

Appendix B: Sites Inventory and Rezoning Program

FINAL DRAFT - DECEMBER 2022

Prepared as Part of the
San Francisco Planning Department's

Housing Element Update 2022



**San Francisco
Planning**

Table of Contents

Sites Inventory	3
Introduction.....	3
RHNA Allocation	4
Sites Inventory and Methodology.....	7
Summary of the Sites Inventory	7
Residential Development Pipeline	8
Non-Site-Specific Means of Meeting RHNA	15
Underutilized and Vacant Sites	16
Sites Availability of Infrastructure and Environmental Constraints	20
Rezoning Program.....	23
Purpose.....	23
Adequate Sites and Rezoning Requirements.....	24
Overview of Approach	26
Key Strategies	27
Rezoning Program: Scenarios	29
Public Lands for Housing	33
Constraints Reductions and Process Improvements	36
Jumpstart Efforts	36
Housing Sustainability Districts.....	38
Implementation of AB2011.....	39
Assumptions and Methodology.....	41
Pending Legislation.....	46
Affirmatively Furthering Fair Housing (AFFH) Analysis.....	48
Existing Sites Inventory	52
Proposed Rezoning Area.....	58
Appendices:	
B1. Development Agreements and Large Project Profiles and Estimates	
B2. Modeling Development on Non-Vacant and Vacant Sites	
B3. Non-Vacant Site Residential Development Case Studies	
B4. Sites Inventory Spreadsheet	

Sites Inventory

Introduction

According to state Housing Element law, San Francisco must show that it has adequate land zoned to accommodate the entirety of its Regional Housing Needs Allocation (RHNA) for 2023 through 2030 of 82,069 units. The Sites Inventory presents the City's inventory of land suitable for residential development, the methodologies used to identify these sites, and additional methods for satisfying the RHNA allowed by state law including preservation of existing affordable housing and provides an analysis of how the inventory complies with Affirmatively Furthering Fair Housing (AFFH) requirements.

This Sites Inventory, which is based on substantial analysis and input from numerous City agencies, estimates that San Francisco is short of sufficient sites to accommodate the RHNA by about 24,000 units and short capacity for about 36,282 units to meet the target of 115% of RHNA encouraged by state law to ensure adequate sites over the 2023-2030 RHNA period. The Sites Inventory also shows that San Francisco's capacity to accommodate housing falls short of meeting AFFH targets. The number of affordable housing units that can be accommodated on sites in [Well-resourced Neighborhoods](#) is substantially less than the minimum 25% target for building new permanently affordable housing in those areas described in the Housing Element (Policy 19). Moreover, the capacity is insufficient to meet the Housing Element goal of substantially increasing mid-rise and multi-family housing types in [Well-resourced Neighborhoods](#) (Policy 20). As a result of the lack of zoned capacity to accommodate the target 115% of RHNA and to meet AFFH, the city will need to rezone to accommodate additional housing. There will be a focus on adding low- and moderate-income housing opportunities in [Well-resourced Neighborhoods](#) through a variety of approaches including privately-funded mixed income development, 100% affordable subsidized housing, small and mid-rise multifamily developments, ADUs, and others.

RHNA Allocation

The RHNA provides housing targets for cities to plan for in their Housing Elements and to permit over the 8-year RHNA period. In addition to analysis of sufficient land zoned to accommodate their RHNA, cities must analyze constraints to meeting RHNA and propose policies to address them in their Housing Elements. Cities must also report the number of units permitted each year relative to RHNA to the State's Department of Housing and Community Development (HCD).

RHNA Allocation Process

HCD is responsible for determining the regional housing need for each regional Council of Governments, which is the Association of Bay Area Governments (ABAG) in the Bay Area. The regional housing need is based on a forecast of population, households, and jobs developed by the California Department of Finance with input from regional agencies. New for 2023-2030, the RHNA also addresses existing needs such as housing cost burdens, overcrowding, and vacancy, which has increased the RHNA for the Bay Area and other regions. The total RHNA for the region for 2023-2030 is 441,190 units divided into income groups based on the region's current household distribution relative to Area Median Income (AMI) in the following categories: Very Low Income (up to 50% of AMI), Low Income (50-80% of AMI), Moderate Income (80-120% of AMI), and Above-Moderate Income (above 120% of AMI).

ABAG created an advisory Housing Methodology Committee (HMC) made up of elected officials, local staff, and advocates to study how to distribute the RHNA to the 108 jurisdictions in the Bay Area. The HMC recommended a methodology that was adopted by the ABAG Executive Board in January of 2021 and the final [RHNA plan for allocations to cities](#) were adopted by ABAG Executive Board in December, 2021. The RHNA methodology must meet the following statutory objectives:

- Increasing the housing supply and mix of housing types, tenure, and affordability
- Promoting infill development and socioeconomic equity, protecting environmental and agricultural resources, and encouraging efficient development patterns
- Promoting an improved intraregional relationship between jobs and housing
- Balancing disproportionate household income distributions
- Affirmatively furthering fair housing

San Francisco's 2023-2030 RHNA Targets

San Francisco's 2023-2030 RHNA of 82,069 is 19% of the regional total and is an increase of 184% compared to the prior RHNA. Most of the increase in San Francisco's RHNA is driven by the overall

135% increase in the regional number. A smaller percentage of the increase in San Francisco's RHNA is due to the RHNA methodology's emphasis on proximity to jobs and higher resource areas as well as the share of future growth projected in Plan Bay Area, the region's 30-year long range transportation and growth plan. The City's RHNA would equal an average annual housing production of 10,259 units per year.

Figure 1. San Francisco 6th Cycle RHNA Allocation for 2023–2030

<i>Income Category</i>	<i>Number of Units</i>	<i>Percent of Total</i>
Very Low Income	20,867	25.4%
Low Income	12,014	14.6%
Moderate Income	13,717	16.7%
Above Moderate Income	35,471	43.2%
Total Units	82,069	100.0%

The City's Housing Element is required to identify sufficient sites that are available and suitable to accommodate the RHNA by income level, or to identify a rezoning program to accommodate any shortfall. Sites identified to accommodate the lower-income units must meet specific criteria for lower income housing, including that the site be zoned for densities of 30 dwelling units per acre or greater. The lower-income portion of the RHNA includes the very low-income and low-income categories shown in the table above. The City is not required to physically construct the units; however, it must show that adequate zoning capacity exists and to show the sites where that capacity is located.

Planning for Sufficient Capacity to Ensure Adequate Sites Over Time

The State of California has Adopted a No Net Loss Law (Senate Bill 166), which requires sufficient adequate sites be available at all times throughout the RHNA period to meet the city's unmet housing needs for each income category. During the 8-year cycle, if sites are developed with a non-residential use, developed with a lower number of units at each income level than identified in the Sites Inventory, or rezoned, the city must demonstrate that there are adequate remaining sites in the inventory to accommodate the remaining RHNA Allocation. If the City finds there is insufficient remaining capacity at each income level, it would be subject to further rezoning requirements.

To ensure that sufficient capacity exists in the housing element to accommodate the RHNA throughout the period, HCD recommends that the city create a buffer in the housing element inventory of at least 15% more capacity than required, especially for capacity to accommodate the lower income RHNA. Jurisdictions can also create a buffer by projecting site capacity at less than the maximum density to allow for some reductions in density at a project level. The table below shows the target housing capacity for San Francisco based on providing a 15% buffer to the RHNA allocation.

Figure 2. San Francisco Target Capacity for Sites Inventory

<i>Income Group</i>	<i>RHNA Allocation in Units</i>	<i>115% Target Units Capacity</i>
Very Low Income	20,867	23,997
Low Income	12,014	13,816
Moderate Income	13,717	15,775
Above Moderate Income	35,471	40,792
Total Units	82,069	94,379

Sites Inventory and Methodology

The Sites Inventory provides an assessment of land suitable and available for residential development to meet the City's RHNA at all income levels. The sites inventory is based on analysis of San Francisco's parcels zoned for residential land and is summarized in the table below. For the purposes of the sites inventory, very low- and low-income sites are assessed together because they have the same requirements in state law, including minimum density.

Summary of the Sites Inventory

The Sites Inventory is made up of three main categories discussed in more detail in the sections below:

- San Francisco's Residential Development Pipeline made up of housing development projects that have been proposed or that have already received Planning Department approvals but that have not received building permits. The pipeline includes large, multi-year, multi-parcel projects, as well as individual sites where privately financed housing or publicly funded affordable housing developments are proposed.
- Non- Site-Specific Means of Meeting RHNA based on recent trends, policies, and investments. The sites inventory includes a limited number of units that can reasonably be expected to be produced or preserved but specific sites are not identified. These include an estimate of Accessory Dwelling Units (ADUs) and acquisition of existing rental housing or hotels for permanent affordable housing and/ or supportive housing.
- Underutilized and Vacant Sites includes an analysis of units likely to be produced on parcels zoned for residential development and with reasonable likelihood of being developed. This analysis also includes parcels available for development as low-income housing that meet criteria of the Mayor's Office of Housing and Community Development (MOHCD) and the state for 100% affordable housing developments.

Figure 3. Summary of Sites Inventory Analysis to Accommodate 2023-2030 RHNA

	<i>Lower Income*</i>	<i>Moderate Income</i>	<i>Above Moderate Income</i>	<i>Total Units</i>
Total RHNA	32,881	13,717	35,471	82,069
Total RHNA with 15% Buffer	37,813	15,775	40,792	94,379
Development Pipeline Sites				
DAs/ Large Projects Entitled	5,238	1,266	13,457	19,961
DAs/ Large Projects Not Yet Entitled	1,173	344	3,121	4,639
Privately funded Developments (non-DAs)	1,644	541	13,185	15,370
100% Affordable Publicly Funded (non-DAs)	2,468	120	18	2,606
Supportive Housing Acquisitions	351		0	351
Non- Site Specific Means of Meeting RHNA				
ADU estimate		1,800	200	2,000
Estimated Preservation Acquisitions	1,584	148	148	1,880
Underutilized and Vacant Sites				
Modeled Estimate of Units	2,868	3,131	3,131	9,130
Sites meeting Low Income Criteria	2,160			2,160
Total Units All Sources	17,486	7,350	33,260	58,097
Deficit from RHNA with 15% Buffer	-20,327	-8,424	-7,531	-36,282

*Note: for the purposes of the sites inventory, sites to accommodate very low- and low-income units are assessed as part of a "lower income" category given shared sites requirements.

Residential Development Pipeline

A substantial portion of San Francisco's RHNA targets are likely to be met from the City's pipeline of approved and entitled residential development projects, including large projects covering multiple parcels, and projects awaiting approvals or building permits. Units counted toward the sites inventory from the Pipeline projects have been adjusted to realistically reflect the units likely to be delivered within the RHNA period.

Development Agreements and Large Projects

San Francisco has approximately 19 development agreements (DAs) or other projects that sit on large sites, often made up of multiple parcels. DAs are specially negotiated by private developers and public agencies to allow new residential and commercial development in exchange for affordable housing, community benefits, new infrastructure, and designs for buildings and public spaces. DAs are often

approved by a vote of elected officials or sometimes even directly by the voters. DAs represent a legal entitlement to build the specified housing, including affordable housing. Sometimes DAs involve public investment, including participation of the Office of Community Investment and Infrastructure (OCII- the successor to the former Redevelopment Agency which was dissolved in 2012) and MOHCD in more recent DAs. OCII and MOHCD will provide public funding to help construct affordable housing within some DAs in addition to funding provided by DA project developers.

San Francisco's Planning Department (Planning) worked with the Office of Housing Delivery (OHD), which is tasked with tracking and facilitating the development of many of these large projects, to compile information on the DAs and Large Projects (See Sites Inventory Appendix 1 for full project level information). OHD in turn worked with project managers at the City agencies that coordinate with developers on the implementation of these developments – including the Office of Community Investment and Infrastructure (OCII), the Port, the Office of Economic and Workforce Development (OEWD), and the Treasure Island Development Authority (TIDA) – to develop an estimate of housing likely to be developed over the 8-year RHNA period. City staff spoke directly with developers to estimate the delivery of housing over the next 8 years, focusing particularly on key infrastructure or phasing timelines that will affect housing development. Currently, the estimate is that 19,961 units in already approved DAs (less 50% of the units entitled), will be built from 2023-2030 (units already permitted or under construction have been removed from this total).

For HOPE SF projects that are rebuilding public housing on large sites around the city, replacement public housing units to be constructed as part of the developments are counted toward lower income units along with additional new affordable units, per [RHNA Adequate Sites Alternative guidelines](#) allowing up to 25% of the lower income RHNA to be met through substantial rehabilitation, conversion, and preservation of existing affordable housing. The existing public housing units have at least four types of habitability violations that would qualify their rebuilding to count toward RHNA progress.

Figure 4. Development Agreements and Large Project Units Anticipated 2023-2030 by Income

<i>Project</i>	<i>Year Entitled</i>	<i>Very Low Income</i>	<i>Low Income</i>	<i>Moderate Income</i>	<i>Above Moderate Income</i>	<i>Total Units</i>
Mission Bay South and North	1998	-	980	0	21	1,001
Hunters Point Shipyard Phase 1	2003	-	327	60	409	796
Transbay	2005	131	339	156	377	1,003
HOPE SF: Hunters View	2008	92	25	-	101	218
Hunters Point Shipyard and Candlestick Phase 2	2010	-	330	104	986	1,420
Treasure Island	2011	-	559	67	2,810	3,436
Parkmerced	2011	0	130	0	2,111	2,241
Schlage Lock	2015	252	-	-	1,427	1,679
5M	2016	-	-	-	400	400
HOPE SF: Potrero	2017	251	1	-	-	252
HOPE SF: Sunnydale	2017	354	114	-	189	657
Plumbers Union	2017	-	7	-	53	60
Pier 70	2018	90	90	102	777	1,059
Mission Rock	2018	0	135	122	421	678
India Basin	2018	-	79	315	1,181	1,575
3333 California	2019		185		559	744
Potrero Power Station	2020	89	90	-	832	1,011
Balboa Reservoir	2020	214	185	151	550	1,100
UCSF Plan by 2030	2022		189	189	253	631
Total Units	-	1,473	3,765	1,266	13,457	19,961

In addition to already approved DAs, four publicly and privately owned sites are actively working with City agencies to negotiate development agreements. Based on discussion with the agencies and developers involved, this Sites Inventory estimates that the smaller, publicly owned projects will receive building permits for all units within the 2023-2030 period, while the larger projects are estimated to deliver a more limited amount of housing. These sites would yield a total of 4,639 units estimated to be permitted by the end of 2030.

Figure 5. Development Agreements and Large Projects Not Yet Entitled Units 2023–2030

	<i>Very Low Income</i>	<i>Low Income</i>	<i>Moderate Income</i>	<i>Above Moderate Income</i>	<i>Total Units</i>
Freedom West	0	301	150	1,554	2,005
Plaza East	193	292	0	270	755
Potrero Yards	96	96	96	287	575
Stonestown	0	196	98	1,011	1,304
Total Units	289	885	344	3,122	4,639

Pipeline Projects (non-DAs)

In addition to the large projects discussed above, San Francisco's residential development pipeline includes many projects in various stages of the housing development process, including projects that have received approvals from the Planning Commission and/ or Planning Department (not all projects require Commission approval), projects that are awaiting Planning approvals, and projects that are currently in the process of obtaining a first construction document, such as a building permit. Projects awaiting a building permit could have obtained an interim document such as a site permit while deciding when to start construction, could be waiting to pay fees required to have their building permit issued, or could have filed for a building permit and be waiting for approval.

Projects in the pipeline range from the addition of a single unit to an existing building to new residential towers with hundreds of units. The pipeline includes both privately financed housing developments and publicly funded affordable housing developments. Privately financed housing is assumed to be rented or sold at market rate and to primarily serve above moderate income households; however, privately financed projects of 10 units or more must also meet inclusionary housing requirements and provide units at low and/or moderate incomes.

The development pipeline of privately financed projects includes 15,370 units in different phases of the development process. The numbers of units in each phase have been discounted based on analysis of the rates that projects in the pipeline in the fourth quarter of 2014 have received a building permit as of 2022. As a result, the analysis counts 70% of units in projects that have filed for a building permit or are awaiting a first construction document, 66% for projects that have Planning approvals, and 82% for projects with planning applications filed. Since DAs and Large Projects have their own timelines and are analyzed separately, they were removed from the pipeline analysis.

Figure 6. Pipeline of Privately Financed Housing Developments (non-DAs)

<i>Project Status</i>	<i>Lower Income</i>	<i>Moderate Income</i>	<i>Above Moderate Income</i>	<i>Total Units by Status</i>
First Construction Document Pending	756	257	7,371	8,383
Planning Approval	223	36	1,353	1,612
Planning Filed	665	248	4,461	5,374
Total Units by Income	1,644	541	13,185	15,370

Pipeline of New Affordable Housing and Preservation of At-risk Affordable and Conversion to Affordable

MOHCD has 2,588 affordable units in the pipeline in new construction buildings that have yet to be approved or permitted (a small number of above moderate income units in these buildings are managers' units). These affordable housing development sites are in addition to thousands of units in DA projects and projects that already have building permits or are under construction.

San Francisco has been using a combination of local, state, and federal funding to acquire for-profit privately owned multifamily housing and privately owned motels and hotels and convert these buildings to permanent supportive housing for formerly homeless people. Funding sources include the local Gross Receipts tax (Proposition C) and the HomeKey program. 351 units of housing in four sites are currently in the process of acquisition, rehabilitation, and final agreements for conversion to PSH. These units meet [adequate sites alternative requirements](#) for conversion of multifamily housing and hotels or motels to permanent affordable housing.

