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LAND USE &
TRANSPORTATION
COMMITTEE
OCTOBER 20, 2025

TODAY'S PRESENTATION

- Background
- Legislation under Consideration
- Affordable Housing Sites Analysis & Strategy
- Informational Resources & Visuals

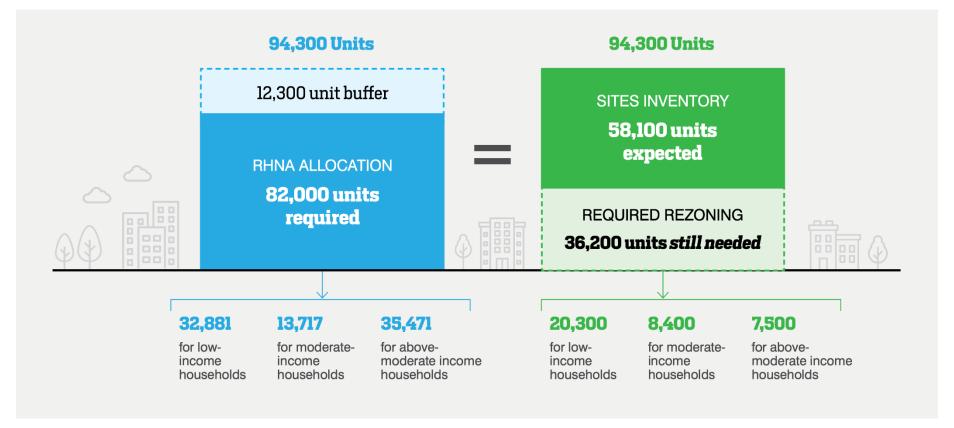




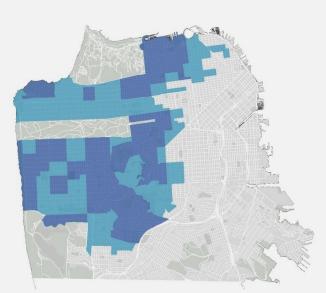
San Francisco's Pervasive Housing Crisis

- SF is 2nd most expensive rental market and 2025 rents grew fastest of any US city.
- Rental vacancies are down to 3.8% on par with pre-pandemic levels.
- It takes more than 4 minimum wage jobs to afford average SF rent.
- In 2024, 81,200 people applied in the lottery for 512 affordable housing units.
- **Evictions nearly doubled in 2024 and are at their highest rate since 2018.**
- 1/3 of households are cost-burdened, both renters and owners.
- SF has more than 8,300 unsheltered individuals.

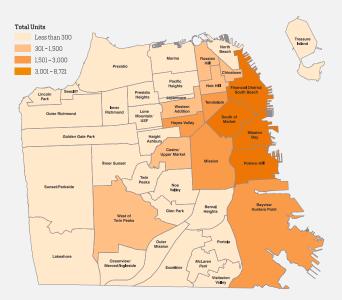
California needs 2.5 million housing units. San Francisco's fair share is 82,000 units.



The Family Zoning Plan fulfills state laws by planning for affordable and mixed-income housing to overcome historic patterns of exclusion.



Housing Opportunity Areas*



Housing Production (2005-2019)

90% of housing was built outside "housing opportunity areas," even though they cover over 50% of the city.

What's at stake if we don't rezone



If San Francisco does not adopt compliant rezoning, we risk:

- State seizure of local permitting power, a.k.a.
 "builders remedy"
- Loss of state funding, including transportation & affordable housing
- Fines and lawsuits

Source: Menlo Park

What happens if we don't rezone?

