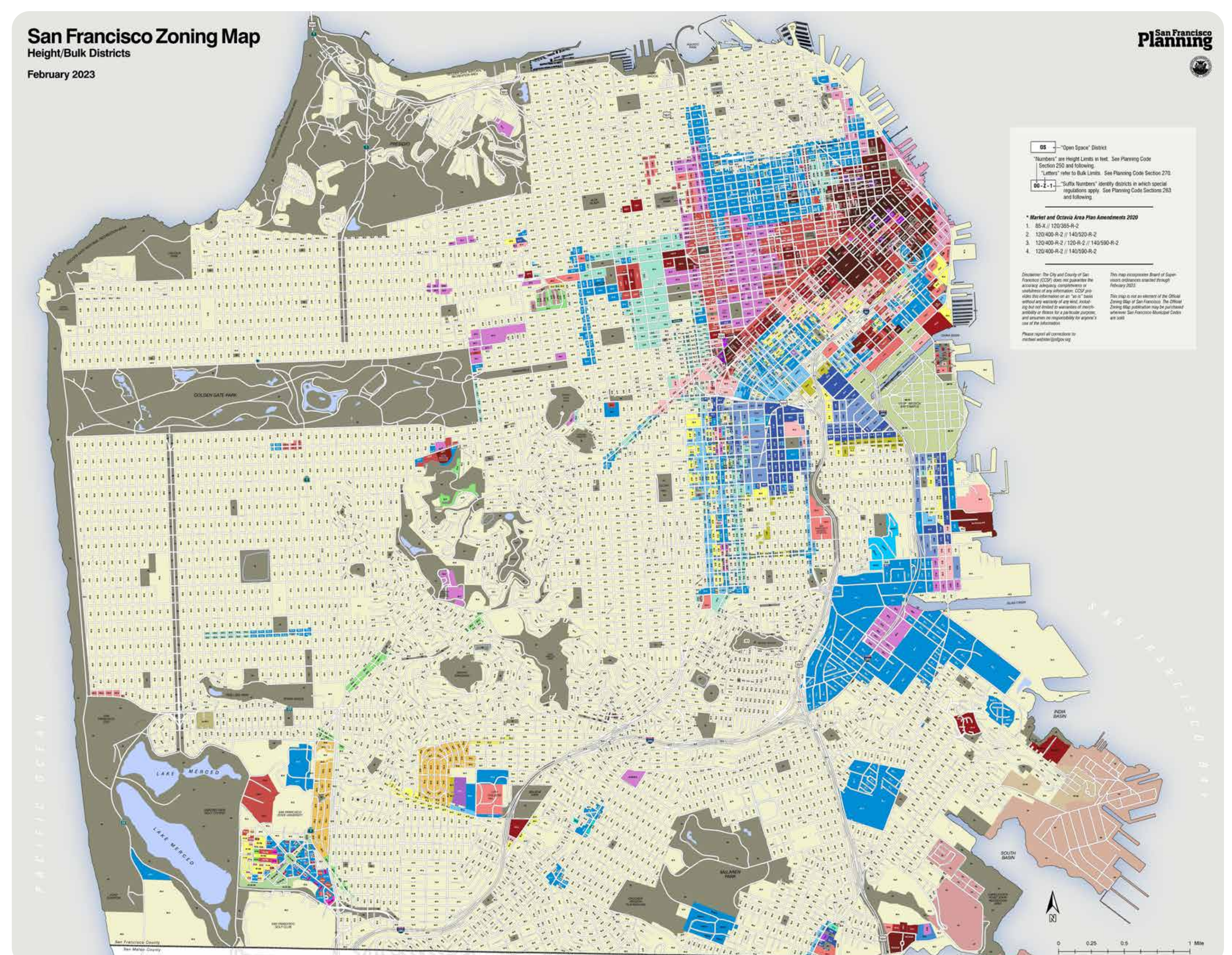
Expanding Housing Choice may involve amendments to all three of these policy documents (e.g., it may reclassify properties into different use districts, change height and/or density, and amend other code standards).

