

SESSION 4:

A LAND USE & HOUSING STRATEGY

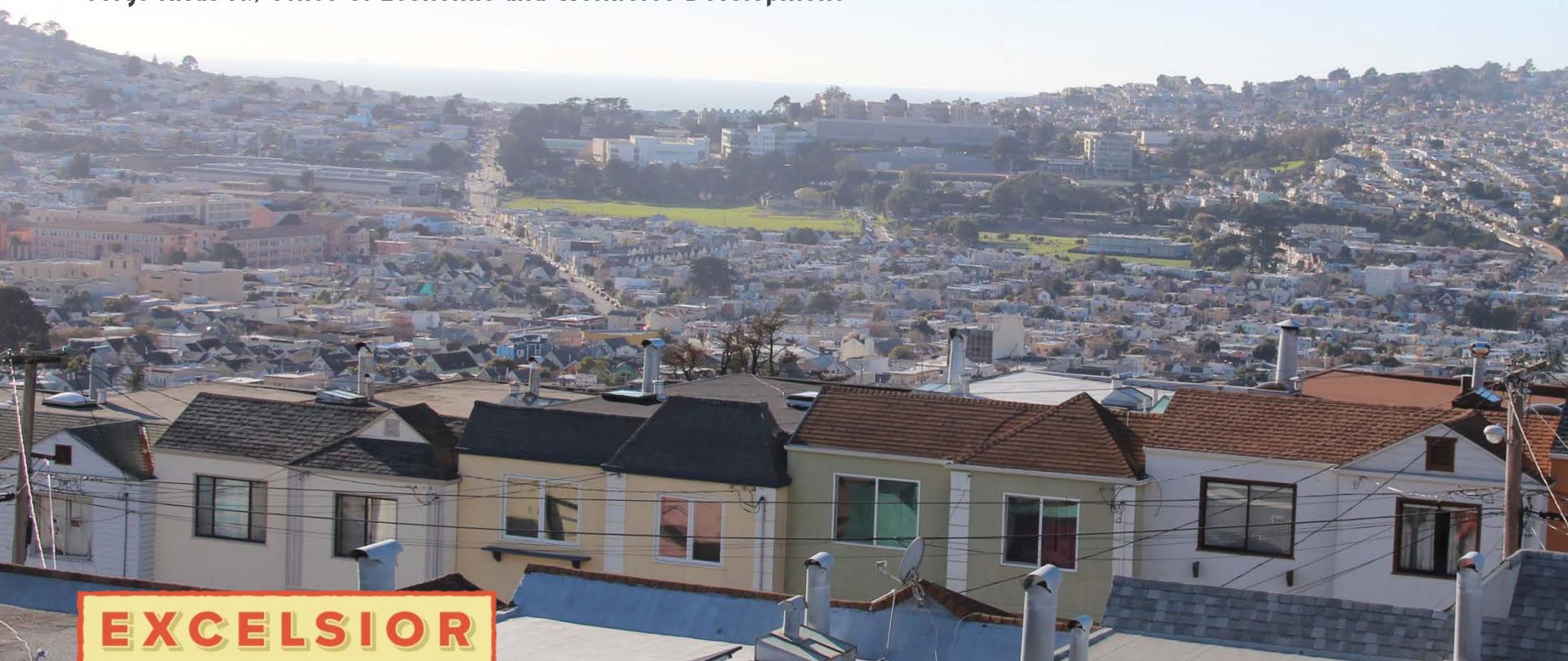
Excelsior and Outer Mission Land Use and Housing Working Group