Communities facing Builders Remedy





MENLO PARK



MOUNTAIN VIEW



BEVERLY HILLS



SANTA MONICA



SANTA CRUZ COUNTY



REDONDO BEACH

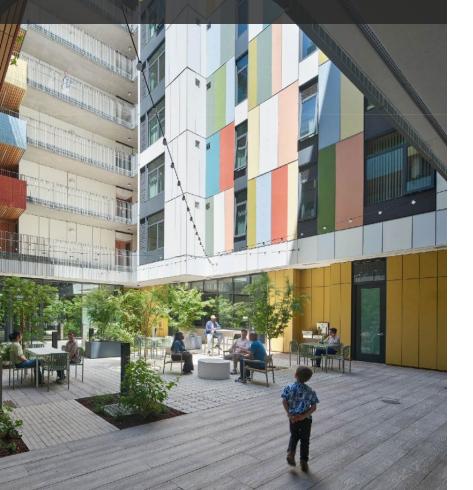


LOS GATOS



Family Zoning Plan | 8

The Kelsey: \$30million AHSC award



SF received \$110 million/year in funds requiring Housing Element compliance:

CalTrans Sustainable Communities Grant **One Bay Area Grant Affordable Housing and Sustainable Communities Permanent Local Housing Allocation Community Development Block Grant Program Infill Infrastructure Grant Program Local Housing Trust Fund Program HOME Program Local Partnership Program** Transit and Intercity Rail Capital Program **Active Transportation Program Solutions for Congested Corridors Program**

... and more

San Francisco's obligations under state law

To maintain Housing Element certification, by January 2026 we must:

- Rezone for **realistic capacity** to meet our RHNA shortfall (36,200 units).
- Affirmatively Further Fair Housing by zoning in high opportunity areas.
- **Identify low-income housing sites** that will be eligible for ministerial approval.

NOTE:

Housing Element certification will not be revoked if planned units are not ultimately built.

Community Engagement 2023-2025



18 Public Hearings



70 Education Workshops

1200+ attendees



8 Focus Groups

85 attendees



Survey 2,382 respondents



90+ Community Conversations

2000+ attendees



4 Open Houses, 2 Housing Summits

800+ attendees







Photos: SF Planning, Wah Mei School Family Zoning Plan | 11

Proposed

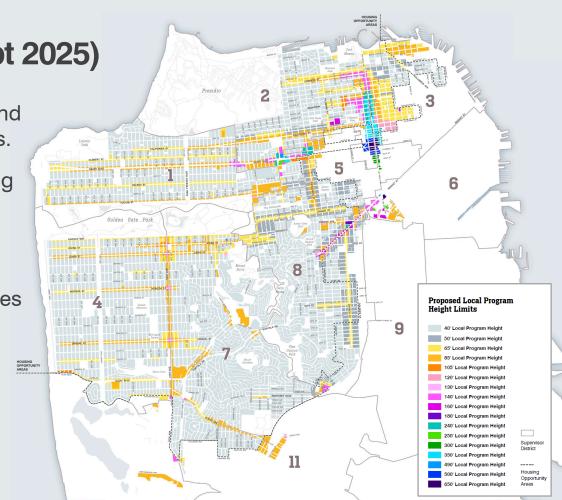
Local Program Map (Sept 2025)

 MEETS STATE REQUIREMENTS and allows for at least 36,200 new homes.

 KEEPS LOCAL CONTROL by setting base heights lower and incentivizing projects to use a Local Program.

 PUTS TALLER BUILDINGS NEAR TRANSIT AND SERVICES: 6+ stories on main streets and near transit.

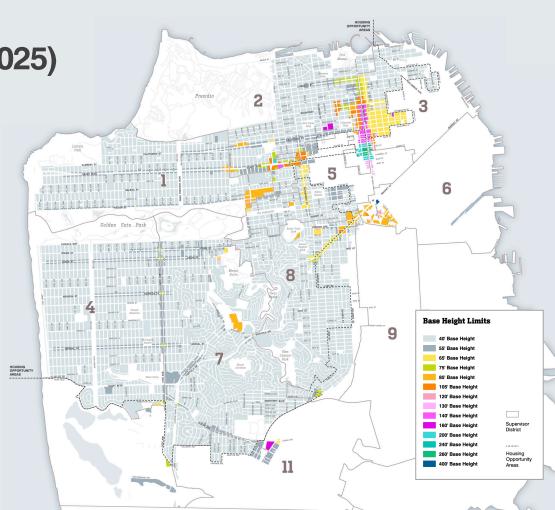
ALLOWS SMALL APARTMENTS
 ELSEWHERE: keeps existing 40'
 height (4 stories) while welcoming
 more homes.



