San Francisco Family Zoning Program

HOUSING ELEMENT REZONING

San Francisco Planning

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LAND USE & TRANSPORTATION COMMITTEE

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TODAY'S PRESENTATION

- Housing Capacity Calculations
- SB 79 Overview
- Summary

San Francisco's obligations under state law

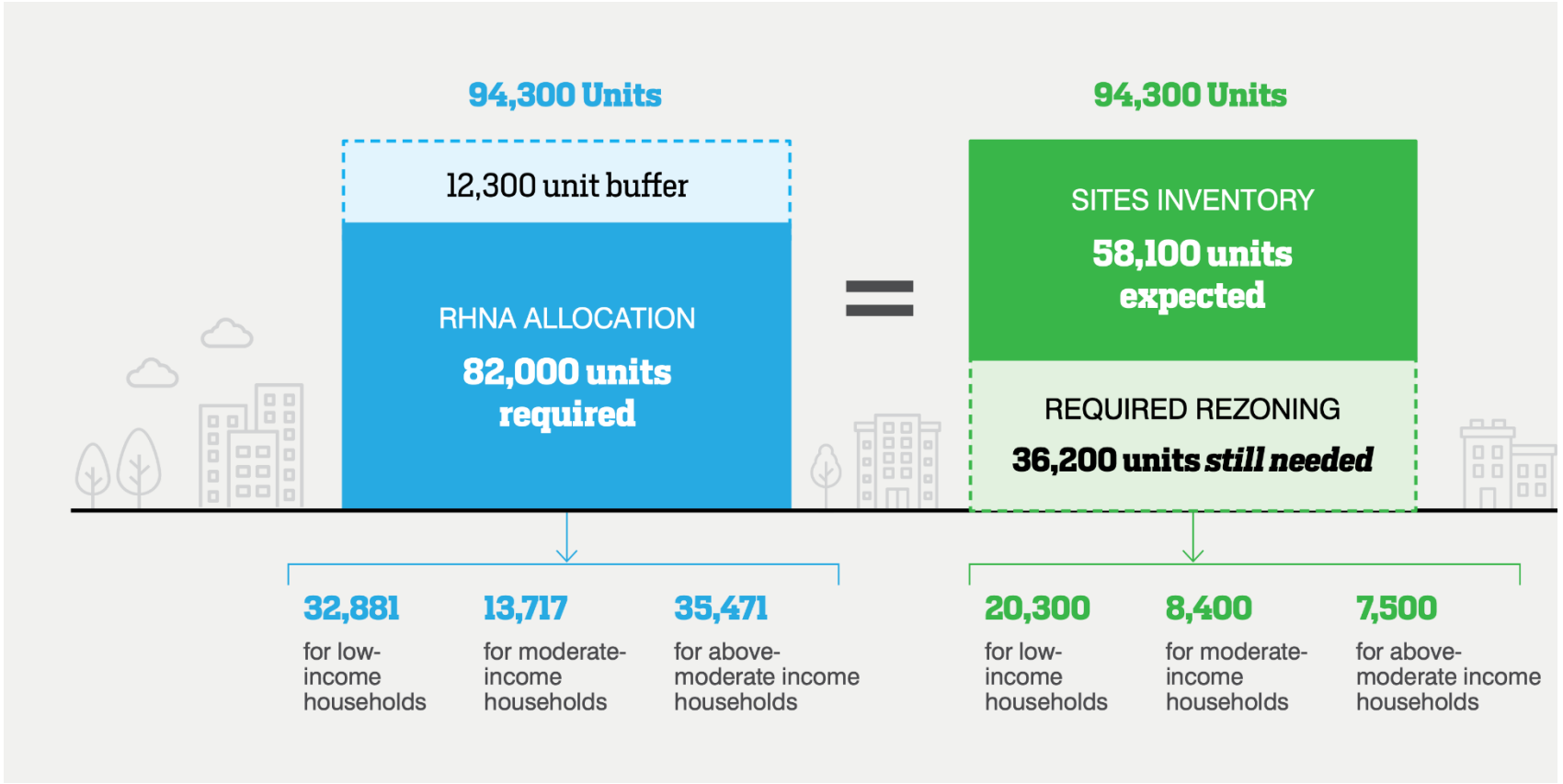
To maintain Housing Element certification, by January 2026 we must:

- 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.