Existing Zoning Map



Graphic Source: San Francisco Planning Department

Existing Height & Bulk Map



Graphic Source: San Francisco Planning Department



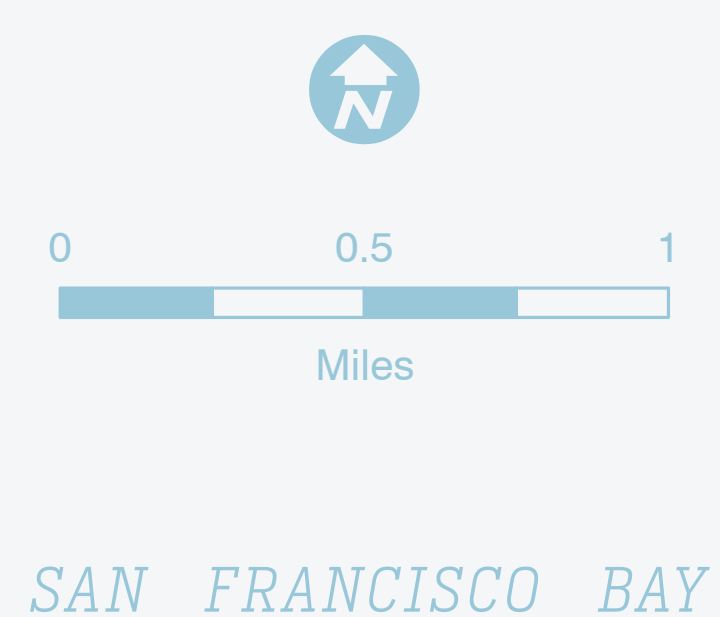
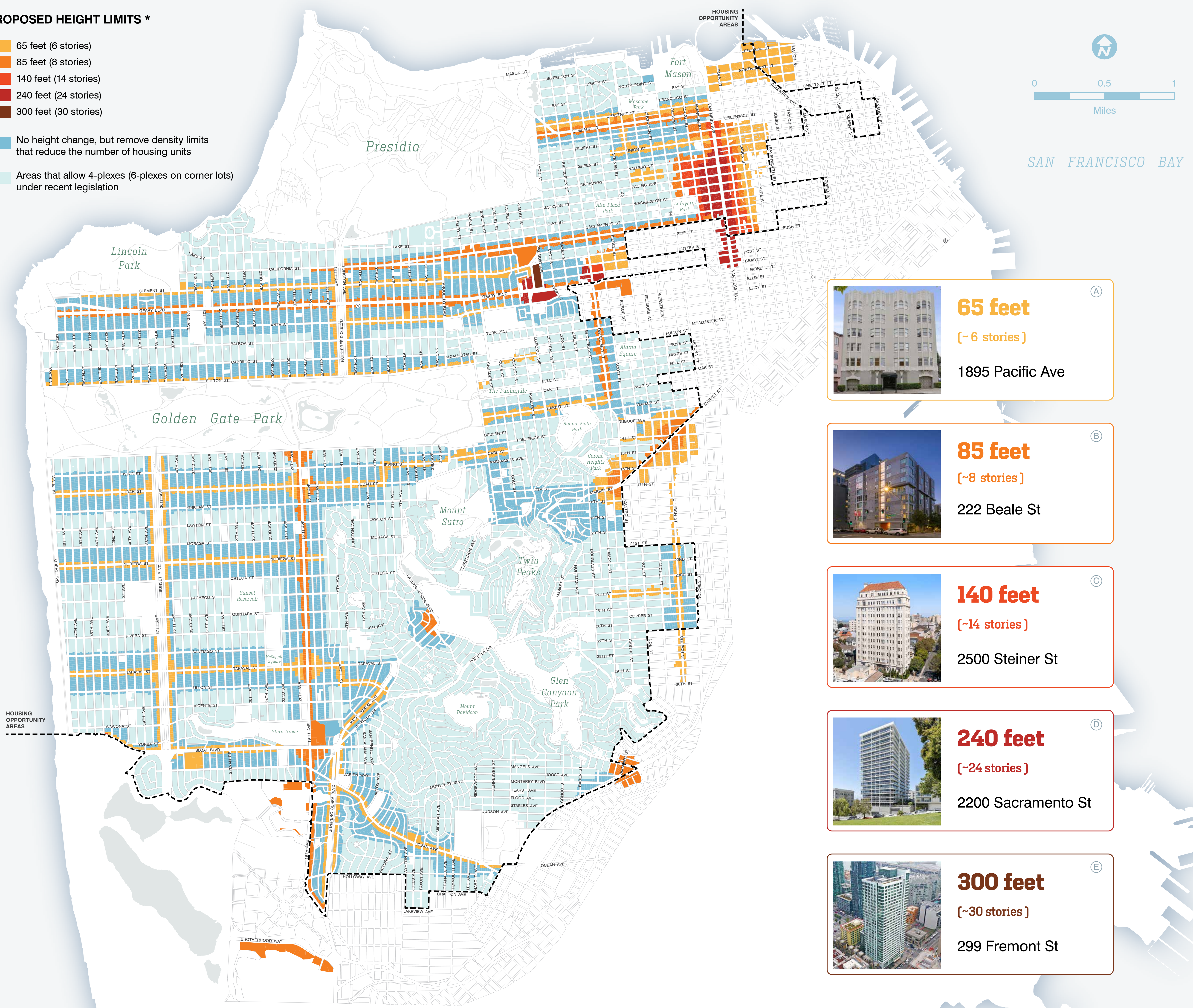
Zoning Concept 1: Major Streets & Surrounding Areas


These Zoning Concepts are designed to meet state requirements by adding capacity for additional housing in Housing Opportunity Areas. These are two variations among many possible scenarios, and they are designed to be consistent with the Final EIR for the Housing Element.