Proposed

Base Height Map (Sept 2025)

- ON CORRIDORS, PROJECTS
 CHOOSE LOCAL OR STATE
 PROGRAMS: Projects can get to
 similar heights under either option.
- IN RESIDENTIAL AREAS, PROJECTS MUST USE LOCAL PROGRAM. Projects in program get form-based zoning and may not use State Density bonus.



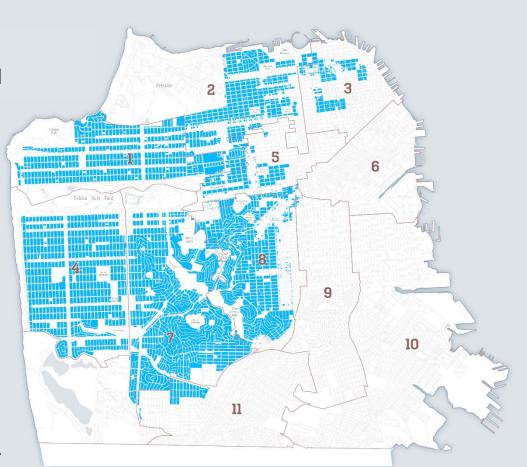
40' Gentle Density (4 stories)

77% of sites in the rezoning receive no height changes but will get to build more units within their 40' height limit.

These projects <u>cannot</u> use State Density Bonus to increase heights further.



2-unit (left) and a 4-unit building (right) on Hermann Street.



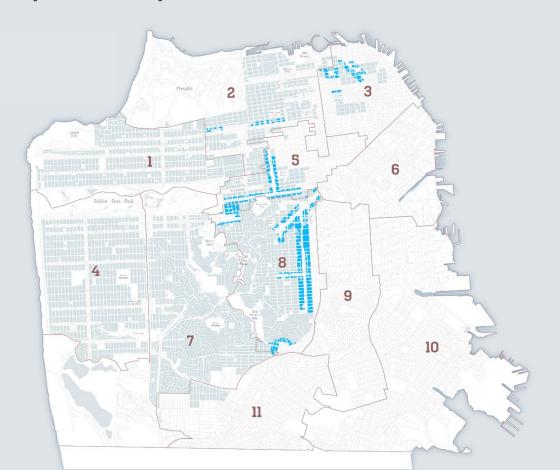
50' Commercial Transition (5 stories)

Commercial transition areas get an additional 1 story (10') through the Local Program.

These projects <u>cannot</u> use State Density Bonus to increase heights further.



5-story building on West Portal Avenue



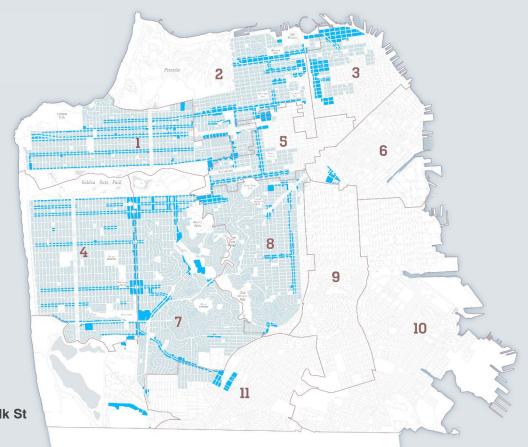
65' & 85' Mid-Rise Corridors (6 and 8 stories)

Generally 2 to 4 stories above today's height limit.

Projects can choose either Local Program or State Density Bonus to get to similar heights.



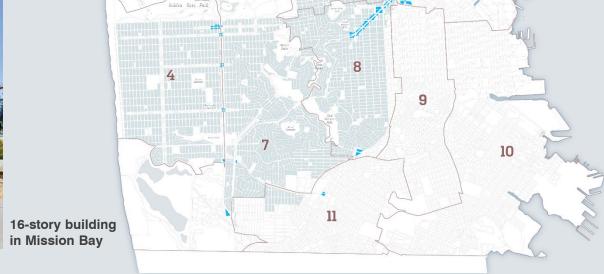
6- and 8-story building on Polk St



Select High Rise Area (Height varies)

<u>Projects can choose</u> either Local Program or State Density Bonus to get to similar heights.