Target: We have suitable & available sites for 36,200 homes



State Law: Calculating Realistic Capacity

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 continue use **all of these methods in combination** to demonstrate realistic capacity and meet various obligations:

Method	Analysis	Capacity
Citywide	Uses an annual pace of development relative to total zoned capacity.	**39,000 units** *(meets target of 36,200 units)*
Soft Sites	Excludes or discounts parcels based on current uses and other characteristics.	**40,000 – 64,000 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)*

Method: Citywide Method

- Need this method to comply with HE 7.1.1 to supplement the "Soft Sites Analysis (method 2).
- Inspired by methodologies used in cases by the **State of CO, Terner Center, UCLA Lewis Center – concept of "zoning buffer"** of overall zoned capacity to housing targets
- Examines the **rate at which homes were approved** in the city from 2005 – 2023.
- Considers **how much zoned capacity was available** during that period and, of that zoned capacity, **how much (%) was entitled**.
- Annualizes that buildout to get a rate (%) of zoned capacity that we can say is likely to be built during the remainder of Housing Element cycle (5 years)
- Includes **RHNA shortfall across income groups**
- Assumes that we will do at least as well in our future as in our past

Citywide Housing Production Method	
Housing entitlements citywide 2005-2023	90,000
Current Remaining Total Zoned Capacity (2025)	313,000
Total	403,000
% capacity entitled	22%
Number of years	19
Annual	1%
% entitled in remaining RHNA period (5 yrs)	5%
Rezoning Net Increase to Total Zoned Capacity (Local Program)	780,000
Expected Net Approvals from Rezoning	**39,000**