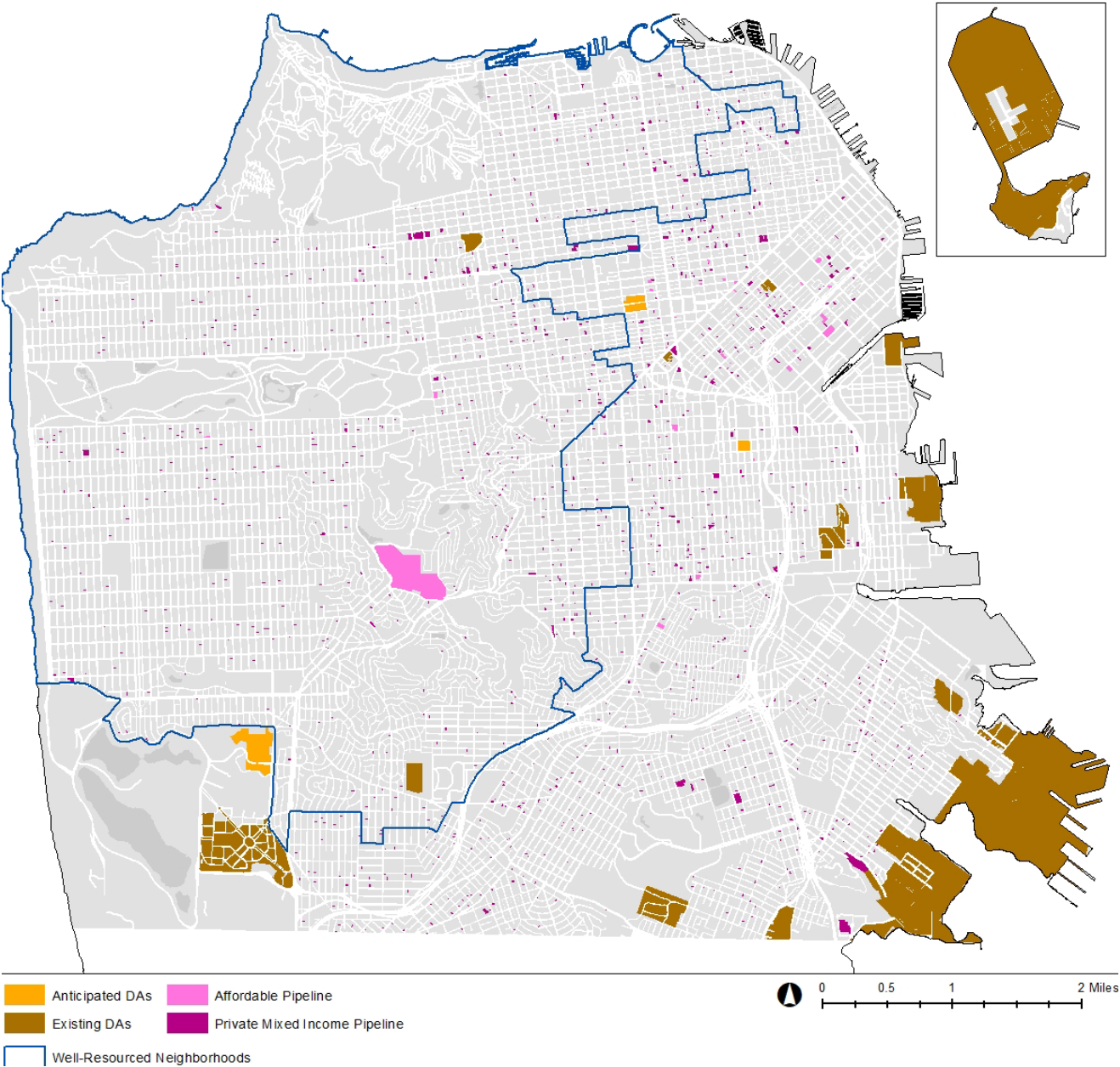
In addition to new construction of affordable housing and acquisitions for supportive housing, San Francisco is committed to assist and incentivize the preservation of affordable housing developments with expiring affordability restrictions. Preservation can only be counted toward the Sites Inventory if specific [adequate sites alternative requirements](#) are met. In the case of the at-risk affordable properties included in the Needs Assessment of the Housing Element, these requirements do not apply. Despite these limitations, San Francisco will continue to use all legal and financial tools available to retain the affordability of at-risk units. The City has a demonstrated commitment to funding preservation of existing affordable housing including the recent RAD conversion of over 3,500 older public housing units in individual buildings and the preservation of hundreds of affordable units in 80/20 bond-funded mixed-income developments where the City has secured long term extensions of affordability. MOHCD is preparing to release a new Existing Nonprofit Owned Rental Housing Capital Repairs Notice of Funding Availability (ENP NOFA). \$20 million total will be made available for existing nonprofit-owned housing funded by MOHCD (including both limited partnerships with a nonprofit managing general partner and direct 501c(3) ownership). MOHCD recognizes that the 4% LIHTC program has traditionally been available for major renovations but is now oversubscribed and prioritizes new construction, leaving Sponsors without a source of subsidy to invest in comprehensive renovations. This investment in rehabilitation will help ensure the stability and quality of affordable housing in San Francisco.

Figure 7. Pipeline of Publicly Funded Affordable Housing Production & Preservation (non-DAs)

<i>Affordable Project Type</i>	<i>Lower Income</i>	<i>Moderate Income</i>	<i>Above Moderate Income</i>	<i>Total Units</i>
New 100% Affordable	2,468	120	18	2,606
Affordable Preservation, Rehabilitation, & Acquisitions	351			351¹
Total Units	2,819	120	18	2,957

1 The total preservation and acquisition pipeline has been updated since earlier drafts of the Sites Inventory to reflect better understanding of adequate sites alternative requirements for preservation of at-risk affordable housing and conversion to affordable housing of multifamily housing and hotels.

Figure 8. Residential Development Pipeline Including DAs



Non-Site-Specific Means of Meeting RHNA

State housing element law allows a limited portion of the RHNA to be met by expected production of ADUs and acquisition of existing housing and conversion to permanently affordable homes. Production of units through these methods are not tied to specific sites but rather based on trends of ADU production as well as policies to support ADUs. Similarly, assumptions for acquisition and conversion of existing housing to permanent affordability can be based on policies, investment, and past trends.

Accessory Dwelling Units (ADUs)

Past trends show 200 ADUs built or legalized per year from 2017 through 2021. ADU production had been increasing each year from 2017 through 2019 but had dropped slightly from 2019 to 2020 and then increased again in 2021. Recent state laws to further enable ADUs as well as local proposals to help existing homeowners build ADUs could help bolster production. Based on these assumptions, 250 ADUs per year are estimated to be produced over the 2023-2030 period in variety of existing buildings from single family homes to multifamily rental buildings. Based on analysis and guidance from ABAG/MTC, 90% of ADUs are assumed to be affordable at moderate incomes and 10% affordable at above moderate incomes.

Acquisition and Conversion to Affordable Housing

Facilitated by local, state, and federal funding and policies, in recent years San Francisco has been acquiring existing rental housing, hotels, and motels for conversion to permanently affordable housing and supportive housing for the formerly unhoused. The City's Small Sites Program has funded the acquisition of hundreds of rent-controlled units primarily occupied by low- and moderate-income renters to preserve these rental units as permanently affordable housing. This program is bolstered by the Community Opportunity to Purchase Act (COPA) that gives tenants and nonprofit affordable housing organizations first right of refusal to purchase rental housing that is put up for sale. The City has expanded the Small Sites Program to bigger buildings including SRO (single room occupancy) buildings.

San Francisco has also acquired hundreds of housing units and hotel and motel rooms for use as Permanent Supportive Housing units for formerly unhoused people. As of Fall 2022, San Francisco is in the process of purchasing existing buildings with 351 units for Permanent Supportive Housing as discussed in the description of the affordable pipeline. The State of California's Project Homekey program supported acquisition of a number of these sites with over \$100 million in grants for acquisition and operations. The City's current goal for this round of supportive housing acquisitions is up to 750 units, leaving up to 400 units in additional planned acquisitions over the next year.

Similarly, the Small Sites Program has funded the preservation purchase of an average of over 100 units per year for 6 years, helping to stabilize existing tenants and convert buildings to permanent affordability. Given current funding, the City expects to fund the preservation purchases of approximately 185 units per year, 80% of which are estimated to be affordable at lower incomes.

Underutilized and Vacant Sites

With the residential development pipeline, including DAs and large projects, expected to accommodate about half of the RHNA, and a significantly smaller share of the RHNA accommodated through non-site-specific means such as ADUs, the remainder of the RHNA must be accommodated on underutilized or vacant sites. Changes to State Housing Element law (particularly AB 1397 passed in 2017) have strengthened requirements that sites included in the inventory be realistically assessed for their development potential within the 8-year RHNA planning period. When the sites inventory includes more than 50% non-vacant sites, existing uses are presumed to impede development unless substantial evidence is provided that the use is likely to be discontinued. In San Francisco nearly all land available for residential development is not vacant and the approach to assessing development potential to accommodate RHNA must realistically address this fact. While San Francisco has ample examples of non-vacant sites redeveloping as housing (see Sites Inventory Appendix 3 for case studies of recent housing developments on non-vacant sites), the methodology used to identify realistic development potential must consider factors such as existing uses, past development trends, market conditions, and other factors relevant to whether sites can realistically be redeveloped.

Modeling Housing Production on Underutilized and Vacant Sites

In order to estimate the impact of housing policies and market conditions on the extent and location of new housing development in San Francisco, the Planning Department contracted with Blue Sky Consulting Group (Blue Sky) to conduct an analysis of San Francisco housing development trends as part of the Housing Affordability Strategies (HAS) project completed in 2020. Blue Sky then updated their model results in Summer 2022 for the Housing Element Sites Inventory (For more on Blue Sky's methodology see Sites Inventory Appendix 2 on Modeling Development on Underutilized and Vacant Parcels). Blue Sky analyzed housing development during the period from 2001-2021, examining the relationship between the extent of multifamily residential housing development and economic and parcel-specific factors that may influence the likelihood of development.

The results of this analysis comprised the basis for a simulation model which uses information about the characteristics of each of the approximately 150,000 parcels in the city together with data on previous housing development and market conditions to estimate the likelihood of multifamily housing development. Specifically, the model estimates the likelihood of development based on several key explanatory variables, including housing prices, construction costs, site specific land use and zoning, and the "development potential" of individual sites (measured as the ratio of potential building size to current size). Using these variables, the model generates estimates of the number of units that are likely to be built based on current zoning and economic conditions. This model allows us to realistically assess housing capacity on non-vacant sites, by offering a comprehensive way to estimate the probability of housing development on parcels in the city based on parcel characteristics and current economic trends.

Methodology

The housing market analysis was conducted using a logistic regression in which the likelihood of market-rate multifamily housing development (the dependent or outcome variable) was estimated based on a

series of independent (explanatory variables), including construction costs, housing prices, and parcel-specific characteristics including contemporaneous zoning category, current residential use or historical designation, current permissible building size (envelope), and development potential (ratio of permissible to existing building size). Results of the regression analysis are presented in the table below, which shows that each of the key explanatory variables was highly statistically significant. Most importantly, these results show that changes in construction cost or development potential have a statistically significant association with the likelihood of development, allowing for use of these variables in developing a simulation model to estimate likely development for specific parcels.

To develop the simulation model results, a baseline scenario was developed in which the number of likely units to be developed over time was estimated based on specified baseline economic conditions and current zoning². Large project areas, such as Treasure Island or Mission Bay, were modeled separately by Planning based on the specifics of the development agreements covering these projects. The number of (non-inclusionary) affordable units and accessory dwelling units were also estimated by Planning separately from the simulation model.

For more on Blue Sky's methodology see Sites Inventory Appendix 2 on Modeling Development on Underutilized and Vacant Parcels.

Data Sources

In order to conduct this analysis, data for each of the more than 150,000 parcels in the City was collected from Planning. In addition, data was collected on each of the multifamily residential projects completed anywhere in the city during the study period. For each parcel, information was collected regarding the existing land use, zoning, and the potential for future development (i.e., the ratio of allowable building size to current building size). Where factors have changed over time (for example, with respect to zoning), data was collected for each year, 2001 - 2018. To create the development potential variable, a hypothetical building envelope measure was constructed for each parcel in each of the model years. This variable used information about parcel area, setbacks, density limits, and maximum allowable building height to construct the measure used in the regression model. In addition, information about housing prices and construction costs were included in the model data set for each of the study years.

Model Estimate of Units

The regression-based model provides an estimate of probable units that would be produced over time given the characteristics of each parcel and broader economic trends and conditions. While the model provides a parcel-level estimate of units to be produced, the results are not to be understood as an expectation of specific yield but rather in aggregate as presented below. The model estimates the likely number of units based on the regression results, calculated as the probability of development for the site multiplied times the maximum number of units allowed on that site. Model estimates mostly align with intuitive expectations. For example, larger sites with no existing structures or small existing structures

and where greater numbers of housing units are allowed are likely to have more estimated units in the model.

The vast majority of residentially zoned parcels have just a small fraction of a unit that is likely because an existing single family home, multifamily building, or other existing building, making additional housing development extremely unlikely. There are no units estimated on thousands of parcels in the city where residential development is not allowed (for example on industrially zoned parcels), or on parcels that are residentially zoned but already have the maximum number of units allowed under existing residential density limits (for example a lot zoned RH-2 with an existing two unit building). In some cases, the model estimates a limited number of units on a parcel that is zoned for both commercial and residential uses and has an existing office building, tourist hotel, or other substantial existing building. These estimates have been included to reflect the fact that residential conversion of commercial and tourist buildings does occur as does infill on partially underutilized sites. Planning has made every effort to remove parcels that seem to be included in error (for example, parcels with significant recent investments or new construction).

The housing capacity assumptions for residentially zoned parcels reflect the passage of SB 9, which allows duplexes and lot splits on lots currently zoned for single family homes. While SB 9 allows more units per parcel on RH-1 zoned parcels, the model estimate of likely units for parcels with existing single family homes is heavily influenced by the size of existing structures and uses on the site resulting in an estimate of approximately 450 units enabled by SB 9 over the 8-year RHNA period.³ The capacity assumptions for residentially zoned parcels also reflect recent increased use of State Density Bonus law, which has been used by a majority of recent multifamily housing developments in San Francisco that are providing on-site units affordable at low or moderate incomes.⁴

The model estimates that 9,130 units are probable through privately funded housing development over the RHNA period on parcels available for residential development in the city and not already accounted for in the residential development pipeline. The model developed by Blue Sky and Planning offers a more realistic approach to estimating capacity for RHNA than has been used in the past and accounts for existing uses as a potential barrier to housing development. For more information on the model please see Sites Inventory Appendix 2.

Designating Sites by Income Level

Just as the RHNA is divided into four income levels, the Sites Inventory must identify sites by income level per state law. The key distinguishing feature of sites designated as lower income is that they must be zoned to allow at least 30 units per acre. Additionally, sites that are less than half an acre or larger than 10 acres must demonstrate that they can realistically be developed as housing. In San Francisco, where land is costly, development of new housing for any income level is likely to be multifamily housing

3 The estimate of units enabled by SB 9 from the model is substantially below the 1,500 units initially assumed in the March, 2022 Draft of the Sites Inventory, which was based on trends in development on rezoned parcels but did not include the range of factors used in the model.

4 AB 2011, a new state law adopted in 2022, will likely affect density and potential heights on parcels in certain commercially zoned corridors in the city.

at densities greater than 30 units per acre and development on sites of less than half an acre is very common. For reference, a typical San Francisco residential parcel of 2,500-3,000 square feet zoned for two units would meet requirements to allow 30 units per acre.