State Law & Capacity Calculations

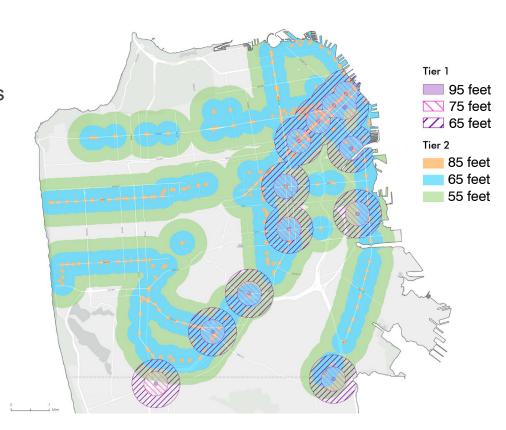
To meet state law and Housing Element Action 7.1.1: SF must demonstrate that rezoning adds at least 36,200 units of capacity on sites that are suitable and available, using methods that reasonably account for development likelihood.

HCD issued a preliminary approval of the Plan on September 9th, noting that SF must use all three of these methods in combination to demonstrate realistic capacity:

Method	Analysis	Capacity (June & Sept ordinances)
Citywide	Uses an annual pace of development relative to zoned capacity.	39,000 units (meets target of 36,200 units)
Soft Sites	Excludes or discounts parcels based on current uses and other characteristics.	45,000 units (meets target of 36,200 units)
Feasibility	Computational model testing financial feasibility and economic conditions on each parcel.	19,000 units (meets target of 16,000 moderate & above-moderate units)

Senate Bill 79 (SB 79): Applies after July 1, 2026

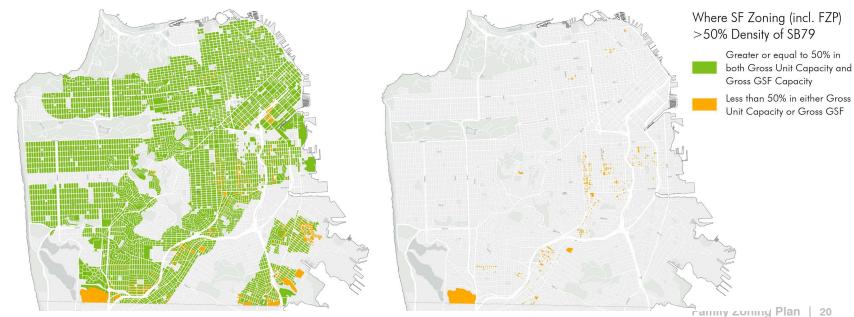
- SETS MINIMUM HEIGHT & DENSITY: 5 to 9 stories, ½-mile around BART, Caltrain, Muni Metro, and Major Bus Stops
- VARIOUS EXEMPTIONS UNTIL 2032: For lots with >50% SB79 density, lowresource census tracts, other conditions. Most SF parcels are exempt under these rules.
- ALLOWS LOCAL "ALTERNATIVE PLAN" **IN-LIEU OF SB79:** provided that Alternative Plan has at least same cumulative housing capacity as SB79.



SB 79: Family Zoning Plan is Adequate as "Alternative Plan"

Preliminary analysis shows that if the proposed rezoning is adopted, SF will likely have an adequate Alternative Plan, though further analysis is needed.

HCD and MTC will issue additional guidance on SB79 implementation.



ENVIRONMENTAL REVIEW



ACTIONS UNDER CONSIDERATION

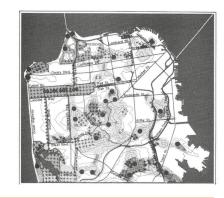
- 1 Adoption of General Plan Amendments Ordinance (File 250966)
- 2 Adoption of Map Ordinance (File 250700)
- 3 Adoption of Planning, Business, & Tax Regulations Code Ordinance (File 250701)
- 4 Adoption of Local Costal Plan Amendment Resolution (File 250985)

General Plan Amendments Ordinance (File 250966)

Goal: Modernize the General Plan and bring it into alignment with the Family Zoning Plan.



- Remove outdated height maps
- Update language about height limits, density limits, and building scale and character.