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11/2/2017

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**EXCELSIOR
OUTER MISSION**

NEIGHBORHOOD STRATEGY

**San Francisco
Planning**

SAN FRANCISCO
Office of Economic and Workforce Development

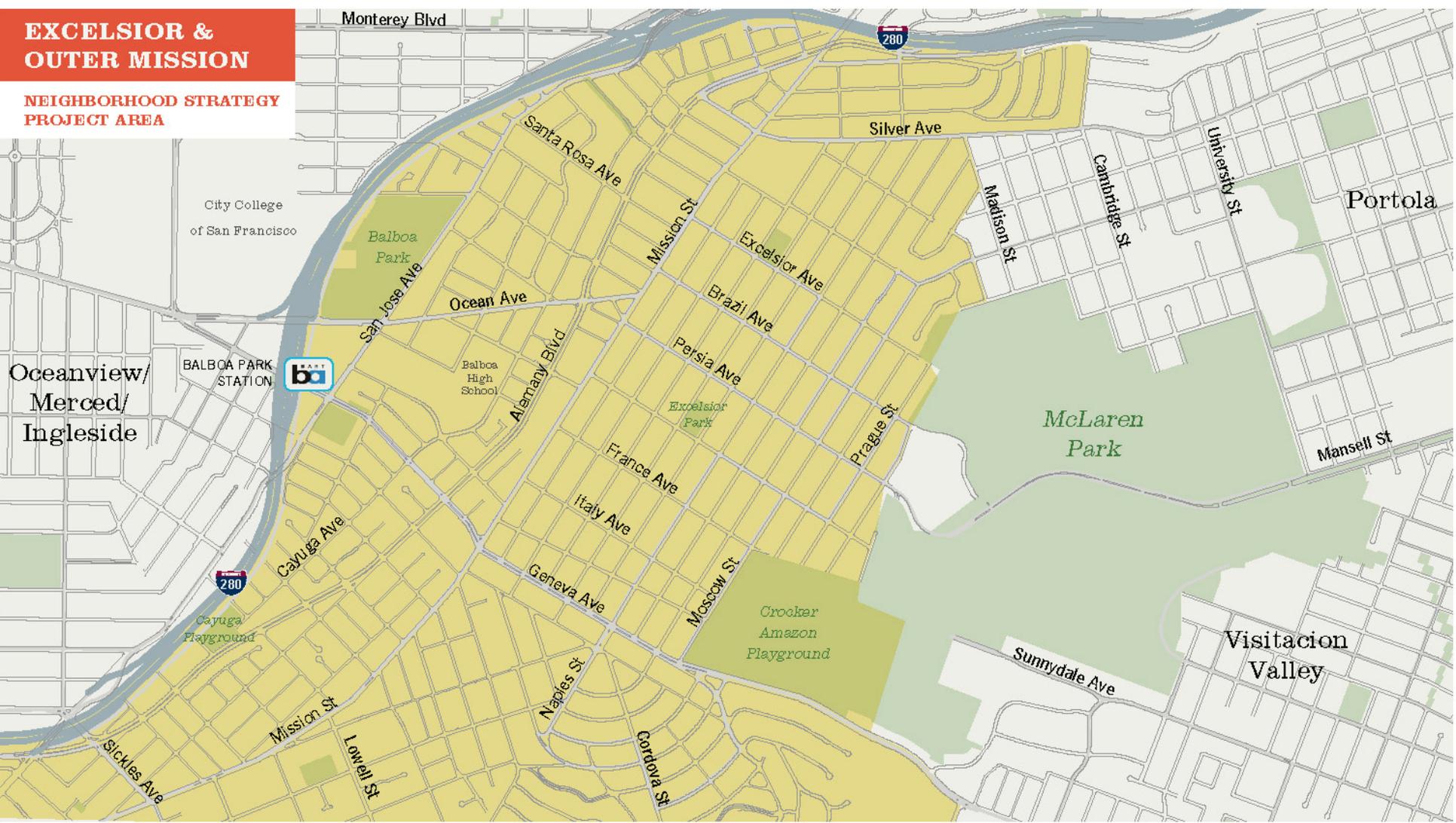
**INVEST
NEIGHBORHOODS**



City & County of
San Francisco
Edwin M. Lee, Mayor

EXCELSIOR & OUTER MISSION

NEIGHBORHOOD STRATEGY PROJECT AREA



Project Area – Excelsior & Outer Mission Neighborhood Strategy

4 SESSION LEARNING & DISCUSSION SERIES

- **Session 1:** Urban Change & Displacement
- **Session 2:** Where Does Housing Come From? Affordability
- **Session 3:** Design of the Built Environment
- **Session 4:** The future of Housing Policy, Housing Capacity, and Zoning

Today

- A Vision for the Future of Housing Capacity & Zoning
 - Workshop: What's Appropriate Where
- Review Potential Goals & Strategies
 - Goals & Strategies Workshop

CONTENTS & AGENDA

- 1** Welcome, Intros, Notes, Agenda – 15 minutes
- 2** A Proposed Housing & Land Use Strategy – 20 minutes
- 3** Workshop: What's Your Strategy– 40 minutes
- 4** Goals & Strategies for Full Working Group – 30 minutes
- 5** Summary and Next Steps – 10 minutes

WE HAVE COVERED

1. Origins of the Housing

Crisis — Job growth combined with population growth and increasing wage inequality without adequate housing production leads to rapid rise in housing prices.