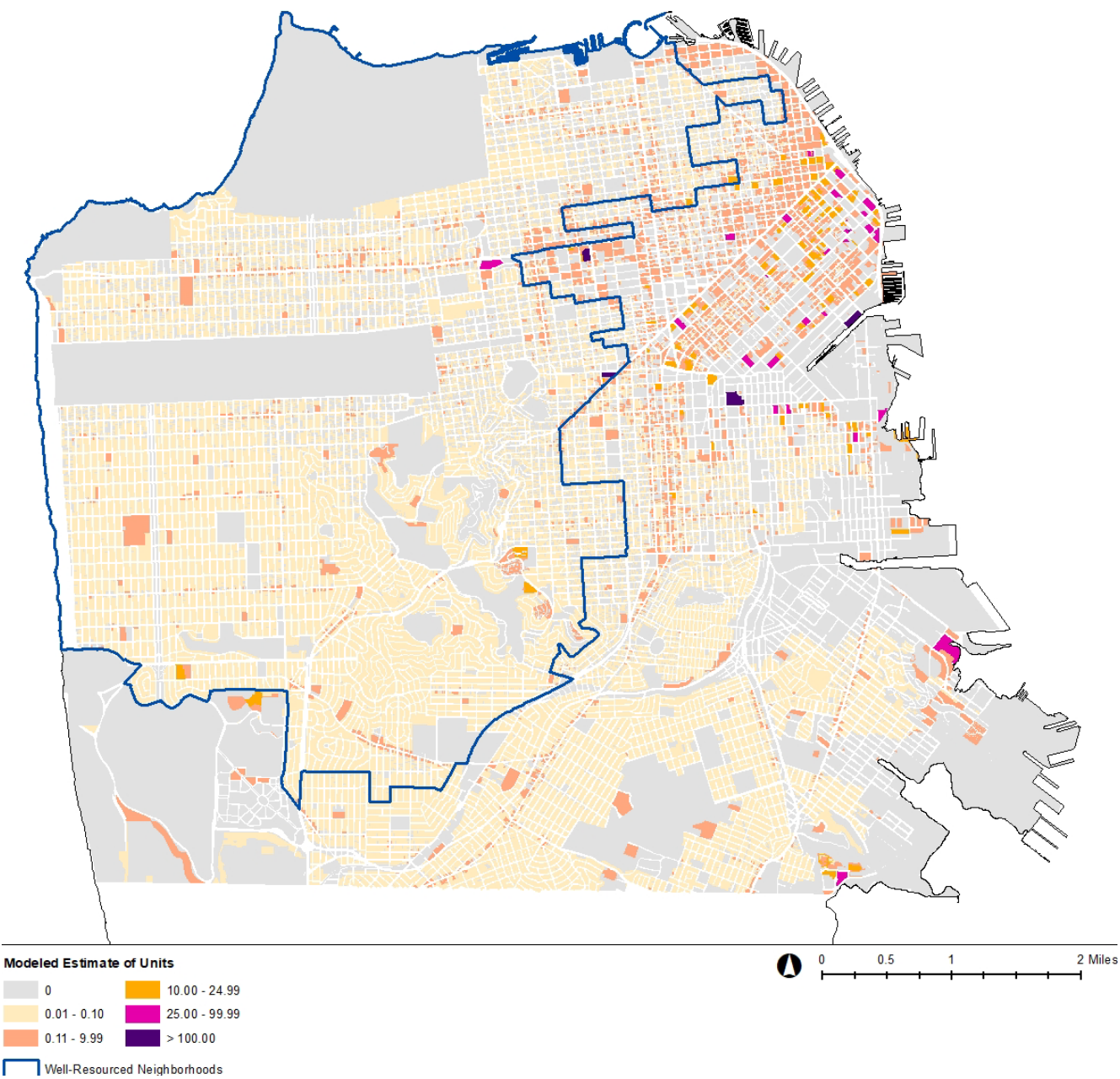
Sites designated as Low Income are not reserved for development as subsidized affordable housing; however, if sites designated as Low Income have been included in prior Housing Elements' Sites Inventories, they must be zoned to allow ministerial (by-right) permitting for housing developments that provide at least 20% of units as affordable at low incomes. Given this context and the intent of the Housing Element to support community-informed processes in Priority Equity Geographies, San Francisco identified the following criteria to designate underutilized and vacant sites to accommodate the lower income RHNA:

- a) Sites that have densities allowing at least 30 units per acre, allow at least 16 units on the site (consistent with the criteria for low income sites in rezonings for the Housing Element); and,
- b) Sites located outside of Priority Equity Geographies (areas with greater concentrations of vulnerable residents and communities of color that have also seen a greater share of recent housing development).

This criteria advances a key requirement of state Housing Element law and the 2022 Housing Element's policies to affirmatively further fair housing and expand housing choices in Well-resourced Neighborhoods and adjacent areas that offer greater opportunities and improved health outcomes. This approach to selecting low income sites also enables Priority Equity Geographies to continue to have input on project approvals processes (which is limited in ministerial processes).

San Francisco Planning conducted additional analysis on potential sites that met criteria provided by MOHCD to accommodate up to 2,160 units of subsidized affordable housing over the 2023-2030 RHNA period. This number is based on MOHCD's current budget to acquire and fund the development of approximately three sites per year with an average of 90 units each or 270 units per year distributed among family housing, senior housing, and supportive housing. These sites would be in addition to affordable projects already in the pipeline. The 2,160 units were distributed to parcels that met low income density requirements and are at least 10,000 square feet. The distribution of these 2,160 units was proportional to the probability of development and total unit capacity estimated by the Blue Sky model for sites that also met the low income and MOHCD criteria. State policies such as State Density Bonus law allows for greater densities for 100% affordable housing developments within a half mile of high-quality transit as well as up to three additional stories than allowed by local zoning, and the local voter-approved Proposition E similarly allows for greater density and additional stories for affordable and educator housing helping to facilitate affordable development on sites around the city. MOHCD's criteria emphasizes larger sites (typically at least 10,000 square feet) with sufficient height allowed to achieve a critical mass of units that will make development more cost effective and competitive for state and federal funding, including Low Income Housing Tax Credits (LIHTC) and Private Activity Bonds (PAB).

Figure 10. Analysis of Underutilized and Vacant Sites Capacity



For moderate and above moderate sites, the remaining Blue Sky capacity in Priority Equity Geographies and elsewhere in the city was divided between the moderate and above moderate income categories reflecting the policies of the Housing Element that seek to encourage both subsidized and privately funded housing affordable at moderate and middle incomes throughout the city. These sites offer a range of sizes and densities adequate for small and medium multifamily development that could serve a range of incomes.

Public Lands for Housing

Publicly owned lands have provided important sites for housing development in recent decades and will continue to do so over the 2023-2030 RHNA period. A number of large publicly owned sites where housing will be developed are described in the discussion of development agreements and large projects in the residential development pipeline section of the Sites Inventory. Federally owned land such as former naval bases at Treasure Island and Hunters Point Shipyard and locally owned sites such as the former Candlestick stadium or the Balboa Reservoir site are major housing development sites that will yield thousands of homes in multiple buildings over time.

Other public sites are also key housing development sites, particularly for affordable housing. Examples of public sites providing affordable housing development opportunities include the Laguna Honda Hospital Site and the Shirley Chisholm Village affordable educator housing site (formerly Francis Scott Key school site) currently in the affordable housing development pipeline. Recently completed Affordable housing developments on public lands include former freeway Parcel O in the Hayes Valley neighborhood, which is now an affordable family housing project, or the former federal court parking lot at 1064 Mission Street that has been transformed into supportive housing.

Public lands re-used for housing are currently captured in the residential development pipeline for large projects as well as individual affordable housing developments funded by MOHCD. SF Planning is continuing to work with fellow City agencies to assess additional publicly owned sites that could yield housing opportunities and has included some information on potential additional opportunities during the RHNA period in the Rezoning Program section.

Sites Availability of Infrastructure and Environmental Constraints

All parcels included in the Sites Analysis are suitable for development in the current planning period, pursuant to zoning and building code requirements. None of the identified sites are subject to any environmental constraints that would preclude development. Most sites included in the inventory are well-served by public transit, and all have access to streets and freeways. In addition to its streets and freeways, the City of San Francisco has an extensive system of heavy rail, light rail, rapid bus, and bus transit to serve existing and forecasted residents, and additional transit infrastructure investments are planned. Planning for housing has emphasized development near existing or new public transportation infrastructure.

Parcels included in the inventory have sufficient connections to water, sewer, and dry utilities available to support housing development. Water, sewers, and other utilities are available throughout the City of San

Francisco as an urbanized area. The City's infrastructure capacity and availability are analyzed in the environmental analysis prepared for this Update to the Housing Element.

Sites included in the Sites Inventory are already zoned to accommodate housing development and were evaluated based on the suitability and availability of each site to accommodate residential development during the planning period. The methodology, aimed at discerning the likelihood that a given parcel is to be developed or re-developed, includes such factors as the parcel's size, allowable density, realistic capacity, zoning, existing use/ structure, and other key factors.

The City of San Francisco has various environmental features that could affect housing development, and sites located within those affected areas that preclude residential development were removed from the inventory. As such, development of the sites is expected to proceed without obstacles from environmental features such as flood plains, prohibitively steep slopes, or protected wetlands.

Each site will be granted its own development permit, which may require that some projects make improvements to existing infrastructure or incorporate resilience or adaptation measures into the building design. However, none of the City's environmental laws precludes residential development. A project proposed on any site in the Inventory would be allowed if consistent with the zoning provisions for that site and would be issued a permit by the Department of Building Inspection (provided no extraordinary site-specific health and safety circumstances were found to exist).

HOUSING ELEMENT IMPLEMENTATION

Rezoning Program

Purpose

According to the Housing Element Update 2022 Sites Inventory analysis, San Francisco does not have enough sites to meet the City's Regional Housing Needs Allocation for 2023-2031 (RHNA) overall, inclusive of a 15% buffer (36,282 units), and in specific categories of low income and moderate-income units. As shown in Figure 3 above, this Sites Inventory identifies a shortfall of 19,611 units for Lower Income households, 8,424 units for Moderate income households, and 7,531 units for Above Moderate-income households. The City would also be below 25-50% of buffered RHNA targets for low-income housing units in Well-resourced neighborhoods (as described above in the Sites Inventory), a proposed Housing Element policy to address Affirmatively Further Fair Housing (AFFH). Well-resourced neighborhoods are areas of the city with high and higher opportunity resources as defined by the State's Tax Credit Allocation Committee (TCAC) map. The Housing Element aims to increase mid-rise and small multi-family housing types in [Well-resourced Neighborhoods](#) and adjacent lower-density areas near transit to accommodate roughly half of the new units required to meet 115% of the RHNA target. As noted in the Sites Inventory above, the City of San Francisco seeks to accommodate a 15% sites surplus buffer on its RHNA targets as recommended by HCD.

Given the housing need and State requirements, this report puts forward a strategy for rezoning that will address this shortfall. This narrative describes the rezoning concepts that the City intends to pursue and a description of the applicable geographic areas. While this document and submittal include three comprehensive scenarios that include several rezoning strategies, the City will develop a final proposal for rezoning which meets the RHNA sites shortfall and other requirements to address AFFH through a public process and additional analysis following adoption of the Housing Element within the time required as per State law. Accompanying this narrative is a database (Appendix 4) listing the sites currently being considered in one of Rezoning Program scenarios, with information of potential additional housing capacity to be created by the rezoning action(s), including a breakdown of sites necessary to meet the RHNA gaps by affordability level.

While the Rezoning Program includes a detailed range of proposed rezoning elements, it will come as a separate proposal and legislative action after Housing Element adoption, informed and shaped into final form by extensive community outreach and analysis. The Rezoning Program will be completed within the three years after the Housing Element Update 2022 adoption, per State requirements, though San Francisco intends to leverage the considerable momentum and public feedback from the Housing Element to initiate a rezoning process immediately following adoption.

Adequate Sites and Rezoning Requirements

Housing Element law requires that jurisdictions identify and analyze the candidate sites that will be considered for the future rezoning required to meet RHNA and AFFH targets and include an analysis of suitability and availability. State law requires actions be adopted to make sites available with appropriate zoning, development standards, and infrastructure to accommodate the housing need. Following is the primary statute language governing the rezoning requirement:

California Government Code 65583(c)(1)(A)

Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, rezoning of those sites, including adoption of minimum density and development standards, for jurisdictions with an eight-year housing element planning period pursuant to Section 65588, shall be completed no later than three years after either the date the housing element is adopted pursuant to subdivision (f) of Section 65585 or the date that is 90 days after receipt of comments from the department pursuant to subdivision (b) of Section 65585, whichever is earlier, unless the deadline is extended pursuant to subdivision (f). Notwithstanding the foregoing, for a local government that fails to adopt a housing element that the department has found to be in substantial compliance with this article within 120 days of the statutory deadline in Section 65588 for adoption of the housing element, rezoning of those sites, including adoption of minimum density and development standards, shall be completed no later than one year from the statutory deadline in Section 65588 for adoption of the housing element.

California Government Code 65583.2(h)

The program required by subparagraph (A) of paragraph (1) of subdivision (c) of Section 65583 shall accommodate 100 percent of the need for housing for very low and low-income households allocated pursuant to Section 65584 for which site capacity has not been identified in the inventory of sites pursuant to paragraph (3) of subdivision (a) on sites that shall be zoned to permit owner-occupied and rental multifamily residential use by right for developments in which at least 20 percent of the units are affordable to lower income households during the planning period. These sites shall be zoned with minimum density and development standards that permit at least 16 units per site at a density of at least 16 units per acre in jurisdictions described in clause (i) of subparagraph (B) of paragraph (3) of subdivision (c), shall be at least 20 units per acre in jurisdictions described in clauses (iii) and (iv) of subparagraph (B) of paragraph (3) of subdivision (c), and shall meet the standards set forth in subparagraph (B) of paragraph (5) of subdivision (b). At least 50 percent of the very low and low-income housing need shall be accommodated on sites designated for residential use and for which nonresidential uses or mixed uses are not permitted, except that a city or county may accommodate all of the very low and low-income housing need on sites designated for mixed

use if those sites allow 100 percent residential use and require that residential use occupy 50 percent of the total floor area of a mixed-use project.

As established in the statute, per above, sites identified to meet the lower-income RHNA need have distinct requirements. In particular, these sites (identified in Appendix 4 for each of the three Rezoning Program scenarios) must be zoned to permit code compliant multi-family use through a by-right planning process for 20% lower-income affordable housing and be zoned with a minimum density and development standards that permit at least 30 units per acre and 16 units per development site. As described further below, of the identified lower-income sites for rezoning virtually all are located on sites that both permit 100% residential use and limit principally permitted non-residential uses to small amounts, meeting the state requirements to locate more than 50% of Lower Income units on sites that are unlikely to be developed with primarily non-residential uses.

The Rezoning Program identifies the concepts and strategies that were used to identify candidate sites that have the potential to be rezoned for housing at different income levels within the planning period pursuant to subdivision (h) of Section 65583.2. The Rezoning Program is included in the Implementation Program as Action 7.1.1.

Key elements of the rezoning strategy have been informed by policies developed through the Housing Element process, the results of AFFH policies and analysis, and analysis of rezoning policies most likely to produce the needed housing. In general, the program emphasizes increasing access to Higher Resource areas of the city, particularly near neighborhood services, transit stations and along major transit, commercial and arterial corridors, and more broadly and flexibly permitting lower scale multi-family housing throughout Well-Resourced Neighborhoods. The Program also emphasizes the continued development of innovative strategies to deliver more affordable housing, stronger anti-displacement protections, rental and down payment assistance, and other community benefits.

The Rezoning Program Candidate Sites Inventory (Candidate Sites Inventory) (Appendix 4) identifies potential sites for future rezoning along with state-required information on each of the properties, including the realistic number of housing units that can be accommodated on each site. Sites were selected based on the criteria included in the Rezoning Program description. Because the Rezoning Program considers different combinations of strategies, the Rezoning Inventory includes the realistic potential capacity under rezoning for each scenario on each identified site.

Overview of Approach

Addressing Proposed Policies

This rezoning strategy is designed to support the shortfall described above and align with Housing Element's proposed goals and objectives, particularly in regard to Affirmatively Furthering Fair Housing, with the following key considerations:

- Creating more housing choice and variety of housing stock in Well-resourced neighborhoods to increase housing availability and access to opportunities for more households, particularly American Indian, Black, and other people of color, to live near good public services, transit, open space, schools, and local businesses.
- Increase housing that is affordable for low- and moderate-income households
- Increase housing types to accommodate households with a variety of needs, including seniors, those with disabilities, families with children, and those with fixed or workforce incomes.

Rezoning is specifically addressed in the following Housing Element Update 2022 policy and actions:

POLICY 20. Increase mid-rise and small multi-family housing types by adopting zoning changes or density bonus programs in Well-resourced Neighborhoods near transit, including along SFMTA Rapid Network and other transit, and throughout lower-density areas, by adopting zoning changes or density bonus programs.

- a. Increase the opportunity for mid-rise multi-family buildings through changes to height limits, removal of density controls, and other zoning changes along SFMTA's Muni Forward Rapid Network[1] and other transit lines such as California Street, Union Street, Lombard Street, Geary Blvd, Judah Street, Noriega Street, Ocean Ave, Taraval Street, Sloat Blvd, 19th Ave, Park Presidio Blvd, West Portal Ave, Junipero Serra Blvd, Church Street, Divisadero Street, 17th and Market/Castro, and Van Ness Ave. In areas that overlap with Priority Equity Geographies, such as the Japantown Cultural District, any potential zoning changes should come through community-led processes per Policies 18 and 29. (Planning, Mayor/BOS; Medium)
- b. Increase the opportunity to create more small multi-family buildings by replacing lot-based unit maximum zoning controls with form-based residential or mixed-use zoning in Well-resourced Neighborhoods near transit. (Planning, Mayor/BOS; Medium)
- c. Create a rezoning program to meet the requirements of San Francisco's Regional Housing Needs Allocation and Affirmatively Furthering Fair Housing laws, relying on a combination of strategies in actions (a) through and (b) above to accommodate about 36,282 new units in Well-resourced Neighborhoods. (Planning, Mayor/BOS; Medium)

- d. Engage with communities living in Well-resourced Neighborhoods to inform existing residents how locating new housing and permanently affordable housing in every neighborhood can address historic inequity and injustice and expand housing opportunities for local residents and their families while strengthening neighborhood vitality. (Planning; Short)

Key Strategies

Based on the proposed policies and actions in the Housing Element update and AFFH requirements, the Department is laying out a range of rezoning components that are combined in different ways to form three distinct rezoning scenarios, each of which is projected to exceed the RHNA Gap identified in the Sites Inventory Analysis above. Each of these three scenarios is also consistent with the analysis and impact findings for the Project Description contained in the Housing Element Update 2022 Environmental Impact Report (EIR). The proposed Rezoning Program focuses on areas identified as High and Highest Resource as defined by the California State Treasurer on their Opportunity Maps. It also includes a small number of parcels in immediately adjacent areas of Moderate Opportunity, to account for natural boundaries of neighborhoods not reflected in the census-tract based TCAC boundaries, and the fact that TCAC designations fluctuate year-to-year, especially at the margins (e.g. some areas designated in 2020 as Moderate are designated as Higher or High in 2022). The Rezoning Program will not include Priority Equity Geographies unless requested through community-led processes, which are the locations defined as Areas of Vulnerability by the San Francisco Department of Public Health. It does not assume the use of sites with public schools, parks, and other critical public infrastructure (i.e. hospitals, reservoirs), except in cases where public agencies have identified opportunities for housing development and where publicly subsidized affordable housing might be possible in underutilized public land. The Rezoning Program also aligns with existing and planned long-range transit network concepts identified in ConnectSF, an interagency vision for San Francisco's transportation system.

