



November 9, 2023

Ms. Angela Calvillo, Clerk
Honorable Supervisor Safai
Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: Transmittal of Planning Department Case Number 2023-006114PCA:
Removing Residential Numerical Density Limits in Neighborhood Commercial Districts
Board File No.230735

Planning Commission Recommendation: **Approval with Modifications**

Dear Ms. Calvillo and Supervisor Safai,

On October 26, 2023, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance, introduced by Supervisor Safai that would amend the Planning Code to change the manner in which residential density is regulated in Neighborhood Commercial Districts by replacing residential numerical density limits with already-existing regulations on the built envelope of buildings, such as height, bulk, and setbacks. At the hearing the Planning Commission recommended approval with modifications.

The Commission's proposed modifications were as follows:

1. Modify the ordinance to exclude areas that fall within the proposed Priority Equity Geographies SUD, as is proposed in BF 230446 and BF 230734 *except* as follows:
 - a. Retain numerical density in the entirety of the North Beach NCD, not only in the areas that fall within the Priority Equity Geographies SUD.
 - b. Rezone all parcels zoned RC-4 along Van Ness Ave. as form-based, even if they fall within the Priority Equity Geographies SUD. This is also the boundary of the Van Ness SUD.

- c. Rezone all parcels within the Polk Street NCD as form-based, even if they fall within the Priority Equity Geographies SUD.
2. Alter the language in the zoning tables that propose to switch to form-based density to match the language that already exists in other form-based zoning district tables as follows:

"No density limit by lot area. Density restricted by physical envelope controls of height, bulk, setbacks, open space, exposure and other applicable controls of this and other Codes, as well as by applicable design guidelines, applicable elements and area plans of the General Plan, and design review by the Planning Department."

The proposed Ordinance has been determined to be within the scope of the environmental analysis for the 2022 Housing Element Update. On November 17, 2022, the Planning Commission reviewed and considered the Final EIR (FEIR) for the 2022 Housing Element Update and certified the FEIR through approval of Motion No. 21206. The Planning Department reviewed and considered the proposed changes to the Planning Code through both Board File No. 230734 and Board File No. 230735 and finds that the physical environmental impacts of these changes are within the scope of the analysis and findings for the Housing Element 2022 Update EIR.

Supervisor, please advise the City Attorney at your earliest convenience if you wish to incorporate the changes recommended by the Commission.

Please find attached documents relating to the actions of the Commission. If you have any questions or require further information, please do not hesitate to contact me.

Sincerely,



Aaron D. Starr
Manager of Legislative Affairs

cc: Andrea Ruiz-Esquide, Deputy City Attorney
Jeff Buckley, Aide to Supervisor Safai
John Carroll, Office of the Clerk of the Board

Attachments:

Planning Commission Resolution
Planning Department Executive Summary



PLANNING COMMISSION RESOLUTION NO. 21415

HEARING DATE: OCTOBER 26, 2023

Project Name: Removing Residential Numerical Density Limits in Neighborhood Commercial Districts
Case Number: 2023-006114PCA [Board File No. 230735]
Initiated by: Supervisor Safai / Introduced June 13, 2023
Staff Contact: Audrey Merlone, Legislative Affairs
Audrey.Merlone@sfgov.org, 628-652-7534
Reviewed by: Aaron D Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, (628) 652-7534

RESOLUTION APPROVING A PROPOSED ORDINANCE AMENDING THE PLANNING CODE TO CHANGE THE MANNER IN WHICH RESIDENTIAL DENSITY IS REGULATED IN NEIGHBORHOOD COMMERCIAL DISTRICTS BY REPLACING RESIDENTIAL NUMERICAL DENSITY LIMITS WITH ALREADY-EXISTING REGULATIONS ON THE BUILT ENVELOPE OF BUILDINGS, SUCH AS HEIGHT, BULK, AND SETBACKS; AFFIRMING THE PLANNING DEPARTMENT’S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND MAKING PUBLIC NECESSITY, CONVENIENCE, AND WELFARE FINDINGS UNDER PLANNING CODE SECTION 302, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN, AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1.

WHEREAS, on June 13, 2023, Supervisor Safai introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 230735, which would amend the Planning Code to change the manner in which residential density is regulated in Neighborhood Commercial Districts by replacing residential numerical density limits with already-existing regulations on the built envelope of buildings, such as height, bulk, and setbacks;

WHEREAS, the Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on October 26, 2023; and,

WHEREAS, the proposed Ordinance has been determined to be within the scope of the environmental analysis for the 2022 Housing Element Update. On November 17, 2022, the Planning Commission reviewed and considered the Final EIR (FEIR) for the 2022 Housing Element Update and certified the FEIR through approval of Motion No. 21206. The Planning Department reviewed and considered the proposed changes to the Planning Code through both Board File No. 230734 and Board File No. 230735 and finds that the physical environmental impacts of these changes are within the scope of the analysis and findings for the Housing Element 2022 Update EIR; and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the Custodian of Records, at 49 South Van Ness Avenue, Suite 1400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed amendment; and

MOVED, that the Planning Commission hereby **approves with modifications** the proposed ordinance. The Commission's proposed recommendations are as follows:

1. Modify the ordinance to exclude areas that fall within the proposed Priority Equity Geographies SUD, as is proposed in BF 230446 and BF 230734 *except* as follows:
 - a. Retain numerical density in the entirety of the North Beach NCD, not only in the areas that fall within the Priority Equity Geographies SUD.
 - b. Rezone all parcels zoned RC-4 along Van Ness Ave. as form-based, even if they fall within the Priority Equity Geographies SUD. This is also the boundary of the Van Ness SUD.
 - c. Rezone all parcels within the Polk Street NCD as form-based, even if they fall within the Priority Equity Geographies SUD.
2. Alter the language in the zoning tables that propose to switch to form-based density to match the language that already exists in other form-based zoning district tables as follows:

"No density limit by lot area. Density restricted by physical envelope controls of height, bulk, setbacks, open space, exposure and other applicable controls of this and other Codes, as well as by applicable design guidelines, applicable elements and area plans of the General Plan, and design review by the Planning Department."