2. How Housing is Built — Most of the housing stock in San Francisco was built before 1950. New housing, both affordable and market rate, is built by landowners securing funds from investors and creditors to finance the cost to construct and maintain new housing.

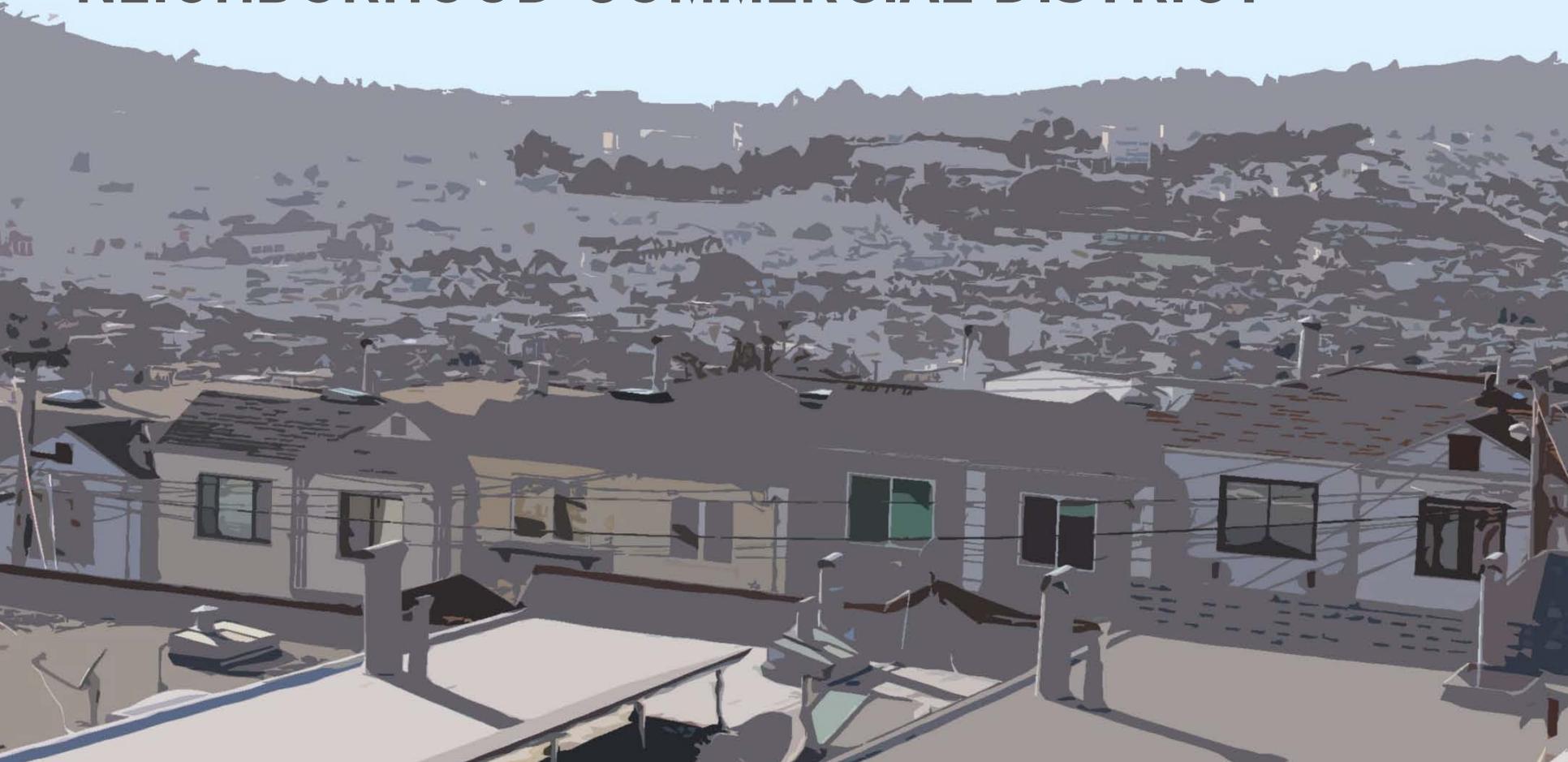
3. Design & the Built

Environment - The interaction between buildings and the public realm can create a positive experience. Historic resources can be preserved, while accommodating new spaces.