In general, across all three scenarios described here, the following Rezoning strategies are proposed to be mixed and matched to varying extents, and will be refined during the subsequent public engagement process following adoption of the Housing Element:

A. Increases to Height Limits Along Major Transportation and Commercial Corridors.

All scenarios include increased height limits around major transit stations and on major transit corridors, major arterial roadways, and along notable commercial corridors. In addition to subway stations such as Church, Castro, Forest Hill, West Portal and Glen Park, transit corridors considered generally are those that feature on the SFMTA's Transit Vision Five-Minute Network (featuring 5-min headway service on both rail and bus lines). These include but are not limited California, Geary, Fulton, Irving, Judah, Taraval, 19th Ave, West Portal, Market, Church, Ocean, Van Ness and Divisadero. Major arterials of citywide prominence include such roadways as Lombard, Junipero Serra, Sloat, and Brotherhood Way. Commercial corridors, most of which are also transit corridors, include Chestnut, Union, Clement, Noriega, and Haight.

The height increases will include all parcels along the corridor, both those that have mixed use zoning (e.g. Neighborhood Commercial) and those that presently allow only residential uses (e.g. RH, RM). In some scenarios, these height limit increases would also extend to immediately nearby blocks flanking the corridors, such as within 800' of the main street.

Presently prevailing height limits in most of these areas are 40' (i.e. four stories), with some areas currently allowing 50-85', and a few areas along Geary and Van Ness and immediately adjacent streets allowing up to 160'. The height limit increases proposed would generally allow at least 55' (i.e. five stories) on all corridors, with most allowing 65' (6 stories) or 85' (8 stories). A few locations along the Geary and greater Van Ness corridors would be considered for rezoning up to 140'-300'.

New height districts above 85' would be accompanied by typical massing controls limiting the breadth and floorplate of buildings above the height of the adjacent "streetwall" of the corridor, as well as ensuring adequate spacing between any tall buildings.

For all areas, existing controls for very large lots in other parts of the city would ensure new development creates a finer block pattern to enhance pedestrian and vehicular circulation, by requiring mid-block alleys.

B. Form-Based Density Controls

Form based controls means that project sponsors can flexibly accommodate the number of units that make sense for the allowed physical building envelope and performance standards (i.e. height, bulk, setbacks, open space, unit exposure) on any lot. Typically, applicable unit mix requirements would continue to ensure a mix of unit types, including family-sized units, are included in projects.

All scenarios include extensive removal of lot-based density regulations and the application of form-based density controls on all sites receiving height limit increases. In some scenarios, Form-Based Density Controls without height increases would also be applied to parcels in a broader geography, including both areas flanking major corridors described in strategy (A).

C. Allowance for Small Multi-Family Buildings

In all scenarios, for all areas in the Well-Resourced areas that are not proposed for height increases and/or Form-Based Density Controls, every lot would be principally permitted for four units per lot. In some scenarios, corner lots would also be permitted to have up to six units per lot.

It is important to note that these densities and height allowances are assumed to be structured as bonus programs that are mutually exclusive with use of the State Density Bonus program, and that the parameters of the Rezoning Program are intended to stay within the general levels of development and variability anticipated by the analysis included in the Housing Element DEIR, as illustrated by the three Rezoning scenarios described below, all of which are consistent with the DEIR analysis.

Rezoning Program: Scenarios

Following is a description of the three example Rezoning scenarios illustrated in the 2022 Housing Element DEIR which have been analyzed for adequacy in meeting the identified Sites RHNA Gap. The projected capacity totals for each scenario represent net new housing projected on top of any parcel-level capacity for the same sites projected under existing conditions in the Existing Sites Inventory, discounted to reflect existing site conditions which may impact developable capacity. The detailed methodology for discounting and excluding sites for consideration follows this summary of the Rezoning Scenarios:

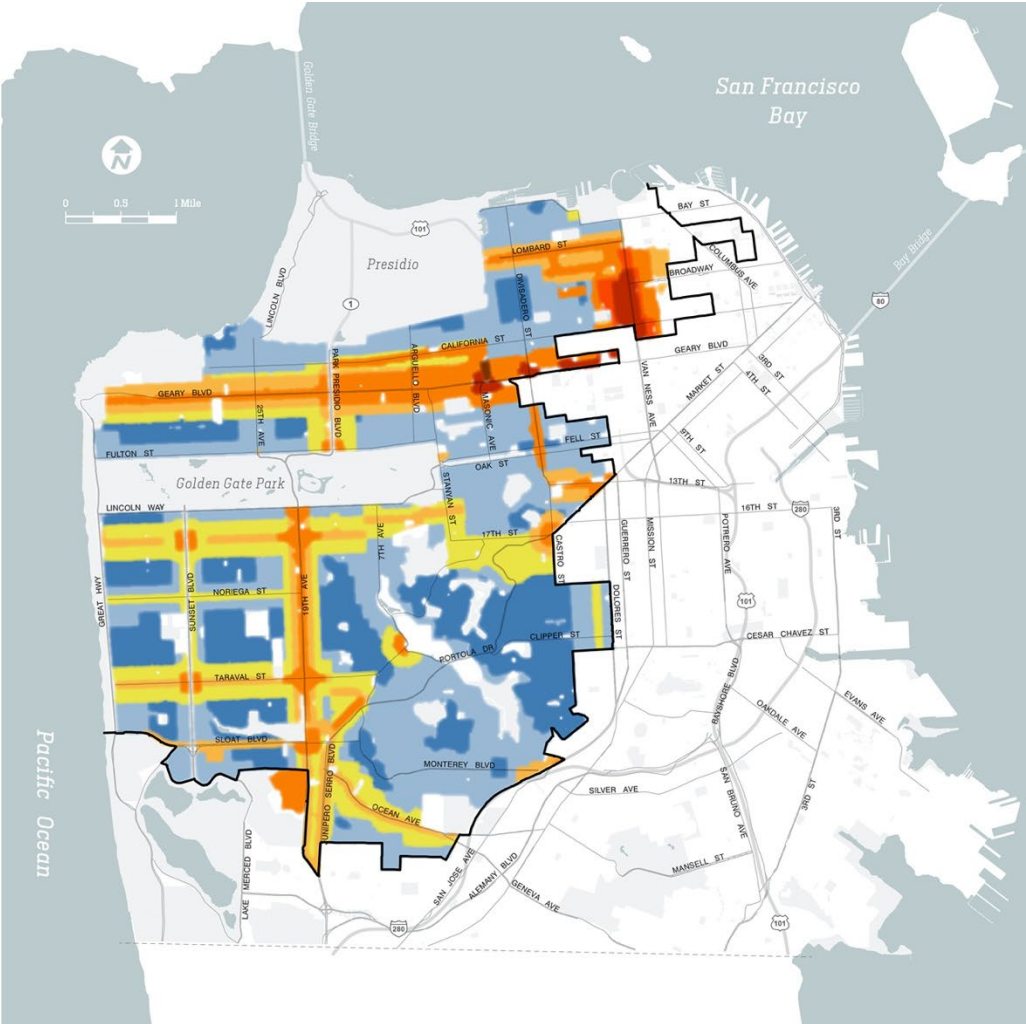
Figure 11. Rezoning Scenario A.

Housing Element Projected Heights and Density Shown in DEIR

This map represents one possible distribution of future housing development growth that could occur based on modeling conducted by the Planning Department to inform the programmatic environmental impact analysis presented in the EIR. It is an illustrative example of different zoning changes that could implement the policies of the Housing Element 2022 Update.

- Increased density up to four housing units with no height change
- Density decontrol with no height limit change
- 55 feet
- 65 feet
- 85 feet
- 140 feet
- 240 feet
- 300 feet
- 2020 Well-Resourced Neighborhoods Boundary

Areas that are proposed for increased heights would also receive density decontrol, if applicable (e.g., in zoning districts where unit density is limited by lot area).



Scenario A: 49,447 projected net units from rezoning⁵

Scenario A features height increases generally to 65' (six stories) and 85' (eight stories) on key transit and commercial corridors, including height increases within a similar range within an 800' radius around these corridors. Form-based density controls would apply to all areas with height changes, as well as broad areas within ¼-mile of other transit lines. Small pockets that fall outside of these areas would be rezoned to allow for 4 units per parcel. In total, 83,078 parcels would be rezoned as follows:

- 17,674 parcels rezoned to allow 4plex
- 34,758 parcels rezoned to form-based density without height increase
- 30,042 parcels rezoned to form-based density with height increase
- 604 parcels with height increase that currently have form-based density

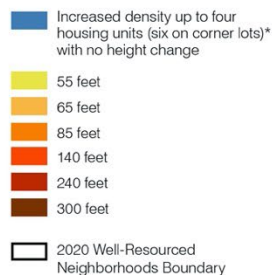
Though these 83,078 rezoned parcels have a theoretical net zoned capacity of 693,817 units, using our methodology of adjustments and exclusions, the Site Rezoning program submits 45,634 parcels with projected units totaling 49,447 net new units.

⁵ Project Heights and Density Shown in Housing Element DEIR.

Figure 12. Rezoning Scenario B.

Housing Element Projected Heights and Density Controls Under the Proposed Action: Potential Example 1

This map is an example of another possible distribution of future housing development growth that could occur based on modeling conducted by the Planning Department to inform the programmatic environmental impact analysis presented in the EIR. It is an illustrative example of different zoning changes that could implement the policies of the Housing Element 2022 Update.



Areas that are proposed for increased heights would also receive density decontrol, if applicable (e.g., in zoning districts where unit density is limited by lot area).

*The draft EIR identified a foreseeable change to increase allowable density limits in low-density areas to four housing units. This example would do the same, but also increase allowable density limits in low-density areas to six housing units on corner lots.



Scenario B: 55,232 projected net units from rezoning

Scenario B differs from Scenario A by concentrating height increases more uniformly on all major corridors throughout the Well Resource Areas, with 85' (8 stories) height limits prevailing on most major corridors, and more uniform but lesser height increases to generally not more than 55' (five stories) in an 800'-buffer around corridors. Form-based density controls would be restricted to the areas receiving height increases within the 800' distance from the major corridors. Additional transit and commercial corridors would receive height increases and form-based density not reflected in Scenario 1. All areas outside the 800' radius of the key corridors would be rezoned to permit 4 units per parcel and 6 units on corner parcels. In total, 83,392 parcels would be rezoned as follows:

- 44,679 parcels rezoned to allow 4 or 6-plex
- 0 parcels rezoned to form-based density without height increase
- 38,713 parcels rezoned to form-based density with height increase
- 0 parcels with height increase that currently have form-based density

Though these 83,392 rezoned parcels have a theoretical net zoned capacity of 564,963 units, using our methodology of adjustments and exclusions, the Site Rezoning program submits 54,123 parcels with projected units totaling 55,232 net new units.

Housing Element Projected Heights and Density Controls Under the Proposed Action: Potential Example 2

This map is an example of another possible distribution of future housing development growth that could occur based on modeling conducted by the Planning Department to inform the programmatic environmental impact analysis presented in the EIR. It is an illustrative example of different zoning changes that could implement the policies of the Housing Element 2022 Update.

- Increased density up to four housing units (six on corner lots)* with no height change
- Density decontrol with no height limit change
- 55 feet
- 65 feet
- 85 feet
- 140 feet
- 240 feet
- 300 feet
- 2020 Well-Resourced Neighborhoods Boundary

Areas that are proposed for increased heights would also receive density decontrol, if applicable (e.g., in zoning districts where unit density is limited by lot area).

*The draft EIR identified a foreseeable change to increase allowable density limits in low-density areas to four housing units. This example would do the same, but also increase allowable density limits in low-density areas to six housing units on corner lots.

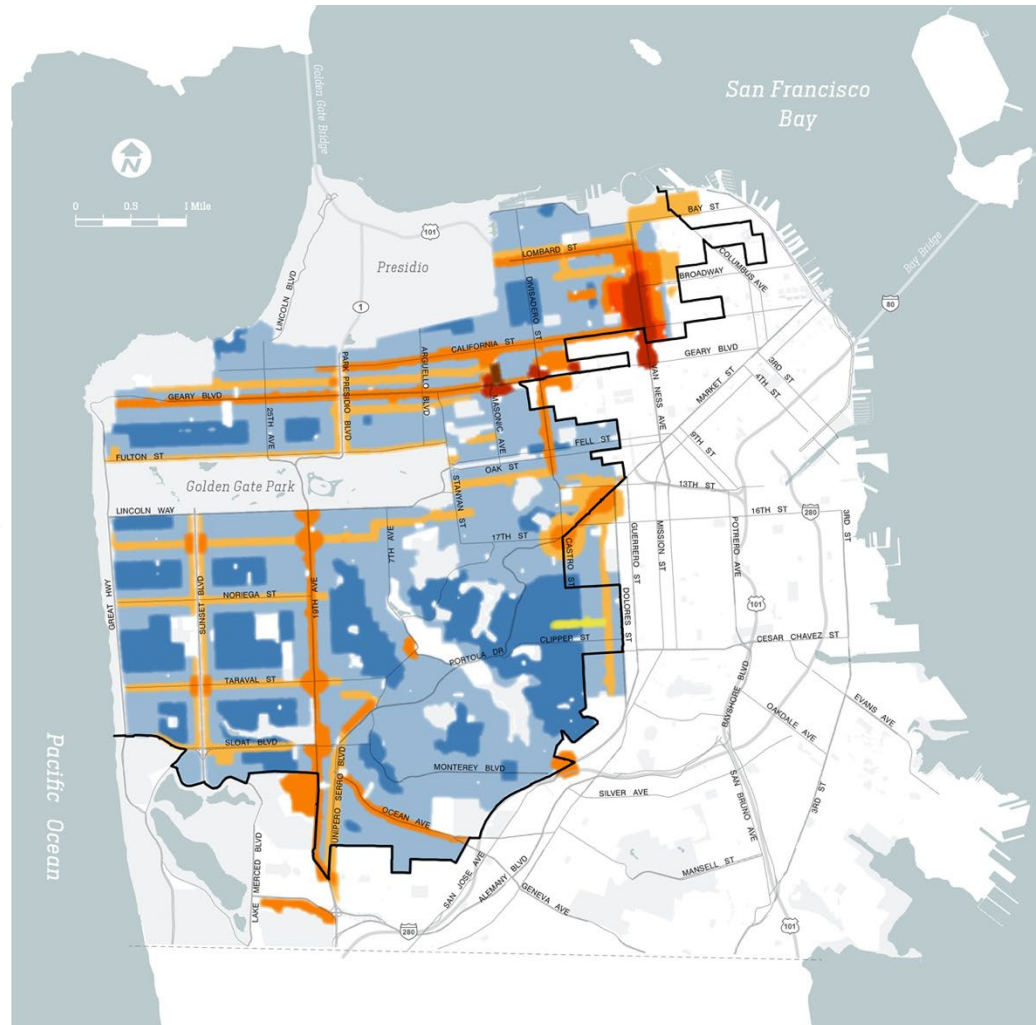


Figure 13. Rezoning Scenario C

Scenario C: 63,912 projected net units from rezoning

Scenario C would limit height increases to only those parcels *immediately fronting* key corridors and generally have somewhat lesser height increases on those corridors with a mix of 65' and 85'. Off the corridors, all areas within 800' of the transit network would be rezoned for form-based zoning generally *without* height limit increases, and with a limited number of residual areas being rezoned to 4- and 6-plexes. This scenario also adds additional pockets of parcels generally contiguous with or adjacent to those on the edges of the first two scenarios, both to ensure cohesive Rezoning application to contiguous neighborhoods and corridors, and in recognition that the hard boundaries of the Well-resourced Neighborhoods are based on census tract boundaries and may not fully reflect demographic or land use conditions in smaller geographies. Additionally,

Well Resource Area boundaries vary year-to-year based on fluctuating demographics state-wide; indeed, much of the added areas in this scenario are now included within the state's 2022 Well Resourced Neighborhoods boundaries. In total, 86,535 parcels would be rezoned as follows:

- 17,768 parcels rezoned to allow 4 or 6-plex
- 56,101 parcels rezoned to form-based density without height increase
- 12,542 parcels rezoned to form-based density with height increase
- 121 parcels with height increase that currently have form-based density

Though these 86,535 rezoned parcels have a theoretical net zoned capacity of 696,670 units above existing conditions, using our methodology of adjustments and exclusions, the Site Rezoning program submits 45,940 parcels with projected units totaling 63,912 net new units.

Summary of Scenarios

In general, the latter two scenarios feature greater projected unit capacity than Scenario A (initial DEIR scenario) despite superficially appearing to have less geographic area covered by greater height increases ($\geq 65'$). Aside from the fact that Scenario C includes a handful of additional parcels, this outcome is largely due to the fact that the latter two scenarios concentrate more height increases on commercial corridors and other parcels with less existing housing, while the first scenario spread greater height increases on parcels with existing residential units that are much less likely to be redeveloped (and thus their rezoned capacity is heavily discounted, as discussed below). Nonetheless, the projection for each of the three scenarios substantially exceeds the RHNA gap of about 36,282 units identified in the Existing Sites Inventory. The Planning Department expects to vet and refine these scenarios through the public process following adoption of the Housing Element into likely a blended version that combines elements of each scenario.

Public Lands for Housing

In addition to the Sites submitted in the above-described Rezoning Program, the City will pursue rezoning to enable housing development on a number of publicly-owned (and publicly zoned) sites within and adjacent to the geography covered by the above includes additional focused programs. The Sites submitted generally do not include publicly-owned sites and those that are zoned Public, since as a general rule, these sites are in active use with public facilities by various public agencies. However, a number of these sites are likely viable candidates for housing development, such as through joint development with the public facilities, and these sites will be considered alongside all of the others as indicated in the scenario maps and descriptions above for form-based density and height increases, despite not being individually submitted at this time with specific housing unit projections.