Target: 36,200 homes likely within RHNA period

Method: Soft Sites Analysis

- Uses **similar assumptions submitted for rezoning in the adopted Housing Element** for consistency (requested by HCD)
- Necessary to **identify and filter specific sites** as required by HCD to meet test of **"suitable and available"**
- This method assumes:
  - 70% of capacity on "soft sites" (ie no existing units, built <30% of zoned capacity)
  - 2% of capacity on sites with existing units (min 5:1 allowed:existing)
- Excludes: Rent controlled buildings, sites w/pipeline projects, condo parcels, public properties, unusual parcels, listed historic resources

40k in Base

- Includes average use of SDB
- 26K VLI/LI, 14K Mod/Above

64k under Local Program

- 34K VLI/LI, 30K Mod/Above

Method: Financially Feasible

Urban Sim – online simulation tool to determine how many units are financially feasible.

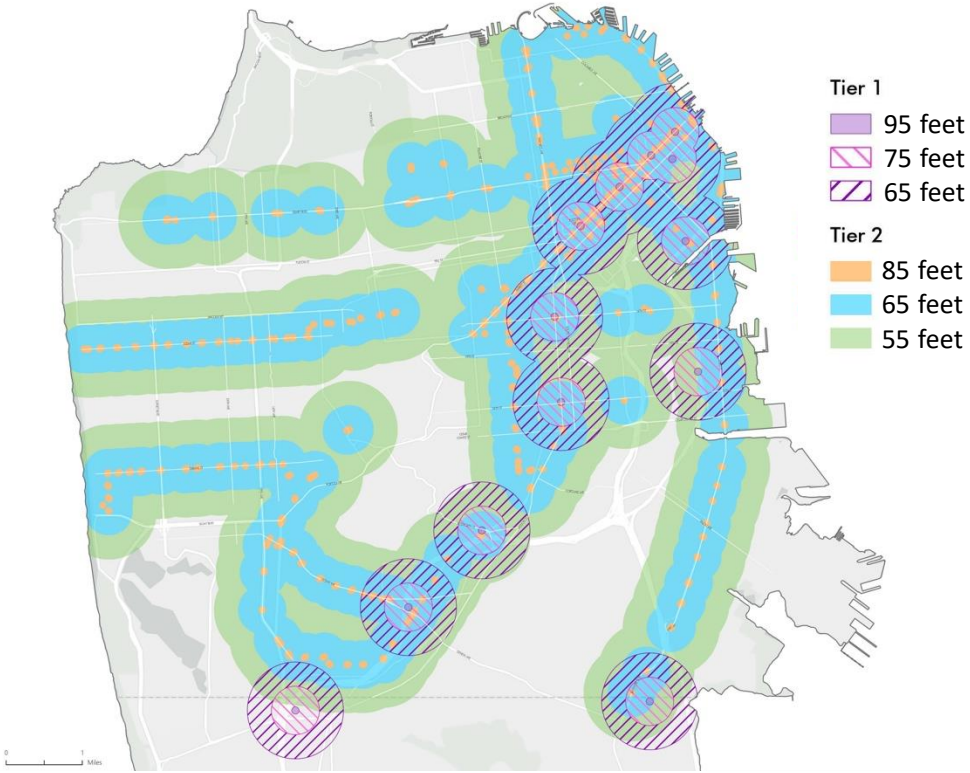
- Urban Sim runs a **proforma analysis on every parcel** using (1) economic assumptions, (2) allowed building envelope, (3) existing lot conditions, to determine for each lot the largest feasible project, if any.
- Helps us **understand how economic conditions impact the construction of moderate and above moderate homes** relative to our RHNA targets.
- Since most affordable housing relies on public subsidy instead of financial feasibility, this method provides limited information for how the city will meet its affordable targets.
- **Not all Financially Feasible Projects will be pursued during the RHNA period.** Discount factors must be applied. In "improved" financial conditions, as many as 221K units are feasible, but many are on sites with homes or other conditions that must be accounted for.