Findings

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

The Commission supports the proposed ordinance's overall goal to accommodate greater density in areas of our city that are traditionally rich in transportation and amenities through a form-based density approach. However, although form-based density may be appropriate for many of the NC districts within the City's Priority Equity Geographies, any rezoning process within these areas should be conducted at an individual community level to prevent further harm through displacement.

In the City's FY 12-13 budget, responsibility for providing strategic direction, planning and oversight of early

care and education programs was consolidated in the new agency, OECE.

The proposed Ordinance will correct the Planning Code so that it is in line with the City's current practices and adopted budget.

General Plan Compliance

The proposed Ordinance and the Commission's recommended modifications are consistent with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT

OBJECTIVE 3.B

CREATE A SENSE OF BELONGING FOR ALL COMMUNITIES OF COLOR WITHIN WELL-RESOURCED NEIGHBORHOODS THROUGH EXPANDED HOUSING CHOICE.

Policy 20

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

Policy 21

Prevent the potential displacement and adverse racial and social equity impacts of zoning changes, planning processes, or public and private investments especially for populations and areas vulnerable to displacement.

Policy 25

Reduce governmental constraints on development in Well-resourced Neighborhoods to enable small and mid-rise multi-family buildings providing improved housing choice and affordability.

Policy 29

Complete community-led processes in Priority Equity Geographies that provide defined community benefits or mitigations for effects of new development consistent with state and federal law in order to reduce burdens on advocates of vulnerable populations and community members and establish more predictable outcomes for housing applications.

Finding new paths to ensure that the private housing market serves the middle-income workforce is key to maintaining our city's diversity. The proposed ordinance would expand where denser buildings can be constructed throughout the city, providing a path for the market to provide more middle-income housing opportunities without public subsidy. Increasing density capacity adds new units to our existing housing stock on vacant lots, and through demolition and reconstruction, and is a critical strategy to increasing small multi-family homes particularly for middle income households. At the same time the proposed ordinance, with all recommended modifications, complies with Policy 29 by increasing housing development capacity through changes to zoning outside of Priority Equity Geographies.

Planning Code Section 101 Findings

The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The proposed Ordinance would not have a negative effect on housing or neighborhood character.

3. That the City's supply of affordable housing be preserved and enhanced;

The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The proposed Ordinance would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake.

7. That the landmarks and historic buildings be preserved;

The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

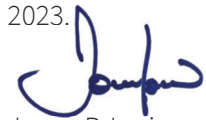
The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas.

Planning Code Section 302 Findings.

The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby APPROVES WITH MODIFICATIONS the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on October 26, 2023.



Jonas P. Ionin
Commission Secretary

Jonas P Ionin

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Ionin
Date: 2023.11.03 12:08:55
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AYES: Braun, Diamond, Koppel, Tanner

NOES: Imperial, Moore

ABSENT: Ruiz

ADOPTED: October 26, 2023



EXECUTIVE SUMMARY

PLANNING CODE TEXT & ZONING MAP AMENDMENT

HEARING DATE: October 26, 2023

90-Day Deadline: November 18, 2023

Project Names:	Planning Code - Removing Residential Numerical Density Limits in Neighborhood Commercial Districts (Safai) Planning Code/Zoning Map - Density Calculation in RC, RTO, NC, Certain Named NCDs (Mayor)
Case Number:	2023-006114PCA [Board File No. 230735] (Safai) 2023-006117PCA/MAP [Board File No. 230734] (Mayor)
Initiated by:	Supervisor Safai / Introduced June 13, 2023 Mayor Breed/ Introduced June 13, 2023
Staff Contact:	Audrey Merlone, Legislative Affairs Audrey.Merlone@sfgov.org, 628-652-7534
Reviewed by:	Aaron Starr, Manager of Legislative Affairs aaron.starr@sfgov.org, 628-652-7533
Environmental Review:	Environmental Impact Report

Recommendation:	Approval with Modifications
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Planning Code Amendment

Two proposed ordinances would amend the Planning Code and/or Zoning Map to replace numerical density limits in certain zoning districts or outside of a newly created Special Use District (SUD).

The Way It Is Now:

1. The Planning Code regulates the density of dwelling units either by: 1. Limiting the number of units per lot or per square foot of lot area – known as numerical density limits; or, 2. By allowing as many units as may be constructed while complying with applicable requirements and limitations set forth elsewhere in the Code, such as height, bulk, setbacks, open space, exposure and unit mix – known as form-based density.

Most Residential-Commercial (RC), Residential Transit Oriented (RTO) districts, all Neighborhood Commercial (NC) Districts, and certain Named Neighborhood Commercial Districts have numerical density limits.

	RC-3	RC-4	RTO	RTO-M
Residential Density, Dwelling Unit	3 units per lot or up to one unit per 400sqft of lot area.	3 units per lot or up to one unit per 400sqft of lot area. No density limits in the Van Ness SUD.	P (generally) up to one unit per 600sqft of lot area. C above, per criteria of 207(a).	Density is form-based (no density by lot area).
Residential Density, Group Housing	P (generally) up to one bedroom for every 140sqft of lot area.	P (generally) up to one bedroom for every 70sqft of lot area.	Density is form-based (no density by lot area).	
Residential Density, Senior Housing	P up to twice the number of dwelling units otherwise permitted as principal in the district, meeting all requirements of 202.2(f)(1). C up to twice the number of dwelling units otherwise permitted as principal in the district, meeting all requirements of 202.2(f)(1), except for 202.2(f)(1)(D)(iv), related to location.		P up to twice the number of dwelling units otherwise permitted as a principal use in the district. C for density that is form-based (no density by lot area). Must also meet unit mix requirements.	Density is form-based (no density by lot area).