As described in the Adequate Existing Sites Inventory section above, the City has vigorously pursued housing development, especially projects with high levels of lower income housing, in recent years on publicly-owned land. This includes land under the control of the various agencies of the City and County of San Francisco, as well as supporting and collaborating with state and federal agencies on their own

housing efforts, including San Francisco Unified School District, the University of California, San Francisco State University, and former federal military properties.

The City has a Surplus Public Lands Ordinance codified in Administrative Code Chapter 23A, first adopted in 2002 and amended by the voters in 2016, that establishes an annual process of reporting and review of surplus and underutilized properties under the control of various city agencies. Chapter 23A establishes the city's compliance with CA state surplus lands requirements and creates a local process for reporting and review, and also establishes local priorities for the development of identified lands, particularly for housing for homeless, low income and moderate-income households. Various "enterprise" departments (including the Airport, SFMTA, Port, SF Public Utilities Commission, Recreation & Parks, and Fine Arts Museums) are not strictly bound by the requirements of the Ordinance. While some parcels identified through this process in the past have been pursued for housing development, most public lands that have or will be pursued for housing development in San Francisco have not and will not meet the definitions of "surplus" or "underutilized", since in this dense and highly-urbanized city, almost every piece of public land is being utilized by a public agency for a purpose generally consistent with its mission of delivering services or infrastructure. The few parcels currently on the list are primarily scraps of land alongside rights-of-way that are typically too small for affordable housing development on their own. The public lands that typically see housing development are the result of an active effort by agencies to seek joint development opportunities in tandem with replacement or expanded public uses or through consolidation or re-organization of existing facilities that free up land otherwise not available for housing. Implementation Program 1.2.6 calls for continuing and strengthening the Public Sites program.

While not currently submitted as sites or tabulated in the Rezoning Program, following is a sampling of the agencies with sites that may be pursued for housing opportunity in the RHNA period, some of which may require rezoning to enable housing. Generally speaking, these sites have not been included in either the Existing Sites or the Rezoning Program sites submittal.

San Francisco Municipal Transportation Agency: The SFMTA, which manages the city's streets and public parking facilities, and operates the city's public transit system, owns a number of properties on which it is contemplating pursuing housing development. The agency's currently proposed Potrero Bus Yards project, which includes over 500 units atop a new 3-story bus storage and maintenance facility, is counted in the Existing Sites Inventory and is one example of SFMTA site projects. Future projects may include similar joint development (with housing on top of transit maintenance facilities) on the 5.5-acre Presidio Bus Yards at the intersection of Geary Boulevard and Masonic, identified in the SFMTA's *2021 20-Year Capital Plan* as being considered for joint development. Notably, the Proposed Rezoning Program identifies this site, which is within the Well-Resourced Neighborhoods, for potential significant height limit increase.

San Francisco Unified School District: SFUSD, the city's public school district, is presently constructing an educator housing project at Shirley Chisholm Village affordable educator housing site (formerly Francis Scott Key school site) in the Sunset district, as described in the Existing Sites inventory. In 2020 the Board of Education adopted a resolution (No. 1911-12A1) stating the district's intent to pursue additional affordable educator projects to build at least 550 units by 2030, identifying three potential sites in

SFUSD's real estate portfolio, including two sites in the Well-Resourced Neighborhoods (7th Avenue in the Sunset and Cook Street in the Laurel Heights/Anza Vista area) and one in the Bayview neighborhood on Middle Point Road.

San Francisco State University: SFSU, which is located immediately adjacent to the Well-Resourced Neighborhoods boundary in the southwest part of the city, published an ambitious long-range campus plan, called *Future State 2035*, in 2018. The plan, which does not contain specific implementation milestones, calls for the construction of significant new housing by 2035, including 850 new apartments for faculty and staff in addition to 9,000 new student beds. All of this housing would be on property currently owned by SFSU.

Port of San Francisco: The Port of San Francisco has developed numerous housing projects on properties it controls along the Bay waterfront. One project currently being considered and that is not yet included in the Existing Sites Inventory is Seawall Lot 330, a 2.3-acre parking lot located along the Embarcadero in the South Beach neighborhood. The site is currently undergoing review for potentially up to approximately 800 housing units, with anticipated approval in 2023.

Treasure Island Job Corps (U.S. Department of Labor): The Treasure Island/Yerba Buena Island development agreement project, originally approved in 2011 and now substantially under construction, is one of the city's largest housing development projects in the pipeline with 8,000 units planned. The islands were once a federal military base. The transfer of land to the City of San Francisco and the geography covered by the 2011 development plans excluded a sizable 36-acre "hole" on Treasure Island, which continues to be occupied by the US Department of Labor's Job Corps campus. The City and the Department of Labor are currently holding discussions to transfer much of the Job Corps property to the City for additional housing development in exchange for construction of new consolidated and modern Job Corps facilities. The potential for housing on this site, in keeping with the densities of the surrounding blocks in the approved plans and in consideration of the needs for replacement Job Corps facilities, is estimated at over 2,000 units. It is possible that these negotiations result in entitlement and initiation of housing construction on this land during the RHNA period.

Constraints Reductions and Process Improvements

A key companion to the Rezoning Program is adoption and implementation of a suite of measures at the local and state level to provide by-right, streamlined approvals for housing projects consistent with the Rezoning Program in the Well-resourced Neighborhoods. These measures will not only make the Rezoning more effective in delivering the projected units than existing zoning and processes, but also are partially necessary to comply with Housing Element law requirements to provide for “by-right” approval for sites that are re-used from prior the Housing Element and other conditions. The suite of these measures include:

Jump Start Efforts

The Governmental and Non-Governmental Constraints Report details the structural and systemic challenges facing San Francisco in serving the housing needs of its people. And while in many cities, allowing more zoning capacity would support enough housing opportunities to ensure the creation of the low, moderate, and above moderate units as required by RHNA, San Francisco has unique circumstances and histories that will take a wider immediate response.

First, without stabilizing people in vulnerable situations, the city will continue to experience the loss of the Black and American Indian population along with other communities of color, seniors, those with disabilities, workforce families. We will not be grounding those, such as refugees, recent immigrants, transgender and LGBTQ+ people, those formerly unhoused, who sought a gateway from places that threaten safety or other. Tenant stabilization and support comes first. **Change that the city needs must not harm people.**

Second, without planning for substantial and sustainable, permanently affordable housing funding and capacity across the city, the city’s current system will not be able to deliver the urgently needed housing to anchor our communities of color and low-income communities. This will take a collaborative process between City, non-profit, and private sector partners, with sustained dedication and commitment.

Third, without reducing the uncertainty in the project approval process, coming to agreement on key benefits, putting the rules and resources in productive places, reducing demands on affordable housing projects, and making San Francisco’s complex, multi-agency system simpler and effective, the non-profit sector will be burdened and the private sector increasingly specialized reducing their partnership in better outcomes. Such measures here are focused, place-based, and intentional, to open housing opportunities and choices in places that have been exclusive and out of reach for many of the city’s low-income communities.

As part of the Rezoning, the Housing Element Update 2022 includes a set of jump start efforts to support agencies, institutions, and companies hard at work already delivering housing for the next four years. It recognizes that the financial and labor conditions right now are especially difficult, and the city needs big changes to begin to approach the mid-cycle, so that we can deliver housing and comply with state requirements.

This is not a priority list of actions; they are a few key efforts with deadlines or sunsets that specifically support rezoning and signal San Francisco's functional urgency. The Implementation Program published in December 2022 provides the depth and detail of all the actions, resources, and responsible agencies and priorities will be set only with input from community voices, city leadership, and further study. The follow actions are intended to accompany the rezoning program:

Action 2.1.4

Increase funding to expand the services of community-based organizations and providers for financial counseling services listed under Action 1.7.5, as well as tenant and eviction protection services listed under Programs 2.1 and 2.2, to better serve vulnerable populations, populations in areas vulnerable to displacement, and Cultural Districts; tenant and eviction protection services include legal services, code enforcement outreach, tenant counseling, mediation, and housing-related financial assistance; expansion of such services should be informed by community priorities referenced under Action 4.1.3. Complete by completion of Rezoning Program or no later than January 31, 2026.

Action 2.2.5

Proactively enforce eviction protection and avoid predatory practices or tenant harassment by pursuing affirmative litigation models.

Action 1.1.1

By March 2023, convene City leadership, staff, policymakers, affordable housing advocates, and industry experts to collaborate on an Affordable Housing Implementation and Funding Strategy that provides specific recommendations and responsible parties to achieve and sustain the substantial public funding from local, state, and federal sources, that would join with public-private partnerships, needed to achieve the RHNA targets of over 46,000 units affordable at low- and moderate-incomes. Assign appropriate City staff to include a budget proposal for Fiscal year 2023-2024 and complete this effort by January 31, 2024.

Action 8.4.2

Establish local non-discretionary ministerial approval¹⁸ for housing applications in Well-resourced Neighborhoods outside of areas vulnerable to displacement that net two or more housing units, do not demolish existing rent-controlled units, and meet tenant protection, relocation, and replacement standards as recognized in the Housing Crisis Act of 2019, by Board of Supervisors or voter approval of a City Charter amendment.

Action 8.4.3

Adopt one or more Housing Sustainability Districts in Well-resourced Neighborhoods outside of areas vulnerable to displacement that include tenant protections, relocation, and replacement standards as recognized in Housing Crisis Act of 2019, by January 31, 2026. **Unless implementation of Action 8.4.2 has already occurred in the same geography and renders Housing Sustainability Districts (HSD) unnecessary, Housing Sustainability District(s) shall encompass at least 15% of the total land area of the city up to the maximum allowed by state law and shall not include parcels where residential uses are not permitted or are critical sites for City infrastructure, such as parks or utilities.**

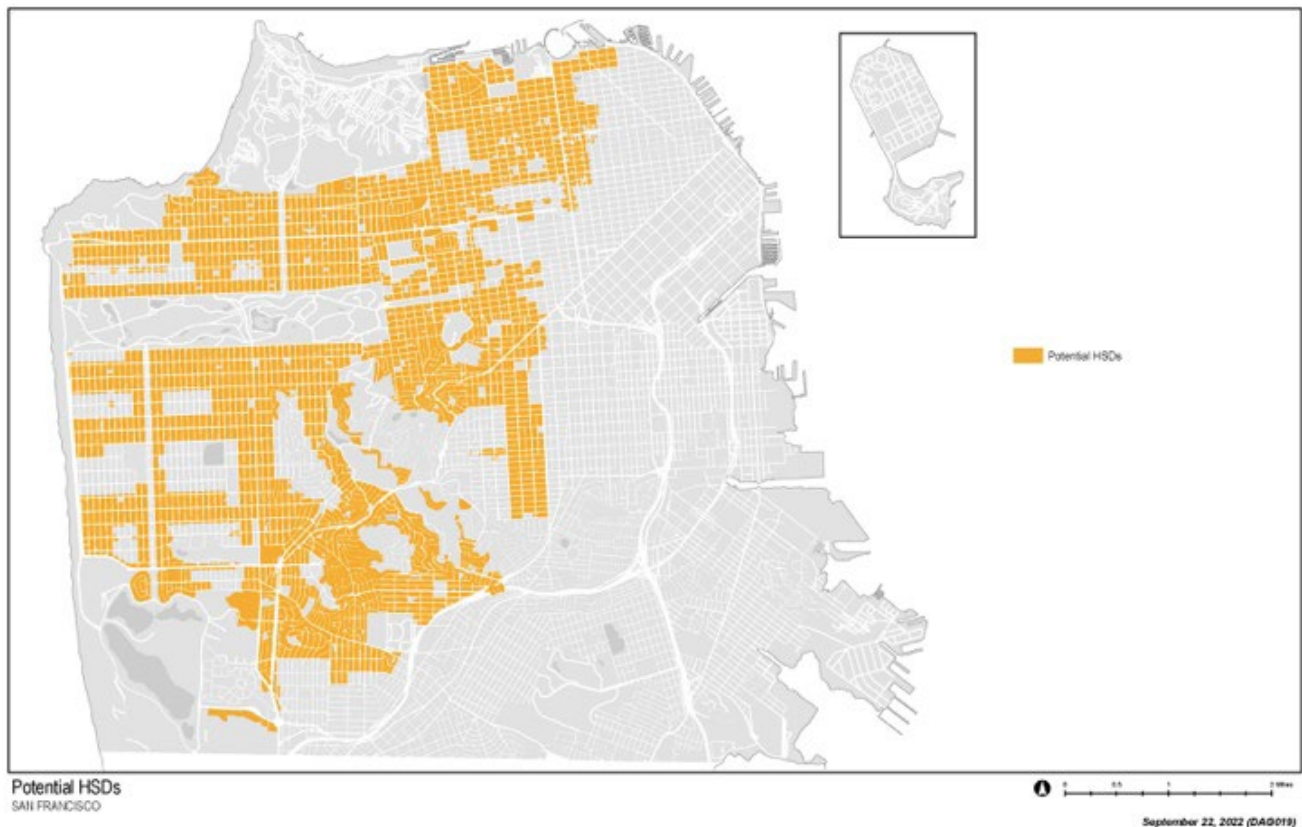
Action 8.4.5

Eliminate Commission hearings on any code-complying project in the Well-resourced Neighborhoods subject to the Housing Accountability Act by July 31, 2023 until January 31, 2027.

Housing Sustainability Districts

Enabled by AB73 enacted by the state legislature in 2017, HSDs enable local jurisdiction to provide for ministerial by-right approval for housing projects that meet certain labor standards. The districts must ensure at least 20 percent of all housing built in the district over 10 years is affordable and projects must meet certain construction labor standards. HSDs can cumulatively cover up to 30 percent of a city's land area and no individual district can occupy more than 15 percent. San Francisco was the first city in California to adopt an HSD, in the Central SoMa Plan area, in 2018. For parcels that are not otherwise eligible for AB2011, San Francisco intends to pursue adoption of two or more HSDs cumulatively covering most of the Rezoning program area in the Well Resource Area geography. To adopt an HSD, a jurisdiction must have completed an Environmental Impact Report on the HSD. The maximum cumulative potential HSD area analyzed in the Housing Element DEIR is 24% of the city land area, as shown in the below map.

Figure 14. Potential Housing Sustainability Districts



Implementation of AB2011

AB2011 applies to many parcels in the geography to be rezoned, particularly on Neighborhood Commercial District parcels on major corridors. Preliminary maps of applicable AB2011 zoning districts and parcels in San Francisco for both 100% affordable projects and mixed income projects are shown below, with both the 2020 and 2022 Well Resource Area boundaries indicated, indicating the general coverage of applicability to parcels in the Rezoning program area. AB2011 provides for by-right ministerial approval for housing projects that provide a certain level of on-site affordable units and whose construction meets certain labor standards. Many of the sites identified for Rezoning are eligible for AB2011, since the Rezoning program is heavily focused on sites in commercial corridors. Notably, project that are meeting San Francisco's inclusionary housing requirements (Planning Code Section 415) will generally already meet the affordability standards for AB2011. San Francisco Planning is already preparing public informational and application materials for project sponsors in anticipation of AB2011 taking effect on July 1, 2023.

Figure 15. Potentially Eligible Lots Under AB2011: 100% Affordable Housing Projects