19,000 – 47,000 likely units

Target: 16,000 Mod/Above Mod on sites suitable and available during the RHNA period

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, low-resource 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.



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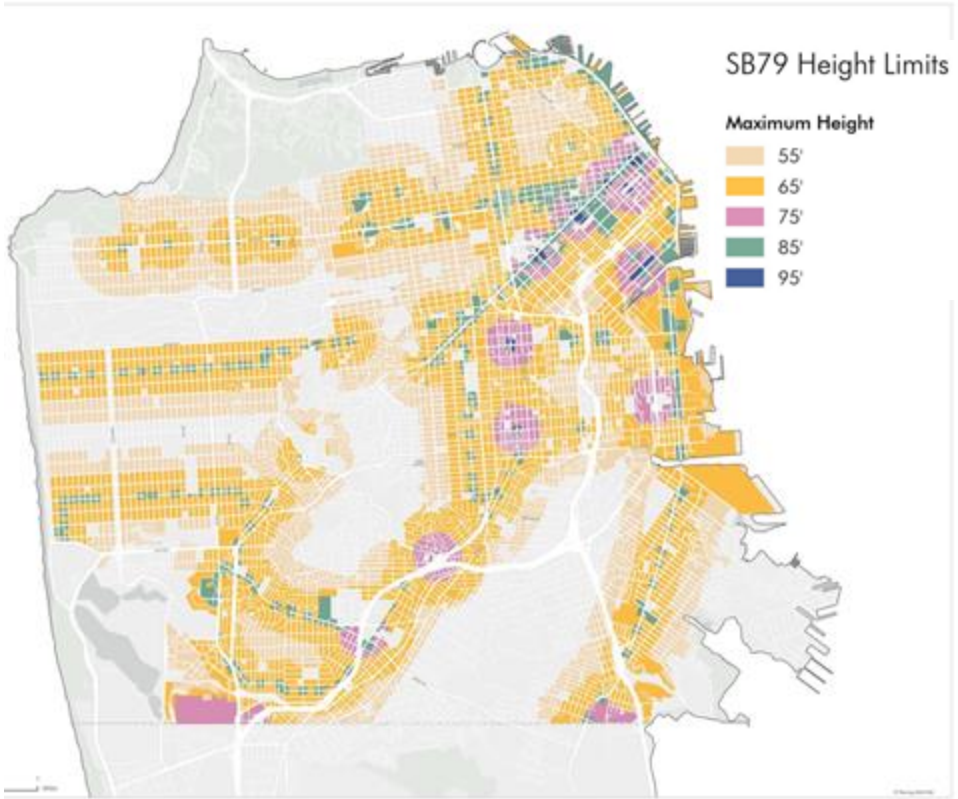
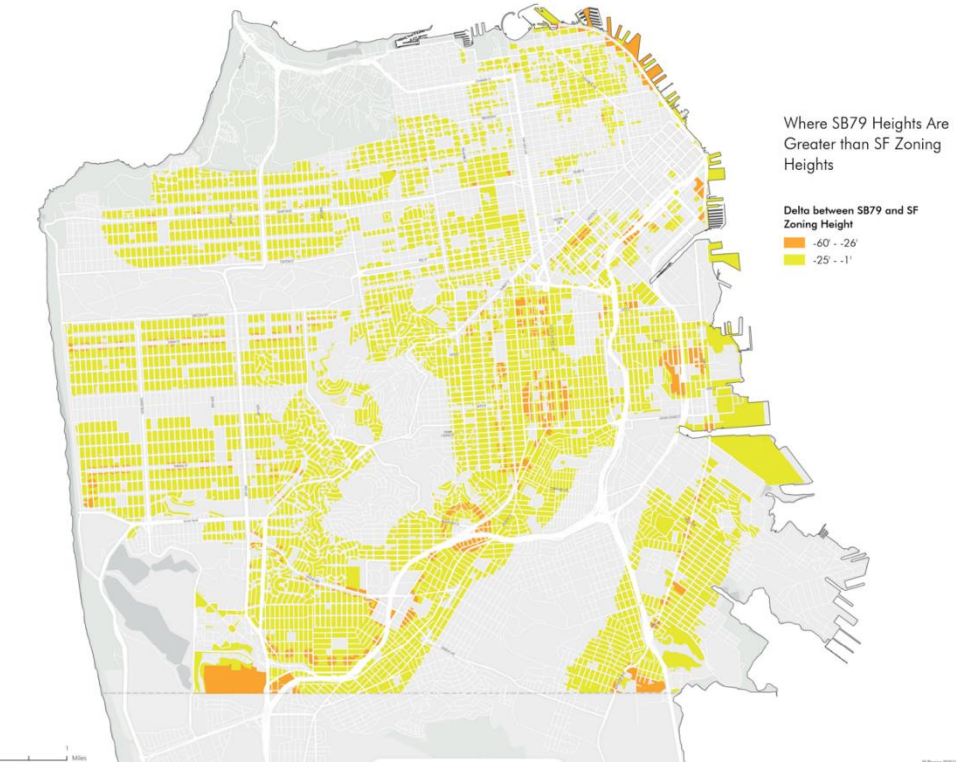