	NC-1	NC-2	NC-3	Named NC's
Residential Density, Dwelling Unit	1 unit per 800sqft of lot area, or density permitted in nearest R district, whichever is greater.		1 unit per 600sqft of lot area, or density permitted in nearest R district, whichever is greater.	Numeric limits per lot, varies depending on the district.
Residential Density, Group Housing	1 bedroom per 275sqft lot area, or density permitted in nearest R district, whichever is greater.		1 bedroom per 210sqft lot area, or density permitted in nearest R district, whichever is greater.	Numeric limits per lot, varies depending on the district.
Residential Density, Senior Housing	P up to twice the number of dwelling units otherwise permitted as principal in the district, meeting all requirements of 202.2(f)(1). C up to twice the number of dwelling units otherwise permitted as principal in the district, meeting all requirements of 202.2(f)(1), except for 202.2(f)(1)(D)(iv), related to location.			

The Way It Would Be:

1. Two ordinances, one proposed by Supervisor Safai, and the other proposed by Mayor Breed, would amend the Planning Code and/or Zoning Map to replace numerical density limits in certain zoning districts or outside of a newly created Special Use District (SUD) as follows:

	BF 230735 (Safai)	BF 230734 (Mayor)
Affected Districts	All NCD's Citywide ¹	RTO, RTO-M, RC, & NCD's <i>outside of the</i> Priority Equity Geographies (PEG's) ² SUD
Res. Density for Affected Districts	No density limit based on lot area for Dwelling Unit Density. No change to current ADU, Group Housing or Senior Housing calcs.	Outside the SUD, no density limit based on lot area for Dwelling Unit Density, Group Housing, or Senior Housing. Citywide, Senior Housing in RC-3, RC-4 no density limit based on lot area (versus just parcels outside the SUD). No change to current ADU density calcs.

Background

Housing Element Adoption

San Francisco recently adopted the Housing Element 2022 Update (2022 Update) which is San Francisco's first housing plan centered on racial and social equity. The 2022 Update includes policies and programs that express our city's collective vision and values for the future of housing in San Francisco. Most notably the 2022 Update articulates San Francisco's commitment to recognizing housing as a right. The plan seeks to increase housing affordability for low-income households and communities of color. It also calls for more small and mid-rise multifamily buildings across all neighborhoods, while also connecting housing to neighborhood services like transportation and education, to further economic opportunity.

The Housing Element 2022 Update is San Francisco's first housing plan that is centered on racial and social equity.

The drafting of 2022 Update relied extensively on outreach and engagement to communities historically underrepresented including low-income communities of color and vulnerable groups. Three phases of outreach and engagement, over the course of two years, inform the 2022 Update. For the first time at this scale, the Department funded and supported focus groups led or co-hosted by community-based organizations representing American Indian, Black, Latino, Chinese, Japanese, Filipino, low- and moderate-income households, seniors, people with disabilities, LGBTQ+ and transgender, and homeless advocates. Outreach and

¹ See Exhibit C for map.

² See Exhibit C for map.

engagement also included housing policy experts, advocates, affordable housing developers, labor organizations, architects, and developers.

Housing Element Implementation

If the Housing Element is the constitution on which future development in San Francisco is based, the Planning Code is how the city implements that vision. There are several efforts underway to implement the Housing Element, these ordinances being just two of the larger group. Others include the Department's effort to rezone areas primarily in the Well-resourced Neighborhoods to meet the goals and policies in the Housing Element, Supervisor Melgar's Family Housing Opportunity SUD ordinance³ which would remove several process requirements for housing development within the Well-Resourced Neighborhoods, and the mayor's "Constraints Reduction" ordinance⁴. These efforts are necessary for the city to meet our state-mandated goal of constructing 82,00 housing units within the next eight years.

If the Housing Element is the constitution on which future development in San Francisco is based, the Planning Code is how the city implements that vision.

Mayor Breed's Constraints Reduction Ordinance

The Constraints Reduction ordinance would amend the Planning Code to encourage housing production, by 1) streamlining construction of housing citywide, but outside of Priority Equity Geographies, as defined; 2) streamlining development of housing on large lots 3) allowing construction of buildings to the allowable height limit; 4) streamlining review of State Density Bonus projects; 5) streamlining construction of additional units in lower density zoning districts; 6) streamlining process for senior housing; 7) exempting certain affordable housing projects from development fees; 8) amending rear yard, front setback, lot frontage and minimum lot size requirements; 9) amending residential open space requirements; 10) allowing additional uses on the ground floor in residential buildings; 11) allowing homeless shelters and group housing in residential districts; 12) expanding the eligibility for the Housing Opportunities Mean Equity - San Francisco (HOME - SF) program and density exceptions in residential districts; and 13) allowing administrative review of reasonable accommodations; and amending the Zoning Map to create the Priority Equity Geographies Special Use District. This ordinance is currently pending before the Land Use and Transportation Committee.

Department-led Rezoning Effort

The Housing Element Zoning Program, "Expanding Housing Choice," will amend zoning policies in the Housing Opportunity Areas to increase capacity for multi-family housing to satisfy the City's Regional Housing Needs Allocation (RHNA) gap of 36,200 housing units. The zoning program will focus most housing growth by increasing allowable heights and density on transit corridors, commercial corridors, and key opportunity sites within the Housing Opportunity Areas.