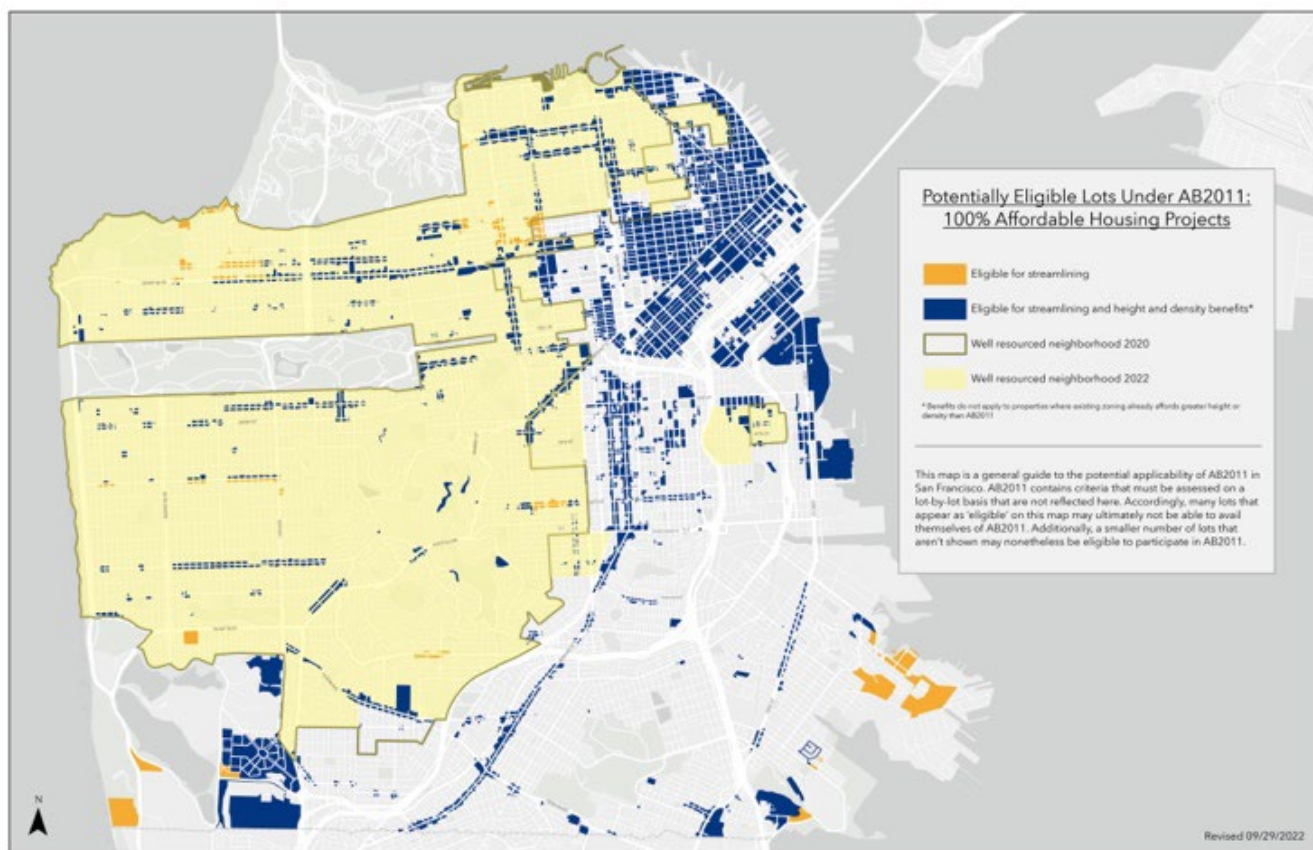
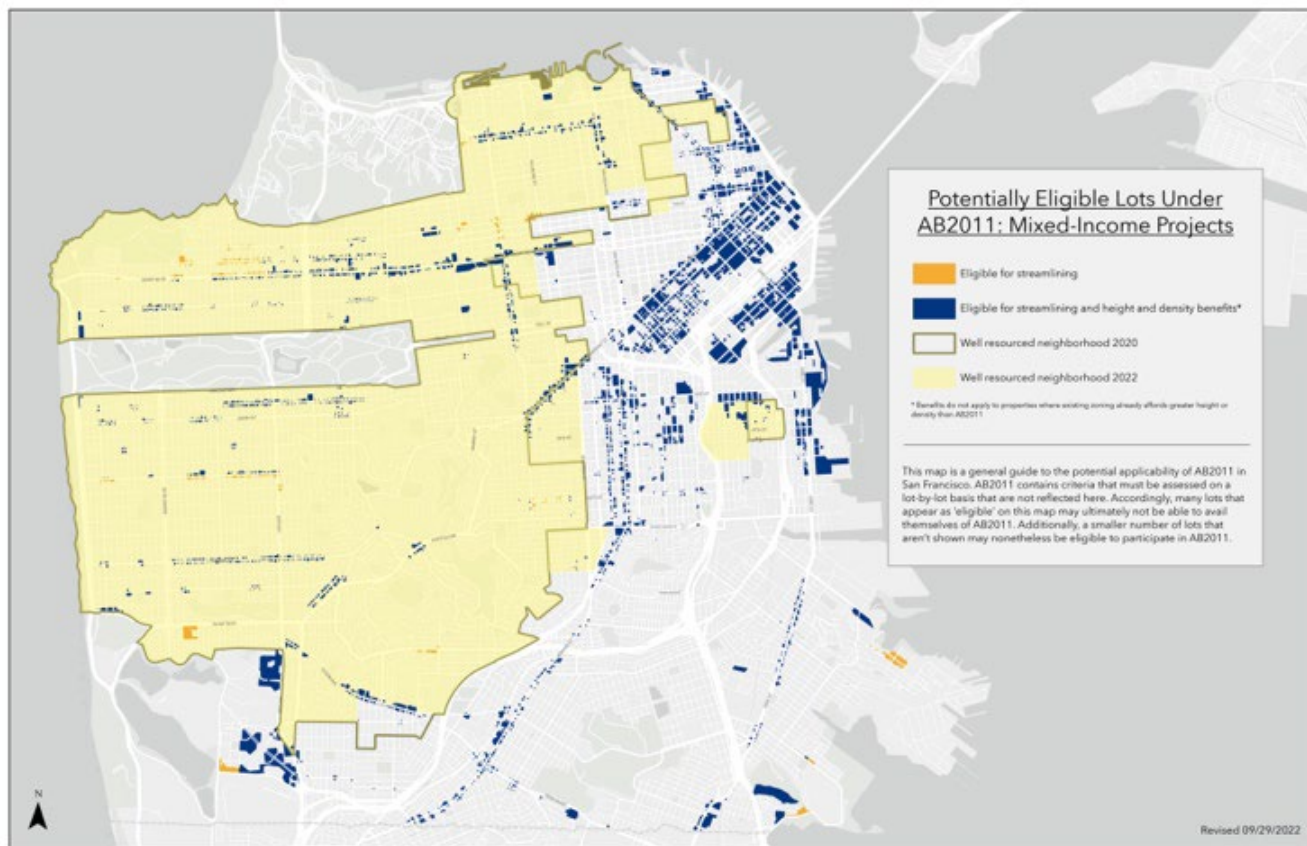


Figure 16. Potentially Eligible Lots Under AB2011: Mixed-Income Housing Projects



Assumptions and Methodology

The following section describes the assumptions that were developed to determine which sites to include and how the number of units (total capacity) were determined for the different types of sites in areas proposed for rezoning, including exclusions of certain sites and adjustments to total capacities of sites based on existing development and uses. Sites identified to meet the lower-income RHNA have separate requirements and therefore have their own individualized assumptions, which is described as well.

Given the size of San Francisco, the large rezoning need, and desire to include multiple pathways to achieve the RHNA goals, the Candidate Sites Inventory includes three rezoning scenarios, with totals of 46,000-54,000 sites that were selected for submittal based on a variety of criteria and with many different characteristics to assess site capacity and potential availability for development. All of the proposed sites already do allow or would be rezoned to allow for multi-family development and include as many site-specific characteristics into the development assumptions as possible to promote accuracy. In total, approximately 87,000 parcels would be rezoned across all three scenarios.

The sites have been analyzed to ensure they have sufficient water, sewer, and dry utilities available and accessible. In heavily urbanized San Francisco, no sites proposed for rezoning lack availability for basic infrastructure. The Rezoning program does not include sites in environmentally sensitive areas susceptible to sea level rise or located in zones that do not already allow for residential development (such as Open Space or Industrial (i.e. PDR) districts). Adequate water and sewer service is required to obtain building permits in San Francisco.

Because San Francisco is heavily urbanized and the densest city in California, it contains an extremely negligible number of developable “vacant” sites other than the rare surface parking lots. While San Francisco sees almost all types of sites turn into housing, this Rezoning site identification and capacity analysis is conservative, in that rather than including all parcels to be rezoned and counting potential housing capacity on all parcels using a probabilistic or discounting methodology, this analysis wholly excludes and counts as *zero capacity* thousands of parcels to be rezoned based on certain characteristics and levels of existing development. This method is conservative since it excludes sites with certain types of existing uses and buildings that, while as a general category are considered very unlikely to be redeveloped individually, could indeed be found to have example individual cases of housing added in the recent past. Most significantly, the analysis excludes sites where existing levels of development exceed a threshold of the Rezoned capacity. Some existing uses wholly excluded include hospitals, schools, buildings with residential condominiums, public facilities, as well as a variety of other uses (described in more detail below). Sites that contain pipeline development projects (even those not fully counted toward the Existing Sites Inventory for construction during the RHNA period due to longer-term phasing needs) were additionally removed as they cannot be counted twice and would presumably be unaffected by the Rezoning program. Properties that are individually listed on local, state or national historic registers have also been removed entirely, as described further below.

Non-vacant sites included in the Inventory are not precluded from being developed into housing at the capacities identified in Appendix 4 because existing barriers are being removed by the individualized

approaches taken by the Rezoning strategies, combined with the Housing Element's proposed program of Constraints Removal (see [Analysis of Government and Non-Government Constraints Report](#)). Moreover, the evidence in San Francisco shows that sites that are redeveloped typically develop at or higher than the maximum allowed density per the zoning. It is exceptionally rare for new housing developments on lots zoned for multi-family housing to be underbuilt per the density allowances. In recent years, increasing use of State Density Bonus and other local bonus programs has resulted in the average project being built to greater than 100% of the zoned capacity. Of the projects submitted between 2018-2021, more than half of all projects larger than 10 units have been utilizing the State Density Bonus or a local bonus program and receiving an average bonus of greater than 30%.

This Rezoning capacity methodology considers the extent to which existing uses may constitute an impediment by incorporating data from prior projects that have converted existing uses to higher density multi-family housing over an extended period, including market-based factors which fluctuate over time independent of regulatory constraints and factors. Two key adjustments and capacity reductions were made to account for the decreased likelihood of redeveloping non-vacant sites, with separate reduction or exclusion factors applied to sites with and without existing housing. Sites without existing residential uses that are already developed to more than 30% of their Rezoning capacity were conservatively excluded *entirely*, rather than simply adjusted downward. Sites with existing residential uses of any amount that have not otherwise been wholly excluded from the Rezoning capacity assessment were deemed to have very low reasonable likelihood of redevelopment and, as a result, had their net capacities reduced downward (generally by 98%, leaving only 2% of their theoretical capacity represented in the Rezoning capacity).

All of these exclusion and adjustment factors create the methodology used to determine overall development potential and are designed to account for the major factors that most impact suitability and availability – and therefore likelihood of new housing development. The factors are based on knowledge of local development trends and are informed in part by findings from the regression model used for the Existing Sites Inventory.

In addition to being informed by the overall set of more permissive regulatory standards proposed in the Rezoning Program, the capacity methodology is also influenced by the streamlining measures recently approved at the state level and that are proposed locally, including as part of this Housing Element Implementation program, as these would facilitate and expedite housing approvals and permitting at greater rates than the baseline condition from past years would suggest.

Characteristics Used to Determine Site Exclusions and Adjustments for Counting Adequate Sites Rezoning Unit Potential on Non-Vacant Sites

Full Exclusion:

1. Parcels with already-entitled development projects, described as the housing pipeline.
2. City Property/Public Buildings, Hospitals
3. University of San Francisco campus
4. Individually listed historic buildings on local, State and National Registers.

5. Parcels with residential condominiums
6. Parcels with likely residential rental buildings subject to Rent Stabilization, using as a proxy for existing buildings that have more than four residential units built prior to 1979.
7. Parcels smaller than 1,200 square feet
8. Parcels with any existing residential units and where the ratio of potential total units allowed under the rezoning to the number of existing units is less than five to one (5:1).
9. Parcels where the ratio of existing building square footage to potential square footage under the rezoning exceeds 30%.
10. Private right -of-way and other miscellaneous and unusual parcels that were reviewed by Planning staff and deemed undevelopable or extremely unlikely due to immutable restrictions or site conditions
11. For sites proposed to be rezoned to allow 4-plexes, any parcel with more than 1 existing residential unit or an existing building built to greater than 1.5 FAR.

Adjustment:

For sites with one or more existing residential units that have not otherwise been excluded per the above Exclusions, the potential unit capacity is reduced by 98% (counting only 2% of zoned capacity) to account for the fact that the redevelopment of any particular existing residential properties is rare as an overall percentage of the housing stock. The vast majority of these parcels are single family residences, as most other existing residential properties are excluded from consideration due to factors #5-8. This discount factor is based on empirical data from the past decade in San Francisco on the percentage of lots with existing single-family residences in zoning districts zoned for at 4 units per parcel that were approved for redevelopment with 2 or more net new units.

Note that the above exclusions are used for the purpose of determining the most likely sites to yield units and their respective unit capacity to meet the RHNA Adequate Sites requirement. It is not a full list of all parcels intended to be rezoned as part of the proposed Rezoning Programs. The three scenarios contain between approximately 46,000-54,000 sites with likely unit capacity submitted for the rezoning program, though the proposed Rezoning would actually rezone approximately 87,000 parcels that would have a maximum zoned capacity of up to 700,000 net units above existing conditions. In other words, after conservatively accounting for the exclusions and adjustments above, the submitted sites' unit projection represents less than 10% of the theoretical zoned capacity of the area to be Rezoned under this Program. It would be anticipated that some development and new housing will be entitled and produced on parcels that would be rezoned but that are not being counted in this analysis because they are deemed unlikely pursuant to the above Exclusions.

Calculation of Theoretical Zoned Capacity

For all candidate sites within the universe of parcels in the Rezoning program, the base (i.e., existing) and maximum allowable number of units is calculated using the following assumptions at a parcel (Assessor Block/Lot) level.

For lots that are restricted by lot-based density limits (generally expressed as lot area per unit), the potential number of units is the lot size divided by the allowed density, checked against the volume

allowed by the parcel's height and bulk limits and yard/setback requirements to ensure the potential unit count does not exceed the permitted volume. This method would apply to parcels that would be rezoned to allow 4/6-plexes.

For lots, whether under existing zoning or Rezoning, that would not have density limited by lot area or limits on units per lot (i.e., "form-based density"), allowable units are calculated by dividing the permitted building envelope by the average unit size, informed by extensive experience and research into typical unit yields on projects in San Francisco. Local research on past projects shows that in areas with lot-based density limits, particularly prevalent in the Well-Resourced Areas that are the subject of the Rezoning program, typical unit sizes have been at or above 1,000 net square feet per unit, since unit count limits are more restrictive than the allowed building volume. However, in areas with form-based density controls, regardless of geography, the average unit sizes have tended to an average of 850 net square feet per unit.

The number of residential floors is assumed as the height limit minus 15' (to account for taller ground floors) and then divided by 10', with the result rounded down to the nearest whole number. In all cases, (for both density limited and form-based density districts) this calculation conservatively discounts (i.e. does not count) the entire ground floor (i.e. 15 feet of allowed height), which is assumed to typically be occupied by a combination of retail, parking and/or accessory support spaces. In 40' and 50' height districts, the calculation only deducts 10' to account for a somewhat shorter ground floor.

The form-based calculations for deriving unit capacity per lot are as follows:

Lots with Height Limit $\leq 85'$ (i.e. eight stories) and smaller than 1 acre: $\text{Lot area} * 0.75 \text{ lot coverage} * \text{number of residential floors} * 0.8 \text{ building efficiency factor} / 850 \text{ net square feet per average unit}$.

Lots with Height Limit $\leq 85'$ (i.e. eight stories) and greater than 1 acre: $\text{Lot area} * 0.55 \text{ lot coverage} * \text{number of residential floors} * 0.8 \text{ building efficiency factor} / 850 \text{ net square feet per average unit}$. For these large lots, a lower lot coverage assumption is assumed due to the need for larger lots to create more extensive new public and private vehicular and pedestrian circulation spaces (e.g., new streets and alleys), larger common open spaces, in addition to lower inherent site efficiency (e.g., due to often irregular configurations of large lots, spacing of multiple buildings).

For form-based density lots with height limits taller than 85', the calculation adds together the unit potential of the building "podium" (i.e., volume below 85' in height) and the more restricted bulk of any "tower" portion (i.e., building volume above 85' in height). Sites larger than a certain acreage are assumed to have more than one tower depending on lot size, in consideration of common tower spacing standards and minimum practical tower footprints. Small sites are assumed to practically accommodate residential development up to no more than 12 stories (120') regardless of height limit due to both economic and spatial impracticalities of structural, vertical circulation and other factors of building skinny towers, as informed by evidence of such circumstances in recent years in San Francisco. These formulae are as follows:

Lots with Height Limit >85' and lot area smaller than 12,000 square feet: *Lot area * 0.75 lot coverage * number of residential floors limited at no more than 12 * 0.8 building efficiency factor / 850 net square feet per average unit*

Lots with Height Limit >85' and lot area between 12,000 and 45,000 square feet: *Base = (Lot area * 0.75 lot coverage * 7 residential floors * 0.8 building efficiency factor / 850 net square feet per average unit) + Tower = (12,000 gross square foot tower floorplate * 0.8 building efficiency factor * number of tower floors in excess of 85' height / 850 net square feet per average unit)*

As with lots with lower height limits, for lot sizes between one and 1.5 acres, the lot coverage is decreased to 55% as described above. For lots that are larger than 1.5 and 2.5 acres, a second and third towers are added respectively.

Distribution and Allocation of Lower Income Sites in Rezoning Program

State law requires that sites identified for Lower Income units be zoned to permit at least 30 units per acre and 16 units per site. All (100%) of the sites submitted under the Rezoning Program allow a residential density substantially exceeding 30 units per acre. All sites submitted are proposed to be rezoned to allow at least 4 units per parcel, which is equivalent to approximately 70 units per acre, given San Francisco's standard 2,500 square foot lot, though the submitted sites identified for Lower Income units are larger than the standard residential lot and in areas proposed for form-based density and typically more than 4-story height limits. Lower income units were allocated to sites in the Rezoning Program based on a minimum net capacity of at least 16 units per parcel and a lot size of greater than 5,000 square feet. These sites account for approximately 29,000-42,000 of the Rezoning net unit capacity (greater than 55% of the total), and is 148-214% of the 19,611 units identified RHNA gap for Lower Income units. For these sites, the units were distributed 50/50 between Very Low and Low Income categories. All of the remaining sites in the Rezoning Program were distributed 50/50 to Moderate and Above Moderate categories.

Across all three scenarios identified lower-income sites for rezoning, virtually all are located on sites that both permit 100% residential use and limit principally permitted non-residential uses to small amounts, meeting the state requirements to locate more than 50% of Lower Income units on sites that are unlikely to be developed with primarily non-residential uses. The only zoning district in the Rezoning that principally allows substantial amounts of non-residential uses is the C-2 district, whose net housing capacity under the Rezoning would represent not more than 2% of the proposed rezoning. The remaining 98% of parcels to be rezoned are in or would have zoning designations that permit either only 100% residential uses or only principally permit nominal amounts of non-residential (e.g. ground floor commercial or institutional use) except with discretionary approval by the Planning Commission. None of the parcels in the Rezoning program are in, or would be designated with, the primary mixed-use zoning districts that more broadly permit non-residential uses like office, hotel and large retail uses, such as the C-3 (downtown commercial) or MUO (Mixed Use Office) districts.