If the Family Zoning Plan is NOT adopted



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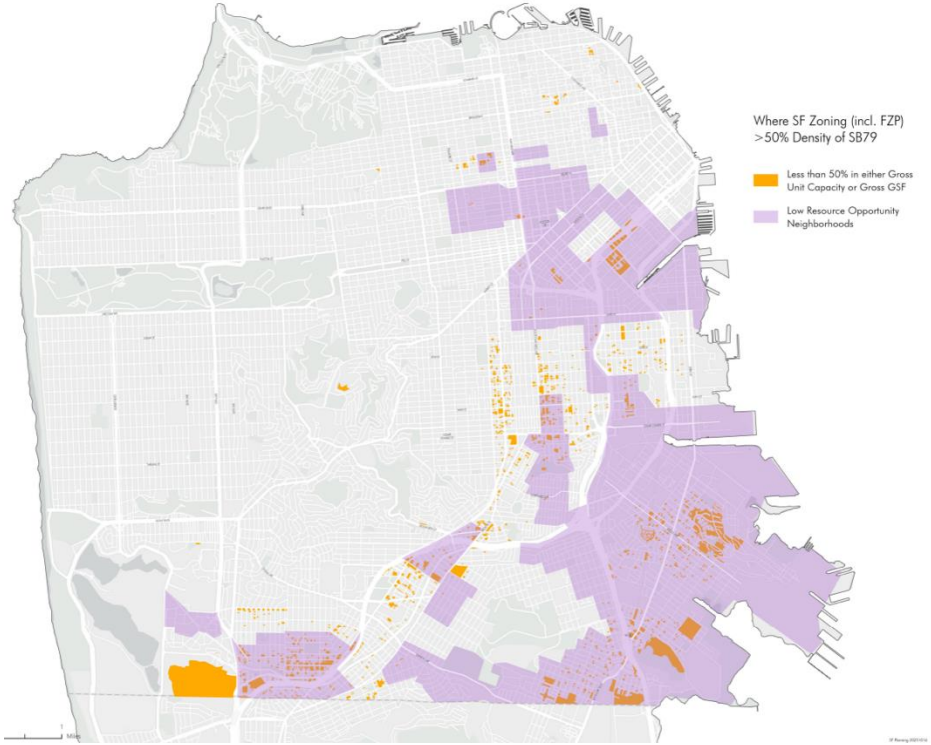
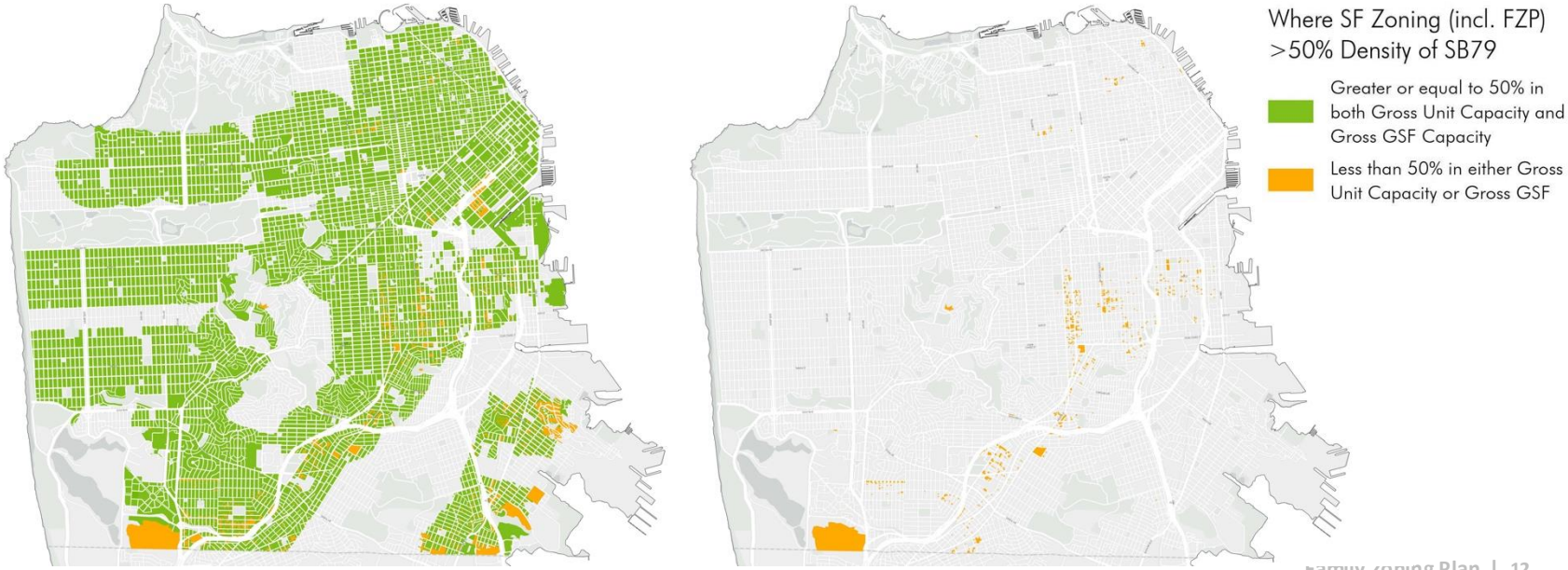


SB 79: Family Zoning Plan is Adequate as "Alternative Plan"