As Mayor Breed's ordinance, Supervisor Safai's ordinance, and Expanding Housing choice all share a focus on increasing housing capacity in neighborhood commercial districts, there is a large amount of geographic overlap

³ <https://sfgov.legistar.com/LegislationDetail.aspx?ID=5994339&GUID=DAA4A80A-FD8C-46CC-853A-6825B23B0072&Options=ID|Text|&Search=family+housing>

⁴ <https://sfgov.legistar.com/LegislationDetail.aspx?ID=6177110&GUID=544811FE-7DDD-40F4-B568-39113C54F8FF&Options=ID|Text|&Search=230446>

among these proposals. If the proposed legislative items are adopted prior to Expanding Housing Choice, the rezoning will be crafted to account for the amended zoning. The details of the Expanding Housing Choice zoning, including height and base density controls, are currently being developed and are expected to be introduced to the Planning Commission in January 2024.

Issues and Considerations

Anticipated Amendments to Board File 230734 (Mayor)

As of the publication date of this report, the Mayor's Constraints Reduction ordinance was pending Committee action. It was in the process of revising several aspects of the Ordinance, including slightly modifying the boundary of the proposed Priority Equity Geographies SUD. The mayor's intention is for the SUD in the constraints reduction ordinance and her proposed form-based density ordinance to be one in the same. Therefore, staff anticipates that the current SUD boundaries of the mayor's proposed form-based density ordinance will change after being heard at the Planning Commission. A map of possible boundary changes has been included as Exhibit D.

What is "form-based" density?

Rather than placing limits on the number of dwelling units that may exist per lot, form-based density controls for the number of units based on height, bulk, setbacks, open space, exposure, and unit-mix requirements. Many zoning districts in the city already use form-based calculations for their density limits, including but not limited

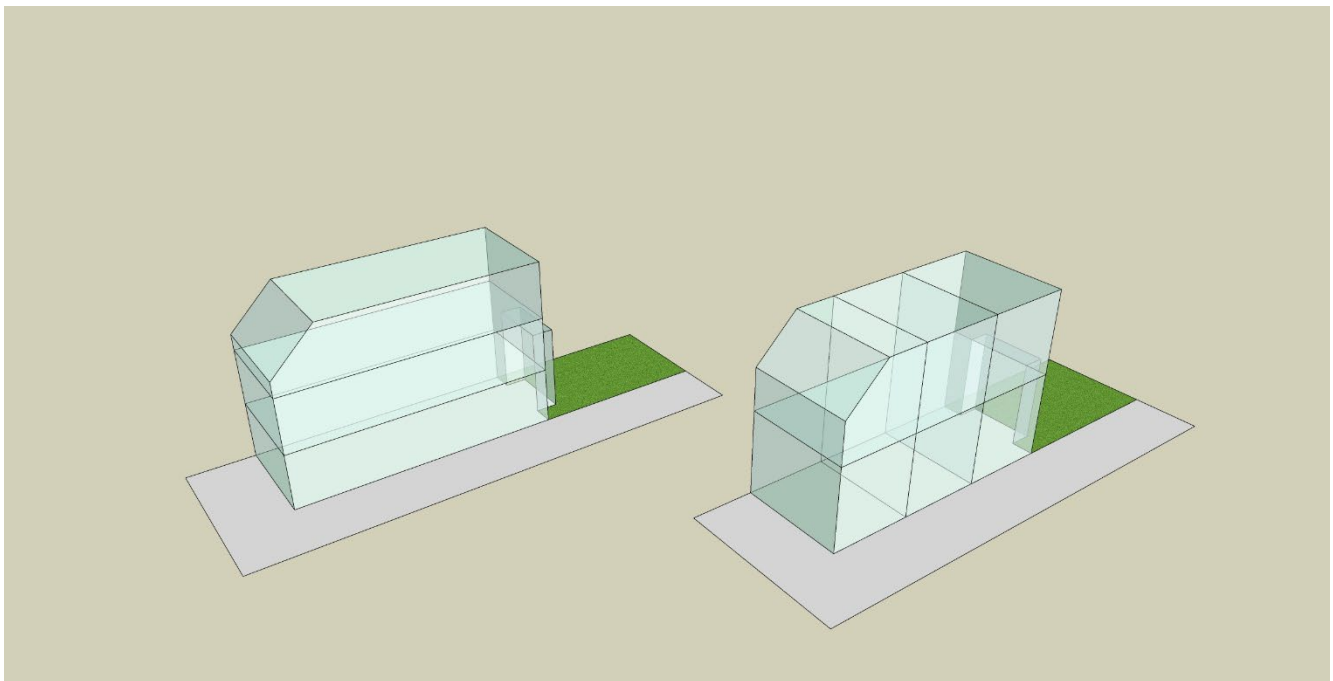


Figure 1: Form based density allows for the number of units to be based on the maximum building envelope, versus a numerical unit limit. The building on the left is the same envelope as the building on the right. Under the current numerical density limits in RC districts for example, buildings are limited to 3 units, as shown on the left. Under the proposed ordinance, the same building could accommodate up to 6 units, without looking any different from the outside.

to Neighborhood Commercial Transit Districts (NCT's), RTO-M, and the Hayes-Gough NCD. It is considered to be a more effective way for encouraging density that is tailored to each individual parcel.

Return to San Francisco's Historic Development Pattern

Under current base zoning limits, 12,658 existing residential buildings in the city contained more units than were allowed under density maximums⁵. These buildings provide about 31% of all homes for thousands of residents (125,466 units).



Figure 3: A 7-unit building (left), adjacent to a 3-unit building (right) in the Pacific Ave. NCD.