Urban Design Element Commerce and Industry Element Transportation Element Balboa Park Station Area Plan Glen Park Community Plan Market and Octavia Area Plan Northeastern Waterfront Plan Van Ness Avenue Area Plan Western SoMa (South of Market) Area Plan Western Shoreline Area Plan. Land Use Index

PROPOSED AREA PLAN AND ELEMENT **UPDATES**

Zoning Map Ordinance (File 250700)

- ZONING DISTRICT CHANGES: Reclassifies various parcels to other districts to allow more housing, including Mixed Use, NC, and new RTO-C zoning.
- HEIGHT CHANGES: Changes height limits on certain parcels, and sets a "Base" height and "Local Program" height.
- NEW BULK DISTRICT: Creates new R-4 Height and Bulk District, which establishes eligibility for optional Local Program ("Housing Choice SF Program")
- SFMTA SPECIAL USE DISTRICT (SUD): Adds various properties to a SFMTA SUD to enable housing production. Future development projects will need Board approval.
- LOCAL COASTAL PLAN: Amends parcels in Local Coastal Plan to be consistent with the changes above.

Planning, Business & Tax Regulation Code Ordinance (File 250701)

Topic	Amendment	Sections
Local Program (Housing Choice SF Program)	Offers Incentives and streamlined process via Local Program (Housing Choice SF Program), a flexible alternative to the State Density Bonus that ensures local control over height and design standards	206.10; 344
New Residential Zoning District (RTO-C)	Sets rules for newly created Residential Transit Oriented – Commercial (RTO-C) district, a form- based district which allows ground floor commercial	209.4
SFMTA Special Use District	Sets rules for SFMTA Special Use District to allow for future housing on sites (future developments projects will still require Board approval)	249.11

Planning, Business & Tax Regulation Code Ordinance (File 250701)

Topic	Amendment	Sections
Senior Housing Flexibility	Makes it easier to build senior housing by adjusting open space, bike parking, and minimum unit requirements.	135 155.1 202.1(f)(1)(C)
Small Business Relocation & Early Notification	 Supports relocation of displaced businesses by exempting Conditional Use hearings and impact fees; Requires early notification to the commercial tenant and Office of Small Business. 	202.17; 311
Efficient Land Use Near Transit; Parking Management	 Establishes minimum densities for residential and office uses near transit. Adjusts maximum parking ratios according to proximity to transit. 	Various

Planning, Business & Tax Regulation Code Ordinance (File 250701)

Topic	Amendment	Sections
Housing Sustainability District (HSD)	Creates a Housing Sustainability District (HSD), another ministerial pathway for qualifying projects in the Local Program.	344
Height and bulk limits	Modifies height and bulk standards to be consistent with Citywide Design Standards.	260
Wind Review Standards	Consolidates wind review standards for projects 85' and above in some districts	148
Code Cleanup & Local Coastal Plan Consistency	 Conforming edits to zoning control tables Referral of amendments in Local Coastal Plan to Coastal Commission Clarifying edits to conform with state law and other code cleanup 	Various

Local Program (206.10): Menu of Code Flexibility

Automatic Flexibility in Local Program

- **Density:** form-based density (if not already in base zoning)
- **Inclusionary Housing:** flexibility to use all affordable options; rentcontrol option for <25 units.
- 100% Affordable Projects receive 2 extra stories (20') and other flexibility.
- Waive Exposure and Usable **Open Space** requirements

- Waive Large Lot and Nonresidential Use Size Conditional Use hearing.
- Rear Yard reduction to the greater of 18% or 15'.
- Ground Floor Height waiver for projects in 85' height districts
- "Catchall" Flexibility: 15% additional relief on other topics.

Local Program (206.10): Development Bonuses

Projects can receive a **square footage bonus**, added via height or horizontal bonuses:

Height bonuses (Corridors Only)	Horizontal bonuses (Location varies)
Cumulative 2 stories (20') bonus for historic preservation: for adaptive reuse Cumulative 1 story (10') bonus for various incentives: Commercial: Warm Shell, Micro-Retail, Legacy Business or displaced business Community-serving use: nonprofits, grocery, community facilities, childcare Family-sized units: 3+ bedrooms	 Historic preservation (corridors only): may reduce rear yard Family-sized unit incentives: may reduce rear yard, side yard, and upper-story setbacks Family-friendly amenities (residential districts only): may reduce rear yard, side yard, and upper-story setbacks

Local Costal Plan Amendment Resolution (File 250985)



- CONSISTENCY WITH COASTAL ACT: Certifies Local Coastal Plan (LCP) Amendment is consistent with Coastal Act
- REFERRAL TO COASTAL COMMISSION: Directs Planning Director to submit LCP Amendment to CA Coastal Commission for public hearing and certification.