- Heights are slightly lower than Zoning Concept 2
- **Within a narrow band around major streets:** Density limits removed (without changing height limits) that increases the number of residential units
- **Fourplexes elsewhere** (6-plexes on corners)

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





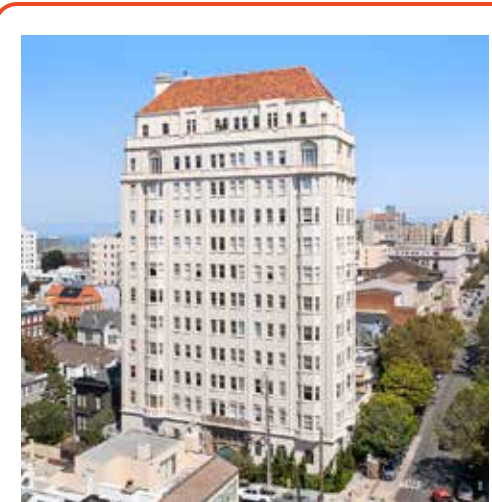
65 feet
[~6 stories]

1895 Pacific Ave



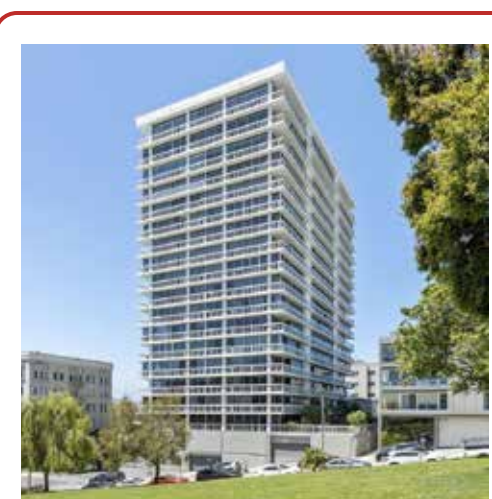
85 feet
[~8 stories]

222 Beale St




140 feet
[~14 stories]

2500 Steiner St



240 feet
[~24 stories]

2200 Sacramento St



300 feet
[~30 stories]