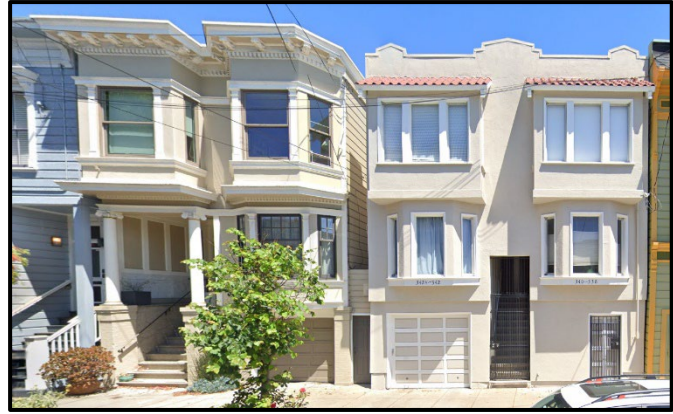


Figure 2: A 2-unit building (left), adjacent to a 4-unit building (right) in an RTO District on Hermann Street.

From the outside, buildings that exceed current restrictions on the number of units may be indistinguishable from ones that don't - with only the configuration of units and rooms on the inside setting them apart. This diverse mix of multifamily and smaller buildings, with various unit sizes, provides space and price options that support the City's diverse population.

From the outside, buildings that exceed current restrictions on the number of units may be nearly indistinguishable from ones that don't.

Current restrictions on the number of homes that can be built on most of the city's residential land date largely to the 1970s, when the city faced a substantially different housing context. The city had lost population from 1950 to 1980 as many middle- and upper-class people, who were typically White, moved to rapidly growing suburban communities of single-family homes. Jobs were also growing quickly in suburban areas including manufacturing, logistics, and new suburban office parks. The amount of housing produced regionally was significantly higher than today and housing costs were lower. In addition, the San Francisco Redevelopment Agency was bulldozing entire neighborhoods, such as the Filmore, under the auspices of "urban renewal." For many residents and elected officials in the 1970s, adopting more restrictive zoning was a way to protect neighborhoods. These measures appealed to many communities, from neighborhoods that were mostly lower income renters living in apartments to those that were primarily middle- and upper-income homeowners. Some

⁵ This does not take into account the recent passage of Board File No. 210866, which allows for a density bonus above base density on certain RH lots if specific criteria are met.

officials and analysts of the time noted restrictive zoning could reduce housing production and affordability. By the 1990s housing development averaged fewer than 1,000 units per year.

Priority Equity Geographies & Racial Social Equity Analysis

The Housing Element defines Priority Equity Geographies as places where the city will target direct investments to achieve this outcome and implement reparative strategies. These are areas with a higher density of vulnerable populations⁶, including but not limited to people of color, seniors, youth, people with disabilities, linguistically isolated households, and people living in poverty or unemployed. Wealth building strategies in these areas should start with a people-based approach and include access to affordable housing and homeownership, as well as training for well-paid jobs, business ownership, and fostering financial literacy and readiness. Wealth building strategies also include place-based strategies to improve access to opportunity: Resources in one's neighborhood that are linked to positive economic, social and health outcomes for communities. This includes quality public schools, affordable and accessible transportation options that connect residents to educational and economic development opportunities, affordable community serving businesses, and a healthy environment. These resources create the conditions for thriving neighborhoods that, along with people-based approaches, can build generational wealth.

Changes that could result in displacement within a Priority Equity Geography should be brought to the individual community for consideration, rather than conducted through a sweeping, city-wide proposal.

To achieve healthy neighborhoods, the city must focus on repairing past harms through environmental justice and equitable mobility strategies. Such efforts must also protect these communities against displacement. Policy 18 of the Housing Element directs the Department to tailor zoning changes within Priority Equity Geographies and intersecting Cultural Districts to serve the specific needs of American Indian, Black, and other communities of color. It also directs the city to implement programs to stabilize communities and meet community needs. This means that changes that *could* result in displacement within a Priority Equity Geography should be brought to the individual community for consideration, rather than conducted through a sweeping, city-wide proposal. The mayor's proposed ordinance assures these communities are not subject to increases in density through this proposal; however, it also leaves open the possibility for these neighborhoods to have form-based zoning in the future through an individual, community-supported effort.

The Housing Element contains a map of areas identified by the Department of Public Health (DPH) as "Community's Health Needs Assessment as Areas of Vulnerability", which can be found here:

https://generalplan.sfplanning.org/images/11.housing/Priority_Equity_Geographies.pdf

The proposed Priority Equity Geographies SUD is based off this map; however, the SUD is not an exact replica of the DPH/Housing Element map. Additionally, as discussed in a prior section, the Department anticipates the Priority Equity Geographies SUD's boundaries will change slightly from what is currently proposed.

⁶ As defined by the San Francisco Department of Health.

General Plan Compliance & Racial and Social Equity Analysis

Policy 20 of the Housing Element is to increase mid-rise and small multi-family housing types by adopting zoning changes or density bonus programs in Well-resourced Neighborhoods and adjacent lower-density areas near transit, including along SFMTA Rapid Network³³ and other transit. Policy 25 is to reduce governmental constraints on development in Well-resourced Neighborhoods to enable small and mid-rise multi-family buildings providing improved housing choice and affordability. Finding new paths to ensure that the private housing market serves the middle-income workforce is key to maintaining our city's diversity. Both proposed ordinances would expand where denser buildings can be constructed throughout the city, providing a path for the market to provide more middle-income housing opportunities without public subsidy. Increasing density capacity adds new units to our existing housing stock on vacant lots, and through demolition and reconstruction, and is a critical strategy to increasing small multi-family homes particularly for middle income households.

Finding new paths to ensure that the private housing market serves the middle-income workforce is key to maintaining our city's diversity.