Pending Rezoning Legislation

There are two current local rezoning proposals pending at the Board of Supervisors that intersect with the Sites Inventory and Rezoning Program. If one or both these are adopted by the Board of Supervisors and signed by the Mayor this fall with enough time to adjust the analysis before final submittal of the Housing Element and Sites Inventory in January 2023, it will raise the number of available sites in sites inventory output and lower the anticipated shortfall and potential rezoning proposal accordingly. The Department does not anticipate that the adoption of either or both of these ordinances would change the Existing Sites projections enough for the City to meet RHNA goals and for it to no longer require a Rezoning Program, though each could potentially enact some of the elements contained in the Rezoning Program, depending on final contours of these ordinances.

Board File 210866 Sponsored by Supervisors Mandelman and Melgar - “Fourplex”

In July 2022, the Board of Supervisors adopted an ordinance to allow fourplexes (six units on corners) on RH-zoned parcels citywide currently zoned for 1-3 units. While Mayor London Breed subsequently vetoed the legislation, several versions of the legislation had been duplicated during initial Board process, and the Board of Supervisors is now deliberating on a revised version of the legislation, as of late September 2022, in hopes of addressing outstanding concerns and adopting a new version during Fall 2022. A consistent element that appears in all of the Rezoning Program scenarios, and one that has been implemented in a growing number of cities nationally, is the rezoning of single-family and other low density residential districts to allow flexibility to provide up to 4 units on all lots in small-scale multi-family dwellings and up to six units on corner lots, which is characteristic of many historic residential neighborhoods in San Francisco. However, other than recent allowances for ADUs, many neighborhoods, particularly in the Well-Resourced Neighborhoods, have been restricted to one or two units per parcel. While SB9 theoretically allows at least four units per parcel, this is dependent on the ability to subdivide existing larger lots to build two duplexes, which is typically not practical in San Francisco where the typical lot is only 25' wide with limited street frontage. In contrast, this rezoning would allow a more efficient four-unit building on all existing lots without need for subdivision or building multiple structures and is seen as more likely to produce units on a broader scale and in more contexts.

Board File No. 211092 Sponsored by Mayor Breed - “Automotive Uses and Housing Density”

Mayor Breed introduced legislation in October 2021, that is currently pending at the Board of Supervisors as of September 2022. This legislation was recommended for approval by the Planning Commission in December 2021. This proposed legislation would (1) eliminate discretionary Conditional Use requirements to eliminate gas stations and (2) remove density limits and allow for form-based density controls on most lots citywide that already permit multi-family housing and currently contain any “auto-oriented uses”, such as parking lots and garages and other automotive uses (e.g., auto repair, sales or rental). A number of the eligible lots under this ordinance would represent a subset of those that would be rezoned under the proposed Rezoning program above and would likely account for several thousand of the projected units on submitted sites. Lots eligible under this legislation that would not otherwise be rezoned to the same or greater density in the above-described Rezoning Program would primarily be found in the northeastern portion of the city, generally east of Polk Street and north of Market Street, as well as along the outer Mission Street corridor and a smaller handful of sites in the far southeastern parts

of the City. This legislation would also allow up to four units per lot on such lots with auto-oriented uses in RH districts.

Affirmatively Furthering Fair Housing (AFFH) Analysis

The Sites Inventory, along with other portions of the Housing Element, must include analysis and determination of consistency with Affirmatively Furthering Fair Housing (AFFH) requirements as set forth in California Assembly Bill (AB) 686. AFFH means:

Taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. (Government Code Section 8899.50(a)(1))

In order to comply with AFFH requirements, the Sites Inventory must identify sites to accommodate housing development throughout the City in a manner that affirmatively furthers fair housing opportunities. HCD has advised that this means that sites identified to accommodate the lower-income portion of the RHNA should not be concentrated in lower-resource areas as defined by the State's Opportunity Map, which assesses each census tract in the state based on key metrics linked to well-being and life outcomes, particularly for children (including education, employment, income, health, and environmental indicators). Sites identified to accommodate the lower income RHNA must be distributed throughout the community in a manner that affirmatively furthers fair housing, for example in [Well-resourced Neighborhoods](#).

The policies proposed by the Housing Element include a target to build between 25% and 50% of the City's new permanently affordable housing within [Well-resourced Neighborhoods](#), which cover nearly half the city, over the next two RHNA cycles (Figures 8 and 10). The plan also includes a goal of increasing mid-rise and small multi-family housing types in [Well-resourced Neighborhoods](#) with a target of about 36,282 new units, which could result in roughly half of the city's 115% of RHNA target being constructed in high opportunity areas. Increasing housing production, particularly affordable housing production, in [Well-resourced Neighborhoods](#) will be an important change from prior development patterns. Since 2005, only 10% of all housing produced in San Francisco, including affordable housing, has been in these areas.

Unfortunately, as shown in the table below, only 11% of the City's overall RHNA target (inclusive of the 115% buffer), 9% of its low-income target, and 11% of moderate-income target in the Existing Sites Inventory are currently accommodated on sites in [Well-resourced Neighborhoods](#). This will not allow the

city to meet its AFFH targets without rezoning and policy interventions. This is the result of the few number of sites available to accommodate units in [Well-resourced Neighborhoods](#), as shown in maps of both the residential development pipeline and the underutilized or vacant sites (Figures 8 and 10). A key reason why there are few sites available in [Well-resourced Neighborhoods](#) is that the existing zoning restricts additional housing, particularly the multifamily housing that is more likely to produce units affordable to low and moderate income people. Given the overall shortfall of capacity to accommodate RHNA as well as the low percentage of units accommodated in [Well-resourced Neighborhoods](#), the city will undertake the Rezoning Program described above to accommodate more housing, particularly to allow multifamily housing that will provide housing affordable at low and moderate incomes.

Figure 17. Analysis of Sites Capacity in Well-resourced Neighborhoods

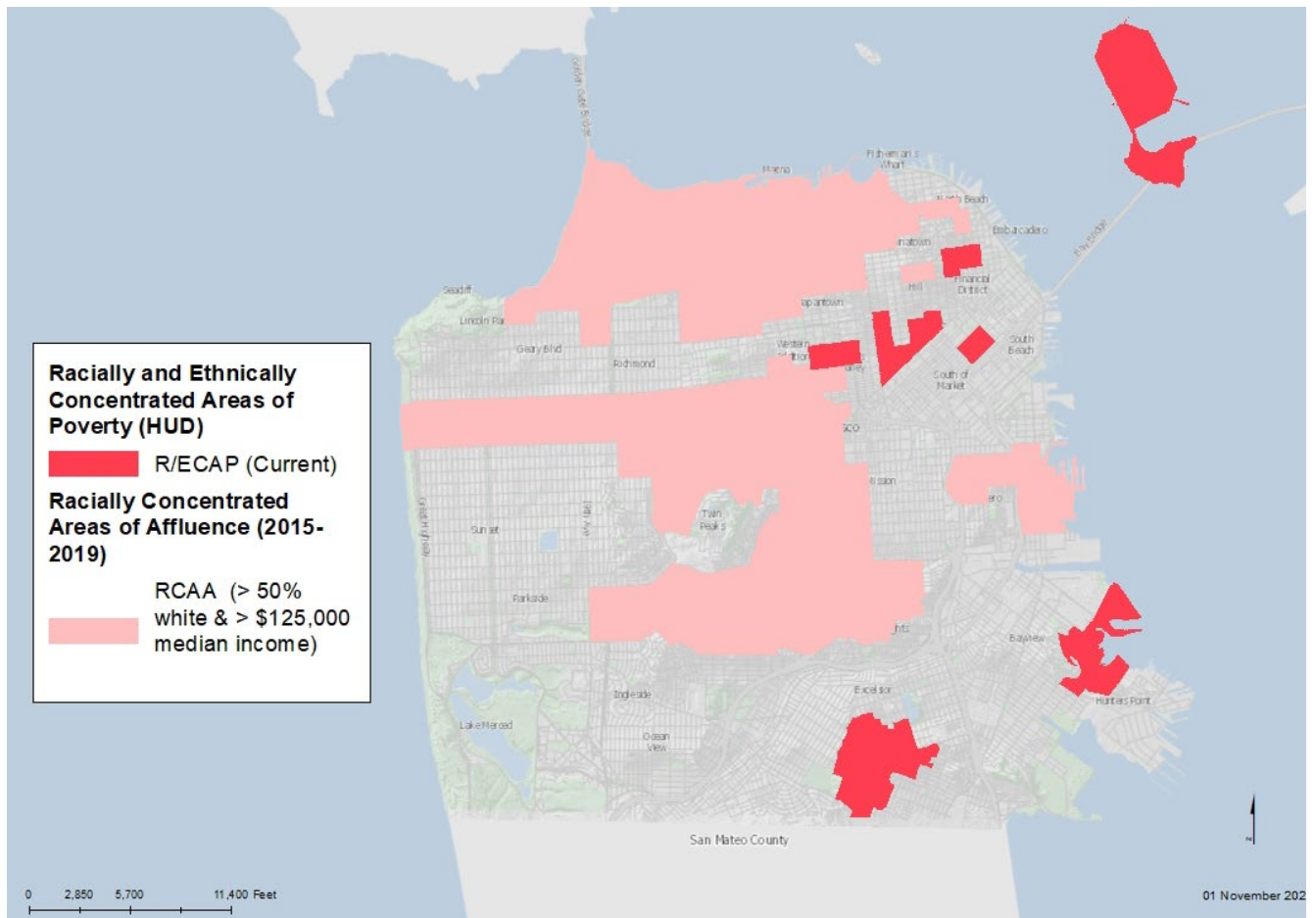
	<i>Lower Income</i>	<i>Moderate Income</i>	<i>Above Moderate Income</i>	<i>Total Units</i>
Development Pipeline Sites				
DAs/ Large Projects Entitled	516	220	1,108	1,844
DAs/ Large Projects Not Yet Entitled	0	0	0	0
Privately funded Developments (non-DAs)	369	136	3,447	3,952
100% Affordable Publicly Funded (non-DAs)	543			543
Affordable Preservation Rehab & Acquisitions	0			0
Non- Site Specific Means of Meeting RHNA				
ADU estimate	0	900	100	1,000
Preservation- Acquisitions	842	74	74	916
Underutilized and Vacant Sites	0	0	0	0
Modeled Estimate of Units	575	388	388	1,351
Sites meeting Low Income Criteria	457			457
Total Units on Sites in Well-resourced Neighborhoods	3,302	1,718	5,117	10,063
Percent of RHNA target of 115%	9%	11%	13%	11%

Methodology

To evaluate the location and concentration of sites identified through the Adequate Sites Inventory and the Rezoning Program, the AFFH Analysis consists of two key steps. First, the analysis presents an examination of current conditions, as reflected in the components of the Adequate Sites Inventory, as well as recent development trends and existing residential zoning patterns. Second, the analysis presents an examination of the proposed Rezoning Program, and evaluates how existing conditions are anticipated to be improved as a result to improve conditions related to fair housing, segregation, and access to opportunity. Data sources used to conduct the analysis include U.S. Census American Community Survey data, including household level demographic data and data on protected classes, such as population by race, disability, and familial status.

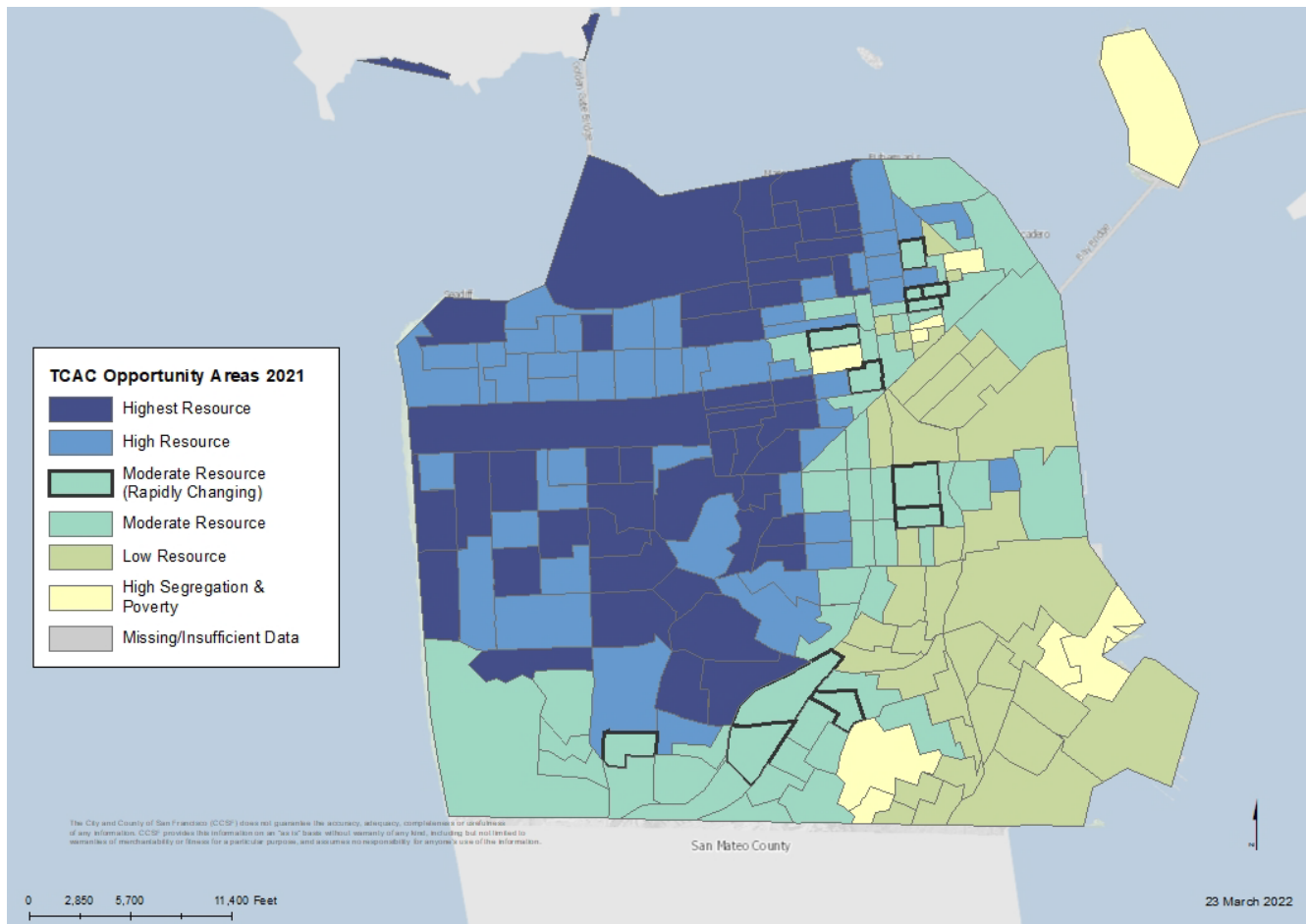
As required by Housing Element law, the analysis also includes an assessment of the share of identified development potential in Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs) and Racially Concentrated Areas of Affluence (RCAA). Racially/ Ethnically Concentrated Areas of Poverty (R/ECAP) is a category of neighborhood defined by the U.S. Department of Housing and Urban Development (HUD) to measure neighborhoods that experience both racial and ethnic concentration as well as high rates of poverty. According to HUD, R/ECAP Census Tracts must meet two criteria: (1) have a majority non-white population of over 50%, and (2) have 40% or more of individuals living at or below the poverty line, or have three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower. At the time of publication, HCD had not finalized how to define RCAA. Thus, in this analysis RCAAs are defined as census tracts with a median income greater than \$125,000 and with more than a 50% share of white population. In the guidance for the Fair Housing Assessment, HCD references the RCAA definition by scholars at the University of Minnesota Humphrey School of Public Affairs: census tracts with an 80% or more white population share and a \$125,000 or more median income. Given that San Francisco is a very diverse city, this analysis uses 50% share for the white population as the threshold instead. The Housing Needs Assessment document contains a more detailed analysis and explanation of the racial and income nuances of the RCAA analysis as well as further detail on demographics of the R/ECAPs. As shown here in Figure 18, R/ECAPs are primarily located on the east and southeast side of San Francisco, including pockets of the Western Addition, Tenderloin, Chinatown, Treasure Island, South of Market, Hunter's Point, and Visitacion Valley neighborhoods, while RCAAs are primarily located on the north-central City, including Telegraph Hill, Russian Hill, Marina, Cow Hollow, Pacific Heights, Laurel Heights, Jordan Park, Presidio, and Sea Cliff neighborhoods, and the central part of the city encircling Twin Peaks in a broad swath, including the North of Panhandle, Haight Ashbury, Alamo Square, Duboce Triangle, Castro, Noe Valley, Twin Peaks, Diamond Heights, Glen Park, West Portal, St. Francis Wood, and Monterey Heights neighborhoods.

Figure 18. Racially and Ethnically Concentrated Areas of Poverty and Racially Concentrated Areas of Affluence



The analysis also utilizes the 2021 California Tax Credit Allocation Committee (TCAC)/ California Department of Housing and Community Development (HCD) Opportunity Map, which is shown in Figure 19. The TCAC/HCD Opportunity Map is developed by the state as a way to measure and visualize place-based characteristics linked to critical life outcomes, such as educational attainment, earnings from employment, and economic mobility. The Opportunity Area categories are assigned based on a composite score that considers indicators from three domains: economic, environmental, and education. The data and mapping tool are updated annually by the state. This Housing Element generally uses the combination of the Highest and High Resource designations on the TCAC map to denote the “Well Resourced Neighborhoods”. Additional information on the methodology used to create the map can be accessed at <https://www.treasurer.ca.gov/ctcac/opportunity.asp>

Figure 19. TCAC Opportunity Areas (2021)



Existing Conditions: Analysis of Adequate Sites Inventory

The following analysis relates to the existing development potential that is found in the Inventory of Adequate Sites to accommodate a portion of the RHNA. The AFFH Analysis of existing conditions was conducted by considering locations and concentrations of the total expected development potential identified in the Adequate Sites Inventory, as well as the locations and concentrations of the lower-income development potential. This analysis includes locations and concentrations of development potential that resulted from the vacant and non-vacant site analysis. To analyze data compared to Census data, expected development potential was aggregated from all individual sites identified within a Census Tract boundary. Census tracts were then categorized based on their total expected unit potential into three categories, from the lowest capacity neighborhoods to the highest, as shown in Figure 20. In general, the distribution of lower-income development potential is consistent with the overall distribution of total expected development potential, and thus the findings presented in this section are applicable to the locations of lower-income development potential as well.