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

SB79 Net Capacity: 763,000

SF Zoning Net Capacity in SB79 Area (with FZP): >800,000

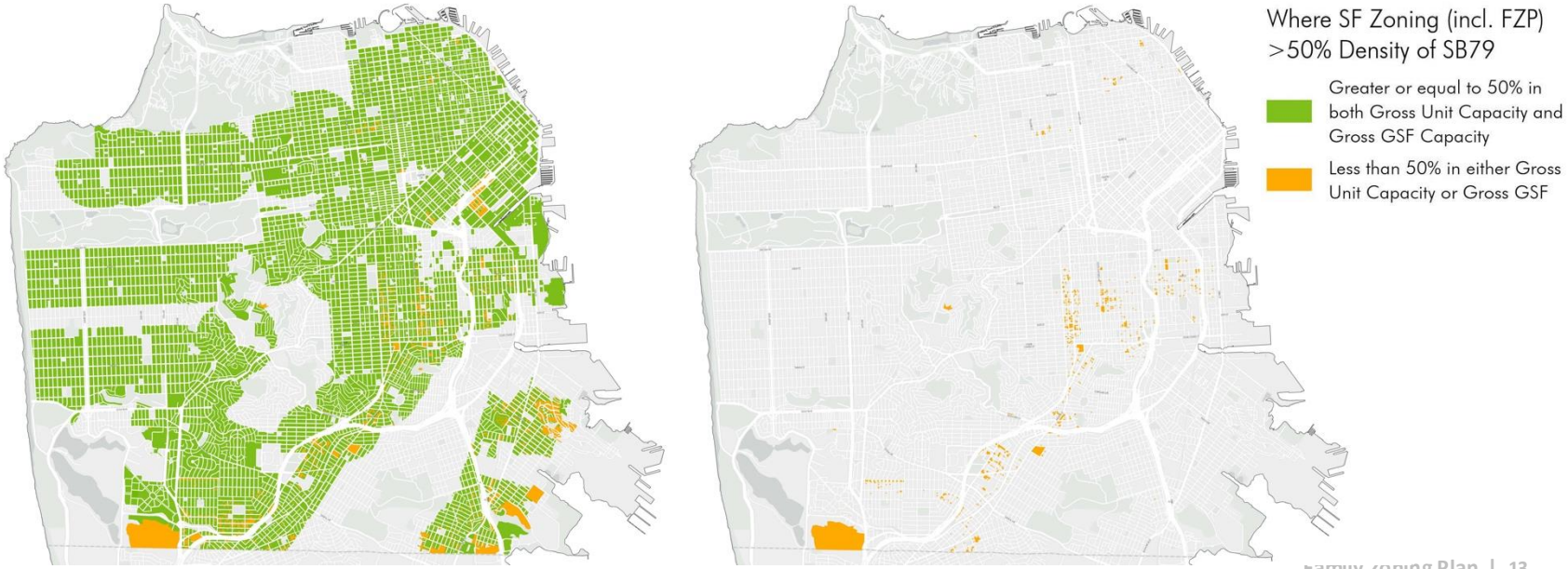


SB 79: Family Zoning Plan is Adequate as "Alternative Plan"

MTC needs to publish final map of stations and station areas

SF is collaborating with other cities on implementation (eg SD, SJ, LA, Sac, Oak)

HCD needs to review and approve Alt Plan ordinance, may take up to 120 days



Summary: Realistic Capacity & SB 79

- **MULTIPLE CAPACITY METHODS NEED TO BE CONSIDERED** and all must meet our requirement for **realistic capacity for 36,200 units** (16,000 units moderate & above-moderate).

- **AMENDMENTS NEED TO BE "NET NEUTRAL":** Per HCD preliminary approval letter in September, **changes that negatively affect housing capacity and/or constraints should be offset with changes elsewhere.**

Summary: Realistic Capacity & SB 79

- **SIGNIFICANT STEP TOWARD SB 79 ALTERNATIVE PLAN:** If the Family Zoning Plan is adopted, **it will satisfy the primary criteria for the "Alternative Plan" under SB 79, which would allow us to use local height limits.**
  - A small number of parcels outside of the Family Zoning Plan will need **minor adjustments to increase density** before July 2026 to meet the Alternative Plan criteria.
  - We will have the opportunity to **recertify our Alternative Plan in 2032** so that local zoning controls will continue to apply, instead of SB 79.

Possible amendment: Commercial Replacement Incentive

- **Commercial Replacement Incentive** was adopted into the original file on 10/20/25 and provides a square footage bonus in the Local Program for projects that:
  - **Replace existing commercial uses** with a space of equivalent size and street-facing dimensions.
  - **Preserve a historic storefront**, which are granted an additional bonus.

- Supervisor Sauter is working with City Attorney and Planning Department **on a non-substantive amendment to refine the proposal and make it easier to use.**
  - Would allow projects to **replace an existing space(s) with multiple spaces** so long as the cumulative commercial square footage on the site and the street-facing dimensions are preserved.
  - Will clarify requirements for replacing existing spaces with a “warm shell” for food service use.

Thank you!

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

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