4. Land Use & Housing

Strategy — Today, we'll focus on bringing together the goals and strategies we've discussed in the previous sessions.

A PROPOSED HOUSING & LAND USE STRATEGY FOR THE EXCELSIOR & OUTER MISSION NEIGHBORHOOD COMMERCIAL DISTRICT



LAND USE & HOUSING GOALS – REVISED

1

Be a neighborhood where **low and moderate income** San Franciscans can *thrive by protecting vulnerable tenants, homeowners, and businesses.*

2

Maintain and build **housing stock** that can serve *current* residents, and welcome diverse new residents, *including low to high income earners, people of color, and immigrants.*

3

Develop and enhance the **commercial corridor** so that it serves working people *and supports small businesses*, while also offering a range of goods and price points.

4

Be a neighborhood where diverse residents and visitors feel **welcome and at-home.**

5

Promote **relationship building and intercultural exchange** among the many different neighborhood stakeholders.

6

Residents and neighborhood stakeholders play a strong leadership role in public planning processes.

7

Develop and maintain the infrastructure necessary to support a high quality of life for residents and success for businesses.

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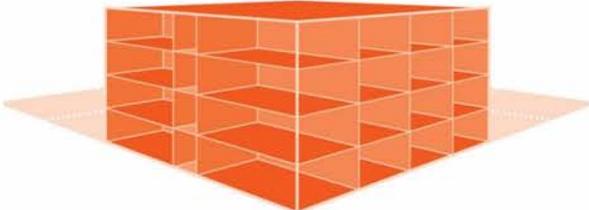
**STRATEGIES TO ACHIEVE THESE GOALS:
ALLOW MORE HOUSING**

**Allow
Greater Housing
Density
Along the
Commercial
Corridor**

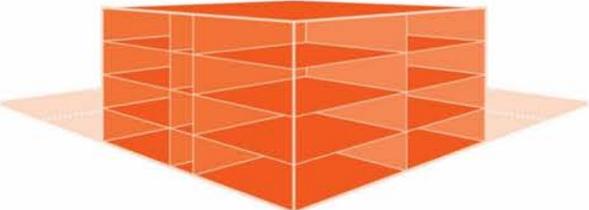
**Allow
Taller Buildings
Along the
Commercial
Corridor**

DEFINING DENSITY

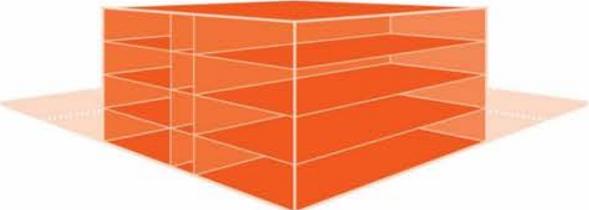
Allowing more housing units on each parcel of land.



32 UNITS



16 UNITS



8 UNITS

INCREASING HOUSING CAPACITY: WHAT COULD GREATER DENSITY MEAN?

Greater Housing Density

Currently the size of the lot determines the number of units in a building.

In order to allow more units to be built, we could change the Planning Code so that the size of the permitted building determines the number of units.

This would not require a change in height.

**more relative the number currently permitted*

DENSITY BASED ON BUILDING SIZE – AN ILLUSTRATION

Building Envelope

- Existing Height Limit
- Commercial and Parking
- Residential, Under Existing Controls