Objective 3.B of the Housing Element is to create a sense of belonging for all communities of color within Well-Resourced neighborhoods through expanded housing choice. Fostering racially and socially inclusive neighborhoods throughout the city means increasing housing choice for all in all neighborhoods. To promote a sense of belonging for all communities in Well-resourced Neighborhoods, the city needs to shift course regarding where new housing is built, so more diverse communities can call these neighborhoods home. The new Affirmatively Furthering Fair Housing Law also requires local jurisdictions to create programs that would reverse segregation and promote inclusive neighborhoods, including allowing for more housing, particularly affordable housing, to be built in Well-resourced Neighborhoods.

Policy 21 of the Housing Element is to prevent the potential displacement and adverse racial and social equity impacts of zoning changes, planning processes, or public and private investments especially for populations and areas vulnerable to displacement. Policy 29 of the Housing Element is to complete community-led processes in Priority Equity Geographies that provide defined community benefits or mitigations for effects of new development consistent with state and federal law to reduce burdens on advocates of vulnerable populations and community members and establish more predictable outcomes for housing applications. The mayor's ordinance, and Supervisor Safai's ordinance *with* all staff recommended modifications, complies with Policy 29 by increasing housing development capacity through changes to zoning outside of Priority Equity Geographies.

Implementation

The department has determined that neither ordinance will impact our current implementation procedures. Many other zoning districts already calculate allowable density based on form, rather than numerical limits, which means Department staff are already familiar with this process.

Recommendation for Board File 230735 (Safai)

The department recommends that the commission *approve with modifications* the proposed ordinance and adopt the attached draft resolution to that effect. The department's proposed recommendations are as follows:

1. Modify the ordinance to exclude areas that fall within the proposed Priority Equity Geographies SUD, as is proposed in BF 230446 & BF 230734 *except* as follows:
 - a. Retain numerical density in the entirety of the North Beach NCD, not only in the areas that fall within the Priority Equity Geographies SUD.
 - b. Rezone all parcels zoned RC-4 along Van Ness Ave. as form-based, even if they fall within the Priority Equity Geographies SUD. This is also the boundary of the Van Ness SUD.
 - c. Rezone all parcels within the Polk Street NCD as form-based, even if they fall within the Priority Equity Geographies SUD.
2. Alter the language in the zoning tables that propose to switch to form-based density to match the language that already exists in other form-based zoning district tables as follows:

"No density limit by lot area. Density restricted by physical envelope controls of height, bulk, setbacks, open space, exposure and other applicable controls of this and other Codes, as well as by applicable design guidelines, applicable elements and area plans of the General Plan, and design review by the Planning Department."

Basis for Recommendation

The department supports the proposed ordinance's overall goal to accommodate greater density in areas of our city that are traditionally rich in transportation and amenities through a form-based density approach. However, although form-based density may be appropriate for many of the NC districts within the City's Priority Equity Geographies, any rezoning process within these areas should be conducted at an individual community level to prevent further harm through displacement.

Recommendation 1: Modify the ordinance to exclude areas that fall within the proposed Priority Equity Geographies SUD, as is proposed in BF 230446 & BF 230734 with certain exceptions. Removing the areas in the proposed Priority Equity Geographies SUD from this ordinance ensures that the City is increasing zoning capacity to better enable meeting our RHNA targets, while protecting our Priority Equity Geographies; prioritizing increased residential capacity in areas that are not acutely vulnerable to development impacts. Additionally, amending the ordinance to include or exclude entire districts avoids confusion caused by the current SUD boundaries, which straddle some districts. In the North Beach NCD, most of the district is within the Priority Equity Geographies SUD, while the Polk Street NCD, most of the district is out of the Priority Equity Geographies SUD. Having two density controls in one contiguous zoning district is confusing and antithetical to the purpose of a zoning district. Along Van Ness, there's a similar situation where the SUD boundary splits the street, with one side inside and the other outside of it. With recent investments in rapid transit along Van Ness and its significant development potential, this is an ideal location to have form-based density.

Recommendation 2: Alter the language in the zoning tables that propose to switch to form-based density to match the language that already exists in other form-based zoning district tables. The currently proposed language for the zoning control tables' residential density that will be form-based is "No density limit by lot area". This fails to communicate that other restrictions on density still exist, based on height districts, allowable bulk, setbacks, etc. This language is also inconsistent with all other zoning districts' control tables language that are already form-based. All other current form-based density zoning control tables state: "*No density limit by lot area. Density restricted by physical envelope controls of height, bulk, setbacks, open space, exposure and other applicable controls of this and other Codes, as well as by applicable design guidelines, applicable elements and area plans of the General Plan, and design review by the Planning Department.*". The Ordinance should be amended to replace all "No density limit by lot area" with the consistent and more complete language.

Recommendation for Board File 230734 (Mayor)

The Department recommends that the Commission *approve with modifications* the proposed Ordinance and adopt the attached Draft Resolution to that effect. The Department's proposed recommendations are as follows:

1. Modify the Ordinance to either include or exclude certain zoning districts from the proposed form-based density changes as follows:
 - a. Retain numerical density in the entirety of the North Beach NCD, not only in the areas that fall within the Priority Equity Geographies SUD.
 - b. Rezone all parcels zoned RC-4 along Van Ness Ave. as form-based, even if they fall within Priority Equity Geographies SUD. This is also the boundary of the Van Ness SUD.
 - c. Rezone all parcels within the Polk Street NCD as form-based, even if they fall within the Priority Equity Geographies SUD.
2. Alter the language in the zoning tables that propose to switch to form-based density to match the language that already exists in other form-based zoning district tables as follows:

"No density limit by lot area. Density restricted by physical envelope controls of height, bulk, setbacks, open space, exposure and other applicable controls of this and other Codes, as well as by applicable design guidelines, applicable elements and area plans of the General Plan, and design review by the Planning Department."
3. Maintain existing RTO-M District density controls.
4. Make technical corrections to the metes and bounds description of the SUD boundary to fix spelling errors and mislabels.