Figure 20. Existing Sites Census Tract Categories by Expected Unit Capacity

<i>Capacity Category</i>	<i>Total Unit Capacity</i>	<i>Total Lower Income Unit Capacity</i>
Low Capacity Neighborhoods	0 to 20	0 to 3
Medium Capacity Neighborhoods	>20 to 75	>3 to 20
High Capacity Neighborhoods	>75	>20

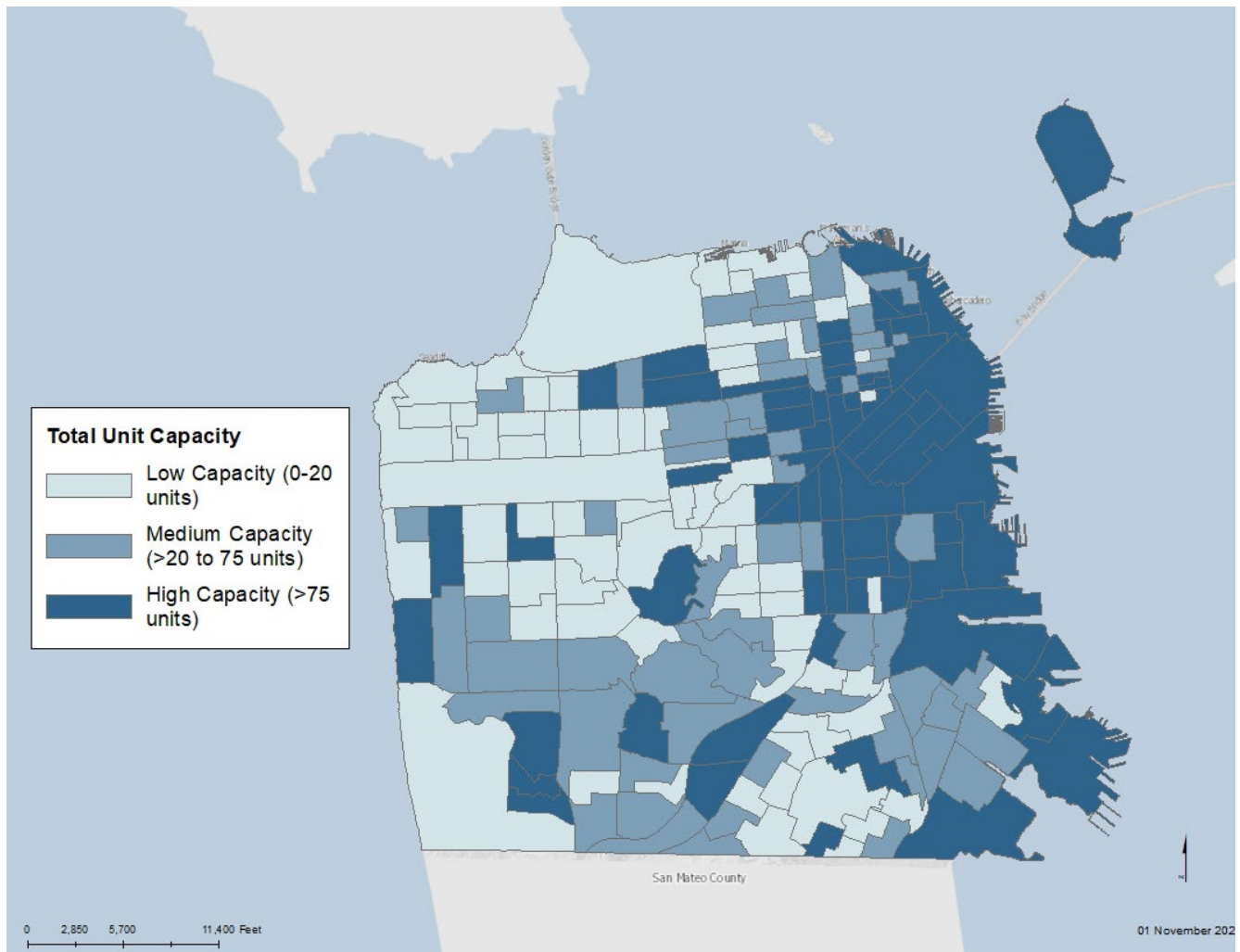
Concentration of Development Potential

Figure 21 shows a summary of the share of census tracts assigned to each category based on total existing development potential, as well as their respective share of the total expected unit potential identified in the Adequate Sites Inventory. Most of the expected development potential identified in the Adequate Sites Inventory is concentrated in a small proportion of the city, with the higher capacity sites heavily concentrated on the eastern side of the city as illustrated in Figure 22. The higher capacity neighborhoods account for 94% of the city's expected production of new units, despite comprising just 34% of the total census tracts in the city. Meanwhile, the low-capacity neighborhoods comprise a similar share of the city's geography (36%) but have very little expected development potential (2%).

Figure 21. Existing Sites Concentration of Overall Unit Potential

<i>Capacity Category</i>	<i>Percent of Total SF Census Tracts</i>	<i>Percent of Total Unit Capacity</i>
Low Capacity Neighborhoods	36%	2%
Medium Capacity Neighborhoods	30%	4%
High Capacity Neighborhoods	34%	94%

Figure 22. Existing Sites Total Housing Unit Capacity by Census Tract



When considering only the lower-income unit potential identified in the Adequate Sites Inventory, this trend is similarly pronounced. Figure 23 shows the respective share of the total expected unit potential identified in the Adequate Sites Inventory for each Census Tract category. The neighborhoods with the highest capacity for lower-income housing account for just under 97% of the city's expected production of new units, despite comprising just 33% of the total census tracts in the city. Meanwhile, the neighborhoods with the lowest capacity for lower-income housing comprise a similar share of the city's geography (36%) but have close to zero potential for lower-income housing (0.3%).

Figure 23. Existing Sites Concentration of Lower Income Unit Potential

<i>Capacity Category</i>	<i>Percent of Total SF Census Tracts</i>	<i>Percent of Total Lower Income Unit Capacity</i>
Low LI Capacity Neighborhoods	36%	0.3%
Medium LI Capacity Neighborhoods	31%	3%
High LI Capacity Neighborhoods	33%	96.7%

Race/Ethnicity

Figure 24 shows the share of total population in each group of census tracts that identify as American Indian, Black/African American, Latinx, Native Hawaiian/Pacific Island, Asian, or Non-Hispanic White compared to citywide racial/ethnic demographics. With the city's current zoning designations, this analysis shows that neighborhoods with the lowest identified development potential have a higher share of white residents compared to the city. By contrast, the neighborhoods with the highest share of identified development potential have a higher share of population of American Indian, Black/African American, and Latinx residents, compared to the rest of the city. Asian and Native Hawaiian/Pacific Island residents are relatively dispersed throughout.

Figure 24. Existing Sites Neighborhood Racial Composition

<i>Capacity Category</i>	<i>Am. Indian or Al. Native</i>	<i>Black or African American</i>	<i>Hispanic or Latino(a,e)</i>	<i>Nat. Hawaiian or PI</i>	<i>Asian</i>	<i>Non-Hisp. or Latino(a,e) white</i>
Citywide	0.4%	5.2%	15.2%	0.4%	34.4%	40.5%
Low Capacity Neighborhoods	0.3%	3.9%	12.5%	0.4%	34.6%	44.1%
Medium Capacity Neighborhoods	0.2%	5.4%	15.2%	0.3%	35.0%	40.3%
High Capacity Neighborhoods	0.5%	6.2%	17.7%	0.4%	33.7%	37.5%

Racially/Ethnically Concentrated Areas of Poverty and Affluence

These trends are more evident when considering the share of identified development potential located in Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs), compared to that within Racially Concentrated Areas of Affluence (RCAAs). Figure 25 shows that, compared to the overall area of the city located within a R/ECAP (7%), the total development potential (19%) and lower income capacity (17%) is disproportionately located in these areas, whereas the RCAA areas contain a much smaller share of both (11% and 10%) though they account for a much larger area of the city (31%).

Figure 25. Existing Sites Share of Development Potential in RCAA or R/ECAP

Capacity Category	RCAA		RECAP			
	Percent of Total SF Census Tracts	Percent of Total Unit Capacity	Percent of Total Lower Income Unit Capacity	Percent of Total SF Census Tracts	Percent of Total Unit Capacity	Percent of Total Lower Income Unit Capacity
Citywide Capacity	31%	11%	10%	7%	19%	17%
Low Capacity Neighborhoods	15%	1%	0.1%	1%	0.02%	0.01%
Medium Capacity Neighborhoods	11%	1%	1%	1%	0.04%	0.2%
High Capacity Neighborhoods	5%	9%	9%	5%	19%	16%

Concentration of Rent Burden, Overcrowding, and Extremely/Very Low Income Populations

Figure 26 shows the distribution of households and population meeting a number of key metrics regarding economic and housing vulnerability. The census districts with highest share of housing development capacity in the Adequate Sites Inventory generally have higher concentrations of each of these categories of households than those districts with less capacity.

Figure 26. Existing Sites Concentrations of Rent Burden, Overcrowding, and ELI/VLI Populations

Capacity Category	Percent of Rent-Burdened Households	Percent of Severely Rent-Burdened Households	Percent of Overcrowded Households	Percent of Severely Overcrowded Households	Percent of ELI and VLI Population
Citywide	18%	17%	3%	4%	32%
Low Capacity Neighborhoods	17%	15%	2%	2%	26%
Medium Capacity Neighborhoods	17%	16%	3%	3%	30%
High Capacity Neighborhoods	20%	19%	3%	7%	39%

Concentration of Populations With Special Needs

Figure 27 shows the distribution of households and population with special housing needs, including people with disabilities, seniors, and households with children. Somewhat in contrast to the patterns of rent burden, overcrowding and income, areas with higher capacity for housing development in the Adequate Sites Inventory generally do not have higher shares of these populations with the distribution of capacity more evenly distributed relative to these population characteristics.

Figure 27. Existing Sites Concentrations of Populations with Special Housing Needs

<i>Capacity Category</i>	<i>Percent of the Population with a Disability</i>	<i>Percent of Seniors</i>	<i>Percent of Female-Headed Households with Children</i>	<i>Percent of Households with Children</i>	<i>Percent of Large Family Households</i>
Citywide	10%	15%	2%	19%	6%
Low Capacity Neighborhood	9%	16%	2%	21%	6%
Medium Capacity Neighborhood	9%	16%	2%	20%	8%
High Capacity Neighborhood	12%	14%	3%	16%	4%

Opportunity Areas

Table 28 shows the distribution of the total existing development potential and total lower-income development potential by TCAC/HCD Opportunity Area compared to land area. The High/Highest Resource Areas (“Well Resourced Neighborhoods”) are substantially underrepresented in terms of share of total and lower income capacity as compared to land area, and the Low Resource and High Segregation & Poverty areas are substantially overrepresented in share of capacity. The City’s Priority Equity Geography areas, which substantially overlaps with the lower resource TCAC categories, also is overrepresented in the share of capacity relative to land area.

Figure 28. Existing Sites Concentration by TCAC/HCD Opportunity Area

	<i>Percent of Total SF Census Tracts</i>	<i>Percent of Total Unit Capacity</i>	<i>Percent of Total Lower Income Unit Capacity</i>
High and Highest Resource	48%	12%	13%
Moderate Resource	29%	35%	34%
Low Resource	18%	36%	39%
High Segregation & Poverty	5%	17%	14%
Priority Equity Geographies	38%	59%	48%

Analysis of Rezoning Program

The AFFH analysis of the Rezoning Program explores the performance of the areas subject to proposed rezoning, including the distribution of new capacity enabled by the proposed rezoning, relative to the various categorizations included above for race, income, special needs and described above, including comparing the Rezoning Program to the existing sites in the Adequate Sites Inventory. Not surprisingly, and by intention, since the areas proposed for the Rezoning Program are almost exclusively in the Well-Resourced Neighborhoods, the rezoning areas perform much better from an AFFH standpoint than the Existing Sites and are heavily skewed toward areas with higher concentrations of affluence and white populations and lesser concentrations of populations with special needs, rent burden, and overcrowding.

Racially/Ethnically Concentrated Areas of Poverty and Affluence

In contrast to the distribution of the Existing Sites, the Rezoning Program is heavily concentrated in Racially Concentrated Areas of Affluence (RCAAs) and has zero overlap with the Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs). As shown in Figure 29, over half (51%) of the proposed Rezoning area is within the RCAAs, while the Existing Sites is less than one-third (31%), and just under 40% of the total housing capacity and lower income unit capacity in the Rezoning would be in RCAAs compared to 10-11% for the Existing Sites. The Existing Sites have substantial capacity in RECAP areas (17-19%) while the proposed Rezoning has zero.

Figure 29. Proposed Rezoning and Existing Sites Distribution in RCAA and RECAP

Capacity Category	RCAA			RECAP		
	Percent of Total Census Tracts	Percent of Total Unit Capacity	Percent of Total Lower Income Unit Capacity	Percent of Total Census Tracts	Percent of Total Unit Capacity	Percent of Total Lower Income Unit Capacity
Sites Inventory	31%	11%	10%	7%	19%	17%
Rezoning Area	51%	38%	39%	0%	0%	0%

Opportunity Areas

Figure 30 shows the distribution of the Rezoning area, including total existing development potential and total lower-income development potential, by TCAC/HCD Opportunity Area compared to land area as well as the city’s Priority Equity Geographies. In keeping with the explicit policy guidance of the Housing Element, the proposed Rezoning is almost exclusively focused on the “Well-Resourced Neighborhoods” composed of the Highest and High Resource TCAC categories. While less than half (48%) of the Existing

Sites are distributed in Highest and High Resource areas and accommodate only 12-13% of housing capacity, including lower income units, the proposed rezoning is 99% located in the Highest and High Resource areas, representing 98% and 97% of overall and lower income housing capacity respectively. The proposed Rezoning area similarly includes little to no areas in the Moderate, Low, and High Segregation & Poverty areas, as well as little overlap with the city's Priority Equity Geographies.

Figure 30. Proposed Rezoning and Existing Sites Distribution by TCAC/HCD Opportunity Area

		<i>Percent of Total Census Tracts</i>	<i>Percent of Total Unit Capacity</i>	<i>Percent of Total Lower Income Unit Capacity</i>
Highest + High Resource	Sites Inventory	48%	12%	13%
	Rezoning Area	99%	98%	97%
Moderate Resource	Sites Inventory	29%	35%	34%
	Rezoning Area	1%	2%	3%
Low Resource	Sites Inventory	35%	36%	39%
	Rezoning Area	2%	0%	0%
High Segregation & Poverty	Sites Inventory	5%	17%	14%
	Rezoning Area	0%	0%	0%
Priority Equity Geography	Sites Inventory	38%	59%	48%
	Rezoning Area	6%	3%	14%

Race/Ethnicity

Figure 31 shows the share of total population in the proposed Rezoning area that identify as American Indian, Black/African American, Latinx, Native Hawaiian/Pacific Island, Asian, or Non-Hispanic White compared to citywide racial/ethnic demographics. This analysis shows that the areas identified for proposed Rezoning have higher concentrations of White residents and lower concentrations of all other racial/ethnic groups compared to the city's overall demographics.

Figure 31. Proposed Rezoning Area Racial Composition

<i>Capacity Category</i>	<i>Am. Indian or Al. Native</i>	<i>Black or African American</i>	<i>Hispanic or Latino(a,e)</i>	<i>Nat. Hawaiian or PI</i>	<i>Asian</i>	<i>Non-Hisp. or Latino(a,e) white</i>
Citywide	0.4%	5.2%	15.2%	0.4%	34.4%	40.5%
Rezoning Area	0.1%	2.6%	8.8%	0.2%	32.1%	51.3%

Rent Burden, Overcrowding, and Extremely/Low Income Populations

Figure 32 shows the distribution of households and population meeting a number of key metrics regarding economic and housing vulnerability in the proposed Rezoning area relative to the city as a whole. The proposed Rezoning areas have lower concentrations of each of these categories of households as compared to the overall city's population.

Figure 32. Proposed Rezoning Area Rent Burden, Overcrowding, and ELI/VLI Populations

<i>Capacity Category</i>	<i>Percent of Rent-Burdened Households</i>	<i>Percent of Severely Rent-Burdened Households</i>	<i>Percent of Overcrowded Households</i>	<i>Percent of Severely Overcrowded Households</i>	<i>Percent of ELI and VLI Population</i>
Citywide	18%	17%	3%	4%	32%
Rezoning Area	15%	14%	1%	2%	22%

Populations With Special Needs

Figure 33 shows the concentration of households and population with special housing needs, including people with disabilities, seniors, and households with children, in the proposed Rezoning areas as compared to the city as a whole. As is the case for the Existing Sites Inventory, the proposed Rezoning area generally does not have higher shares of these populations than the city as a whole, with these populations generally evenly distributed.

Figure 33. Proposed Rezoning Area Populations with Special Housing Needs

<i>Capacity Category</i>	<i>Percent of the Population with a Disability</i>	<i>Percent of Seniors</i>	<i>Percent of Female-Headed Households with Children</i>	<i>Percent of Households with Children</i>	<i>Percent of Large Family Households</i>
Citywide	10%	15%	2%	19%	6%
Rezoning Area	8%	16%	2%	19%	5%