NC-3

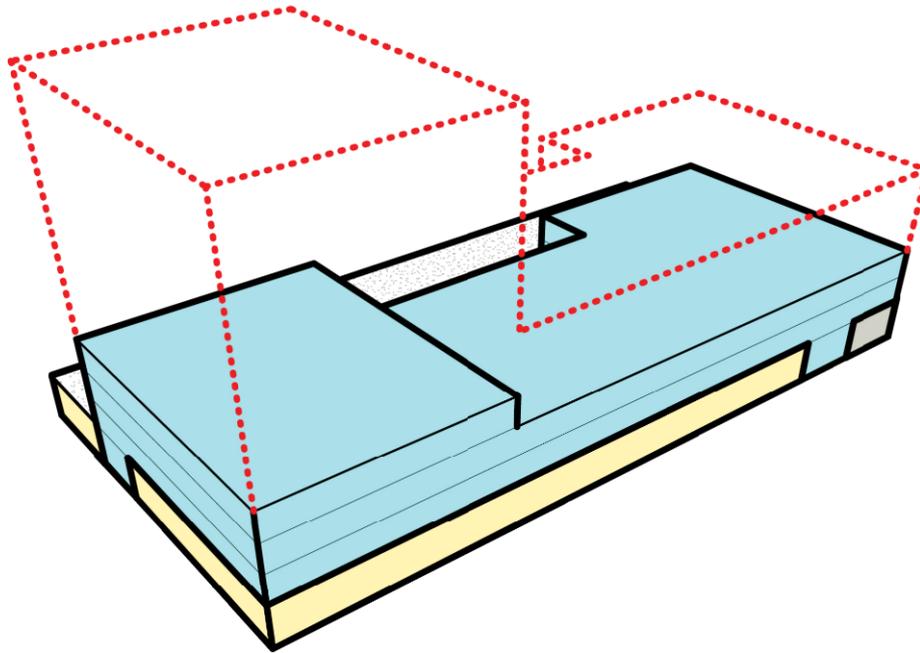
130-E

35,000 sf Lot Area

Density: 1/600 sf

60 Units Allowed

- Encouraging density allows more housing to be developed on a parcel of land.
- For example, building to the red dotted line instead of the yellow & blue boxes.



BASE CASE

SUPPORTING OUR NEIGHBORHOOD GOALS

1

Be a neighborhood where **low and moderate income** San Franciscans can *thrive by protecting vulnerable tenants, homeowners, and businesses.*

2

Maintain and build **housing stock** that can serve *current* residents, and welcome diverse new residents, *including low to high income earners, people of color, and immigrants.*

More housing overall also means **more housing options for all** households and incomes, as well as **more inclusionary affordable** units.

Current Zoning – Vacant Lot

Square Footage	11,749
Units Allowed	20
Affordable Units Required (12%)	2
Min. Number of 2 & 3 bedroom units	5

Increased Density- Vacant Lot

Square Footage	11,749
Units Allowed	26
Affordable Units Required (18%)	5
Min. Number of 2 & 3 bedroom units	7

INCREASING HOUSING CAPACITY: WHAT COULD HEIGHT INCREASES MEAN?

Height Increases

The City Planning Code could allow property developers to construct **more housing units** on a parcel of land *by increasing the allowable height of a building.*

HEIGHT INCREASES

1

Be a neighborhood where **low and moderate income** San Franciscans can *thrive by protecting vulnerable tenants, homeowners, and businesses.*

2

Maintain and build **housing stock** that can serve *current* residents, and welcome diverse new residents, *including low to high income earners, people of color, and immigrants.*