299 Fremont St

* Density limits would also be removed in areas proposed for height changes



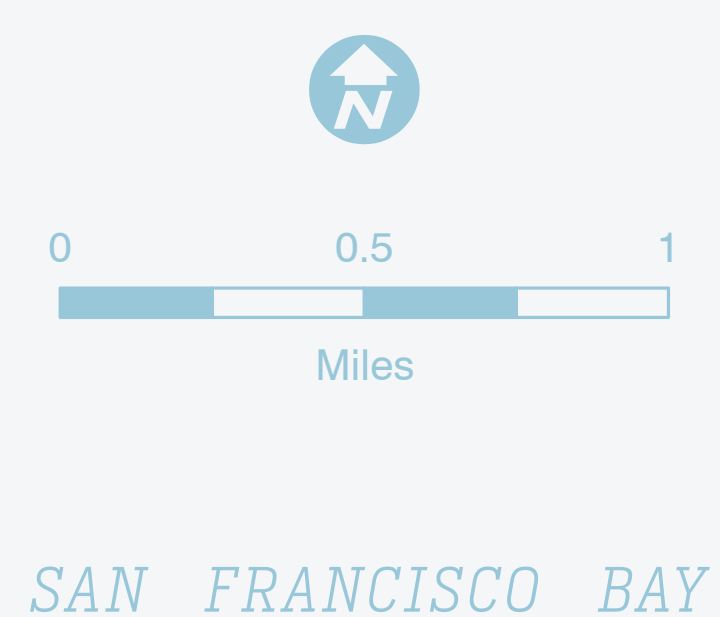
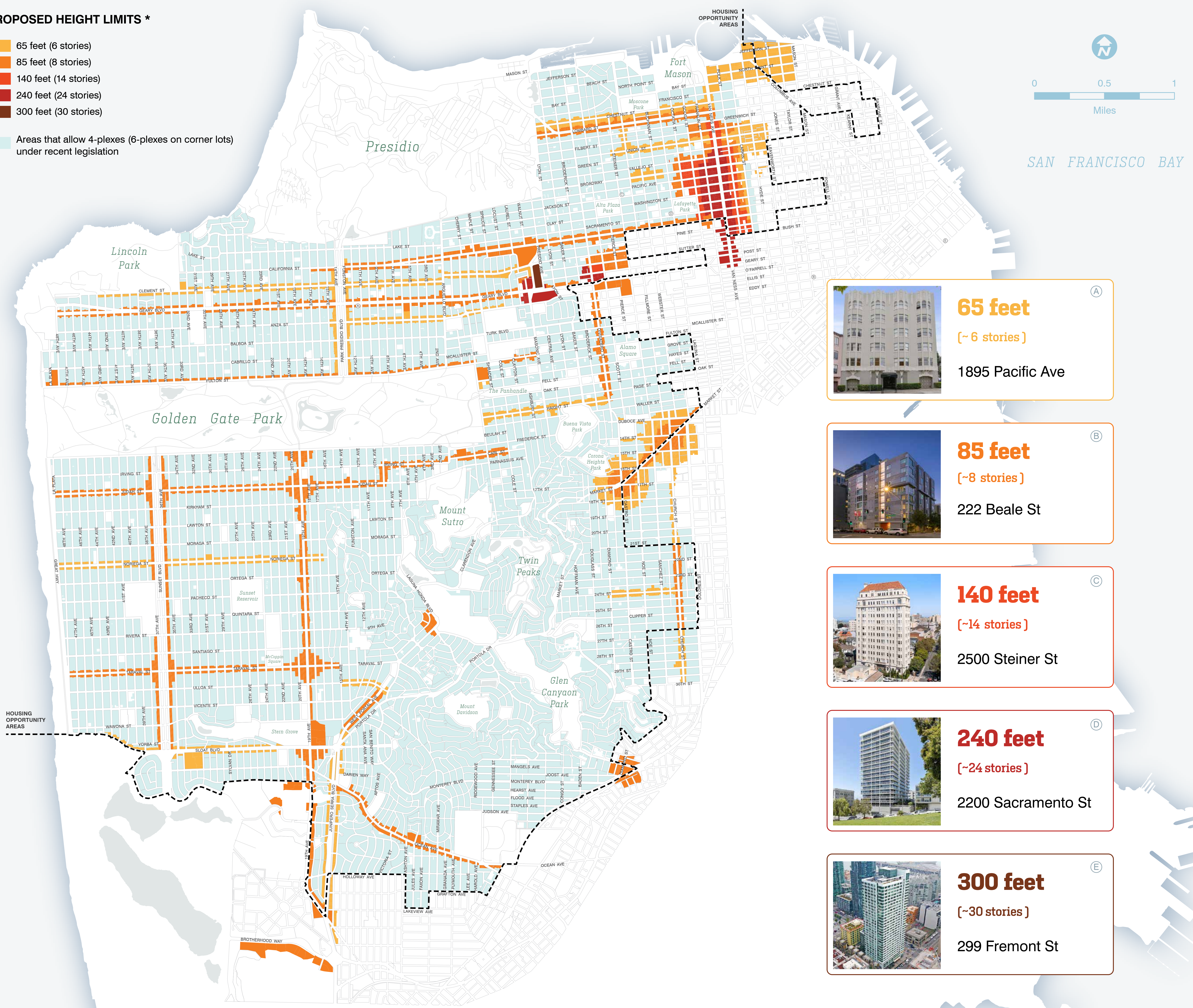
Zoning Concept 2: Major Streets

These Zoning Concepts are designed to meet state requirements by adding capacity for additional housing in Housing Opportunity Areas. These are two variations among many possible scenarios, and they are designed to be consistent with the Final EIR for the Housing Element.

- Slightly higher heights than Zoning Concept 1
- No changes to the areas surrounding around major streets
- Fourplexes elsewhere (6-plexes on corners)

PROPOSED HEIGHT LIMITS *

- 65 feet (6 stories)
 - 85 feet (8 stories)
 - 140 feet (14 stories)
 - 240 feet (24 stories)
 - 300 feet (30 stories)
- Areas that allow 4-plexes (6-plexes on corner lots) under recent legislation



65 feet
[~6 stories]
1895 Pacific Ave

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300 feet
[~30 stories]
299 Fremont St

* Density limits would also be removed in areas proposed for height changes



Share your feedback on the Zoning Concepts

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

You may use a post-it to provide feedback on this board or write in your *Event Guide*.

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? Are there parts of one scenario that you prefer over the other scenario?



Are there other areas we should plan for additional housing?



Any other questions or feedback?