Affordable Housing Sites Analysis and Strategies

Topics We'll Cover Today

- Project Purpose and Context
- Research and Analysis:
 - **Pipeline and Parcel Analysis**
 - **Policy and Financial Research**
- Recommended Strategies



Affordable Housing Sites Analysis & Strategies Purpose

Affordable Housing Sites Analysis and Strategies (AHSAS) informs how the City and affordable housing developers can acquire and develop sites for **100% affordable housing, focused on:**

- **Effectively managing the existing pipeline** of affordable housing
- **Ensuring ongoing affordable housing production** along with equitable geographic distribution of affordable housing
- Identifying and acquiring new sites for affordable housing development using a range of approaches

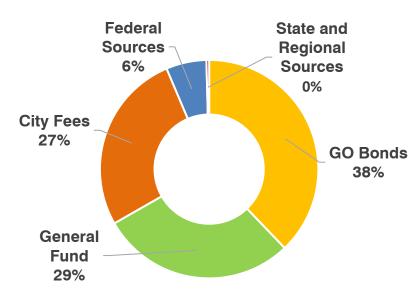
Affordable Housing Funding as the Key Challenge

Funding and cost lowering are key to produce and preserve affordable housing.

Affordable Housing Leadership Council Report (Spring 2024) addresses funding, financing, and costs.

- Increase Federal, State, and regional funding.
- **Expand San Francisco's capacity and** coordination to fund affordable housing.
- **Innovation and alternative approaches** to delivering affordable housing.

Local Affordable Housing Funding 2018-2023



Property taxes and other revenue from new development provide majority of local funding

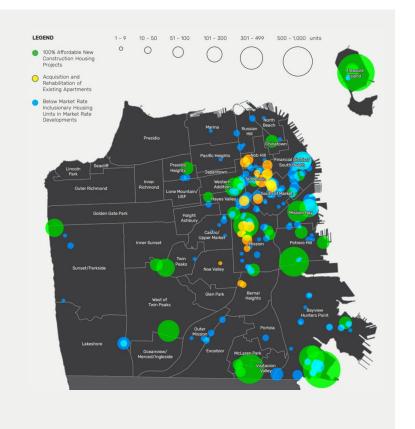
Affordable Housing Pipeline Analysis

Mapping and Analysis of Existing Affordable Housing Pipeline

- Prospective sites & Pre-construction: 12,600+ units
 (59 projects)
- Under Construction: 2,299 units (30 projects)
- Inclusionary BMR Units: 2,500+ units (124 projects)

Geography: Affordable Housing pipeline **mirrors the market-rate pipeline**, with most projects in equity geographies.

Significant funding gap holds back the completion of existing pipeline



Source: MOHCD July 2025 Family Zoning Plan | 34

Site Suitability Analysis (pre-rezoning)

Purpose: Identify potential affordable housing sites based on:

- Policy (local/state law) and development potential
- MOHCD and affordable developer criteria: preference for 100+ units on 8,000+ sq ft for efficiency
- Analysis excludes existing residential units and various public sites

Draft Finding: Under today's rules (pre-rezoning), 1,200 parcels may be suitable for affordable housing with capacity for 148,000 units.

Assembling smaller adjacent lots yields additional 2,200 parcels with capacity for 98,000 units.



100% Affordable Sites: Relationship to Rezoning

LOW-

SITES

INCOME

FAMILY ZONING PLAN

REZONED SITES (overall)

- Required to meet Housing Element (e.g., RHNA) at all income levels.
- Primarily located in Well-Resourced Neighborhoods.