Basis for Recommendation

The Department supports the proposed Ordinance's overall goal to accommodate greater density in areas of our city that are traditionally rich in transportation and amenities through a form-based density approach while also ensuring areas identified as vulnerable to displacement are not part of a sweeping change.

Recommendation 1: Modify the Ordinance to either include or exclude certain zoning districts from the proposed form-based density change. Amending the ordinance to include or exclude entire districts avoids confusion caused by the current SUD boundaries, which straddles some districts. In the North Beach NCD, most of the district is within the Priority Equity Geographies SUD, while the Polk Street NCD, most of the district is out of the Priority Equity Geographies SUD. Having two density controls in one contiguous zoning district is confusing and antithetical to the purpose of a zoning district. Along Van Ness, there's a similar situation where the SUD boundary splits the street, with one side inside and the other outside of it. With recent investments in rapid transit along Van Ness and its significant development potential, this is an ideal location to have form-based density.

Recommendation 2: Alter the language in the zoning tables that propose to switch to form-based density to match the language that already exists in other form-based zoning district tables. The currently proposed language for the zoning control tables' residential density that will be form-based is "No density limit by lot area". This fails to communicate that other restrictions on density still exist, based on height districts, allowable bulk, setbacks, etc. This language is also inconsistent with all other zoning districts' control tables language that are already form-based. All other current form-based density zoning control tables state: "*No density limit by lot area. Density restricted by physical envelope controls of height, bulk, setbacks, open space, exposure and other applicable controls of this and other Codes, as well as by applicable design guidelines, applicable elements and area plans of the General Plan, and design review by the Planning Department.*". The Ordinance should be altered to replace all "No density limit by lot area" with the consistent and more complete language.

Recommendation 3: Maintain existing RTO-M District density controls. Residential density, group housing density, and senior housing density in the RTO-M are already form-based. This is true for *all* RTO-M parcels, citywide. Many RTO-M parcels would fall under the proposed Priority Equity Geographies SUD, however the Ordinance does *not* propose including RTO-M parcels as subject to the SUD restrictions. This results in a confusing "non-change" in the Ordinance. The current draft makes it seem like controls for the RTO-M districts are changing, however they are not. Removing the RTO-M from the ordinance would make it clear that this district will not be affected.

Recommendation 3: Make technical corrections to the metes and bounds description of the SUD boundary to fix spelling errors and mislabels. Make technical corrections to the metes and bounds description of the SUD boundary to fix spelling errors and mislabels.

Required Commission Action

The proposed Ordinance is before the Commission so that it may approve it, reject it, or approve it with modifications.

Environmental Review

Both proposed ordinances are within the scope of the environmental analysis for the 2022 Housing Element Update. On November 17, 2022, the Planning Commission reviewed and considered the Final EIR (FEIR) for the 2022 Housing Element Update and certified the FEIR through approval of Motion No. 21206. The Planning Department reviewed and considered the proposed changes to the Planning Code through both Board File No. 230734 and Board File No. 230735 and finds that the physical environmental impacts of these changes are within the scope of the analysis and findings for the Housing Element 2022 Update EIR.