- Subset of rezoned sites to meet lowincome RHNA requirement.
- Must meet minimum size and density.
- Future projects proposing >20% BMR are eligible for ministerial approval

100% AFFORDABLE SITES

- Sites meeting suitability criteria for MOHCD. state, and federal funding.
- Located citywide: overlaps with rezoning & low-income sites
 - Rezoning will enable additional parcels to meet criteria.

Affordable Housing Financial and Policy Research

Financial Research: Trends in land and development costs

- Construction costs are 60%+ of affordable housing development costs while land costs averaged about 10% (ranging from 7-14%). Land holding can add cost as well
- Land prices have been relatively stable averaging ~\$121K per unit over the last **decade**. Fewer land sales in down markets; prices fluctuating just 5%.
- Rezoning has limited effect on land costs per unit; effects are linked to economic conditions and financial feasibility. Recent land prices per unit for affordable housing sites were comparable in rezoned areas and areas with no zoning changes

Policy research: Best practices from other cities

Establishing stable funding and aligning pipeline growth with funding capacity and building on partnerships with public, nonprofit, & faith-based property owners

Affordable Housing Sites Recommended Strategies

- 1. Managing the pipeline of housing development and site acquisition
- **Expanding the geography** of affordable housing
- 3. Public sites and faith- and nonprofit-owned sites for affordable housing
- 4. Strategic market practices for site acquisition
- 5. Expanding opportunities for "missing middle" affordable housing types.

Updated Informational Resources

Resources providing factual information and addressing misinformation:

- What is the Family Zoning Plan?
- (NEW) Capacity Calculations
- **Small Business**
- **Tenant Protections**
- What Happens if We Don't Rezone?
- **Example visualizations**





closed banks.

ew homes generate higher public venues. In addition to fueling the local conomy, new homes will increase property xes, increasing City revenues to nd vital infrastructure and services. ch as public safety and neighborhood

ost housing is built on sites without prefront businesses, helping preserve vitality of commercial districts. On two SF eets that were rezoned and added 2.800 mes, 85% of developments were built on nderutilized sites - such as parking lots, s stations, and vacant commercial buildings

has a range of programs to support nall businesses, which will be rengthened through the Family Zoning an. These include programs like leasing pport, technical assistance, marketing, and cess to grants and loans.

sf.housing.choice@sfgov.org

FAST FACTS: How the Family Zoning Plan Benefits Renters

- (1) San Francisco is the 2nd most expensive housing market in the nation. Renters. especially low- and middle-income families, face sky high competition and growing displacement
- More housing = more affordable housing. Every new project creates Below Market Rate (BMR) units, funds 100% affordable housing, and adds more homes overall.
- Building citywide keeps rents in check. Cities like Boston, Sacramento, Minneapolis, and Austin saw housing costs stabilize-or even drop-after allowing more housing in their community
- (4) Demolitions are almost non-existent. Our current rules work, and make demolishing rent-controlled. homes nearly impossible. Since 2012, an average of 18 housing units a year - most of them single family homes - have been demolished. This is just 0.00004% of SF's total housing stock (420,000
- The Plan adds even stronger protections. The Family Zoning Plan and Tenant Protections Ordinance would require even stronger requirements for relocating existing tenants and providing a right to return. It also preserves the Planning Commission's decision-making power to approve or deny any proposals to demolish rentcontrolled housing



Photo: Tamani Chithambo / IStock 1/4

Residential demolitions are extraordinarily rare and will remain so after rezoning.

235

Units demolished (2012 -24)

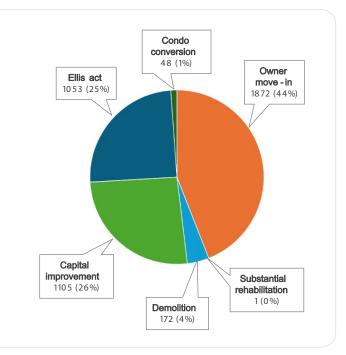
18 units/year (0.00004% of SF housing stock)

single family (11 units/yr) (352 units built; 213 net new)

96 multifamily (7 units/yr) (284 units built; 188 net new)

of no -fault evictions are due to demolition (2015 2025)

96% of evictions are due to owner move -in (44%), capital improvement (26%), and Ellis Act (24%)



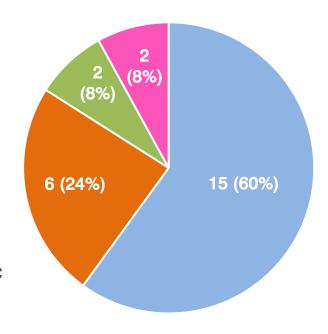
Most housing developments are built on vacant and underutilized lots.