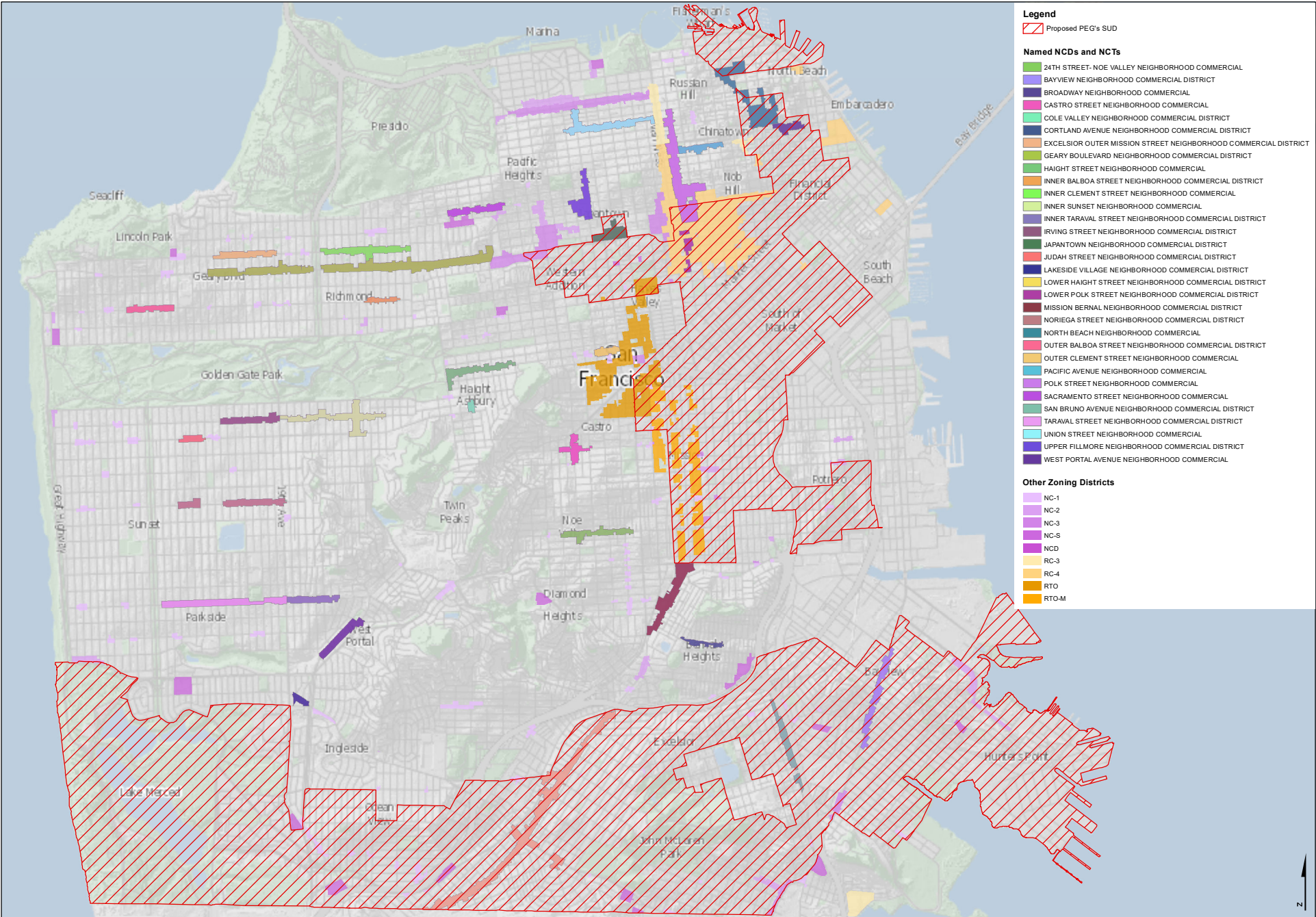
Public Comment

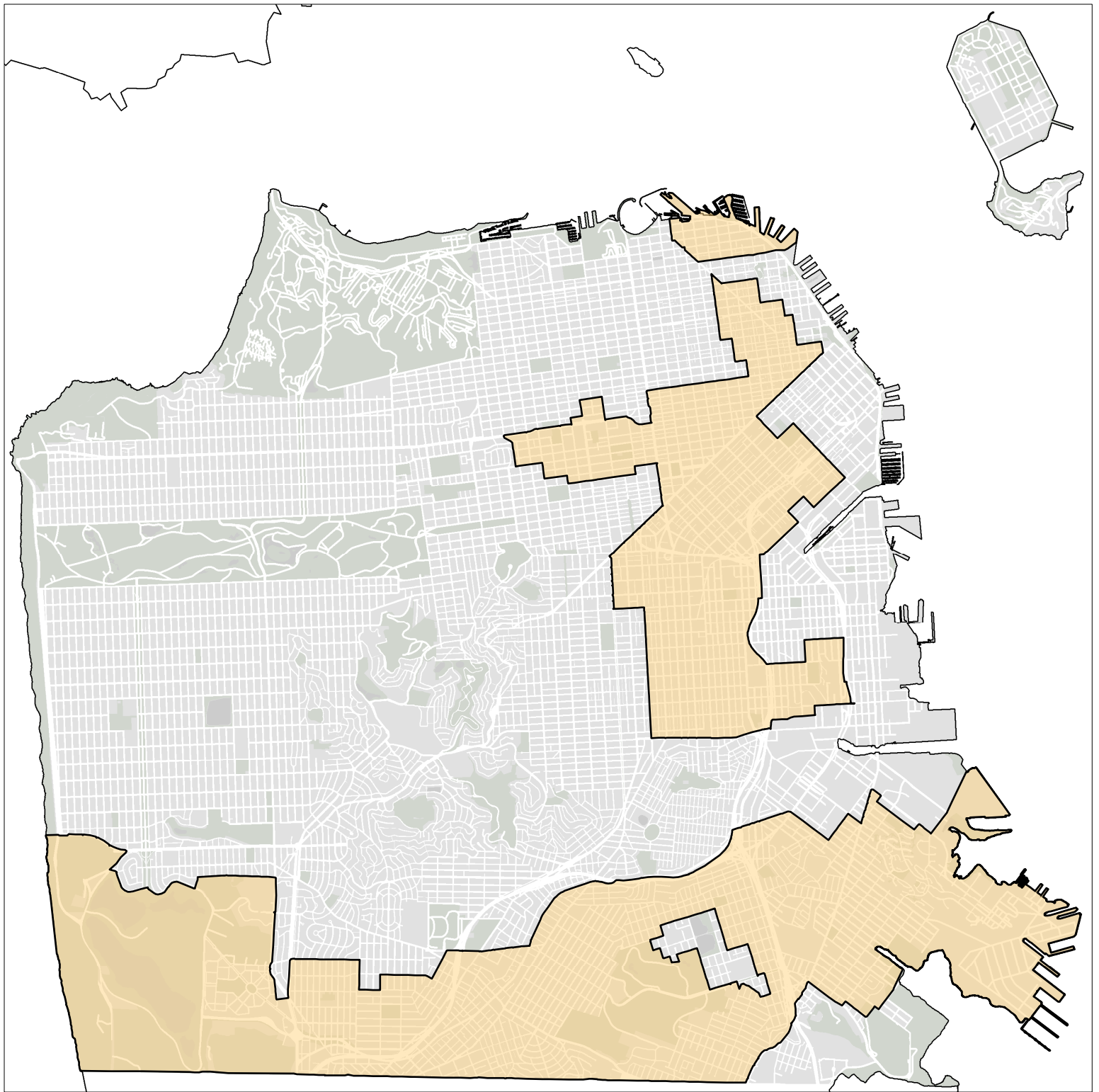
As of the date of this report, the Planning Department has not received any public comment regarding either proposed Ordinance.

Attachments:

- Exhibit A: Draft Planning Commission Resolution for Board File No. 230735
- Exhibit B: Draft Planning Commission Resolution for Board File No. 230734
- Exhibit C: Map of originally proposed SUD boundary & Zoning Districts
- Exhibit D: Map of proposed altered boundaries of the Priority Equity Geographies SUD
- Exhibit E: Board of Supervisors File No. 230735
- Exhibit F: Board of Supervisors File No. 230734

Originally Proposed PEG SUD with Zoning Districts Subject to BF 230734 (Mayor)





Proposed Priority Equity Geographies SUD
SAN FRANCISCO