Case study: Market Street & Ocean Ave

2,800 new homes built since 2007

84% of new housing projects were on sites without storefront businesses

92% did not result in major impacts to historic resources



- Projects without previous commercial
- Previously retail

- Previously auto use
- Previously food business





Rezoning will increase housing affordability & diversity.

- 100% AFFORDABLE HOUSING: funded by bonds, inclusionary fees, state & federal funds.
- **MIXED-INCOME HOUSING:** Market-rate projects contribute at least 15-20% affordable units.
- **SITES FOR AFFORDABLE:** Enabling sufficient sites for affordable housing
- **INCENTIVES FOR 100% AFFORDABLE:** through our Local Program.
- **DIVERSITY** = **AFFORDABILITY**: Allowing more housing will increase affordability, esp. for middleincome households.

What will change look like?

- Spending at local businesses (\$5.6 billion over 8yr)
- Housing diversity and affordability
- More housing choices & stability for employees
- Revenues for public services & infrastructure
- Climate & environmental benefits







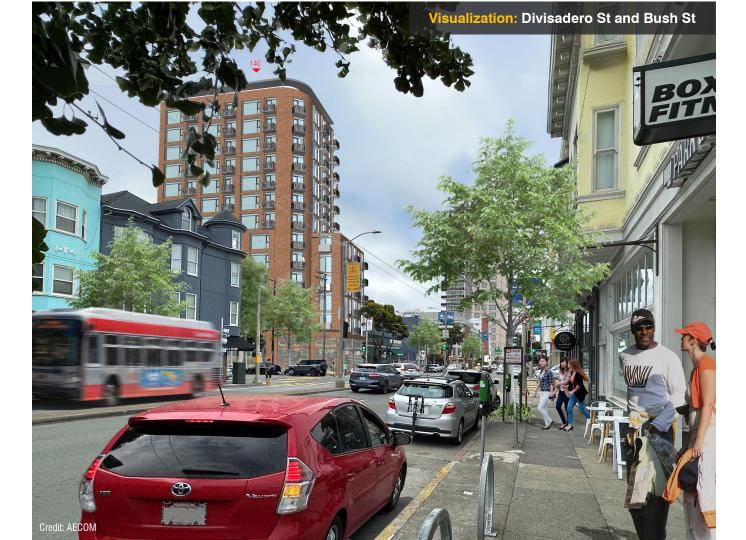






















Acknowledgements

Sarah Dennis-Phillips, Planning Director Rich Hillis, former Planning Director Rachael Tanner, Citywide Planning Director AnMarie Rodgers, former Citywide Planning Director Joshua Switzky, Deputy Citywide Planning Director Lisa Gibson, Environmental Review Officer Lisa Chen, Plan Manager

Anne Yalon Carla de Mesa **David Garcia Dylan Hamilton Esmeralda Jardines** Malena Leon-Farrera **Mat Snyder** Reanna Tong Sarah Richardson **Debra Dwyer Ryan Shum Elizabeth White** Liz Wattv **Rich Sucre Trent Greenan David Winslow James Pappas Miriam Chion Maggie Smith Melanie Bishop Alex Westhoff** Amnon Ben-Pazi

Diana La **Gary Chen** Melissa Wong **Candace Soohoo** Martin Thibodeau **Rachael Schuett Kate Conner Carly Grob Corey Teague** Aaron Starr Rebecca Salgado **Austin Yang (CAT) Audrey Pearson (CAT)** Giulia Gualco-Nelson (CAT) Andrea Ruiz-Esquide (CAT) Jenine Marquez (CAT)

Special thanks: Office of Small Business, MOHCD, SFMTA, Century Urban, AECOM, Groundworks Consulting, ICF, RWDI, PreVision, CivicEdge



Thank you!



http://sfplanning.org/sf-family-zoning-plan



sf.housing.choice@sfgov.org