45 FEET – CURRENT HEIGHT

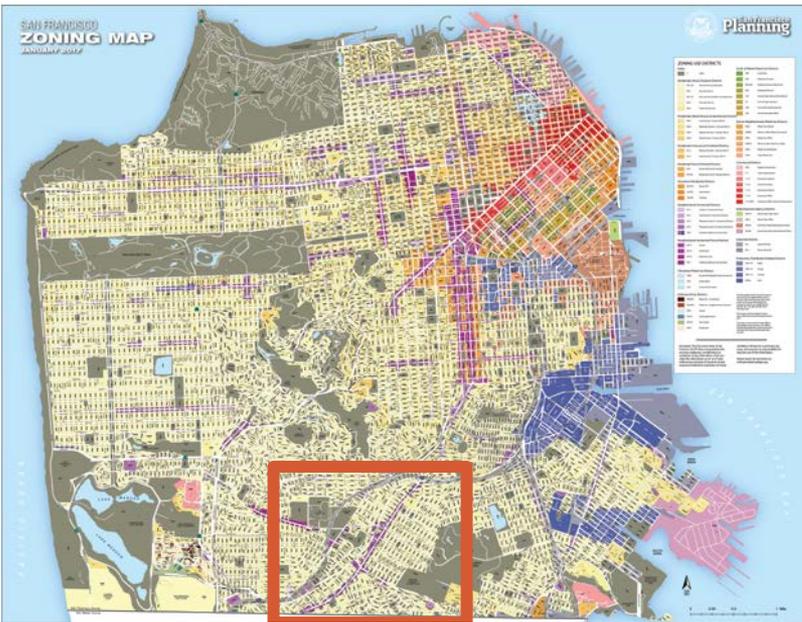
55 FEET

65 FEET

EXCELSIOR

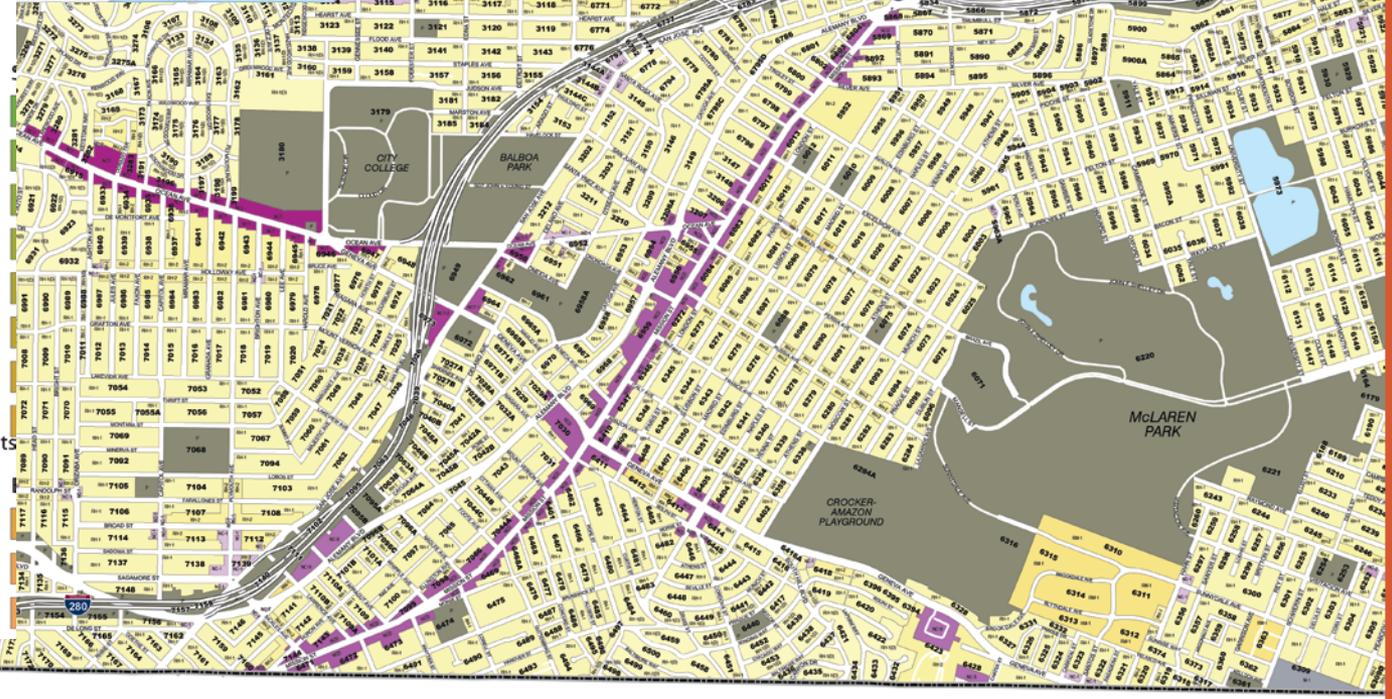
OUTER MISSION

HOMELESS PROGRAM
NEIGHBORHOOD STRATEGY



- Neighborhood Commercial Districts**
- NC-1 Cluster (1 Commercial Story)
 - NC-2 Small-Scale (2 Commercial Stories)
 - NC-3 Moderate-Scale (3+ Commercial Stories)
 - NC-5 Shopping Center (2 Commercial Stories)
 - NCD Individual (Named, Controls Vary)

- Neighborhood Commercial Transit Districts**
- NCT-1 Cluster
 - NCT-2 Small Scale
 - NCT-3 Moderate Scale
 - NCT Individual (Named, Controls Vary)



ZONING USE DISTRICTS

- Public**
- P Public
- Residential, House Character Districts**
- RH-1(D) One Unit Per Lot, Detached
 - RH-1 One Unit Per Lot
 - RH-1(S) One Unit Per Lot, Minor Secondary Unit
 - RH-2 Two Units Per Lot
 - RH-3 Three Units Per Lot
- Residential, Mixed (Houses & Apartments) Districts**
- RM-1 Low Density (1 Unit per 800 sf)
 - RM-2 Moderate Density (1 Unit per 600 sf)
 - RM-3 Medium Density (1 Unit per 400 sf)
 - RM-4 High Density (1 Unit per 200 sf)

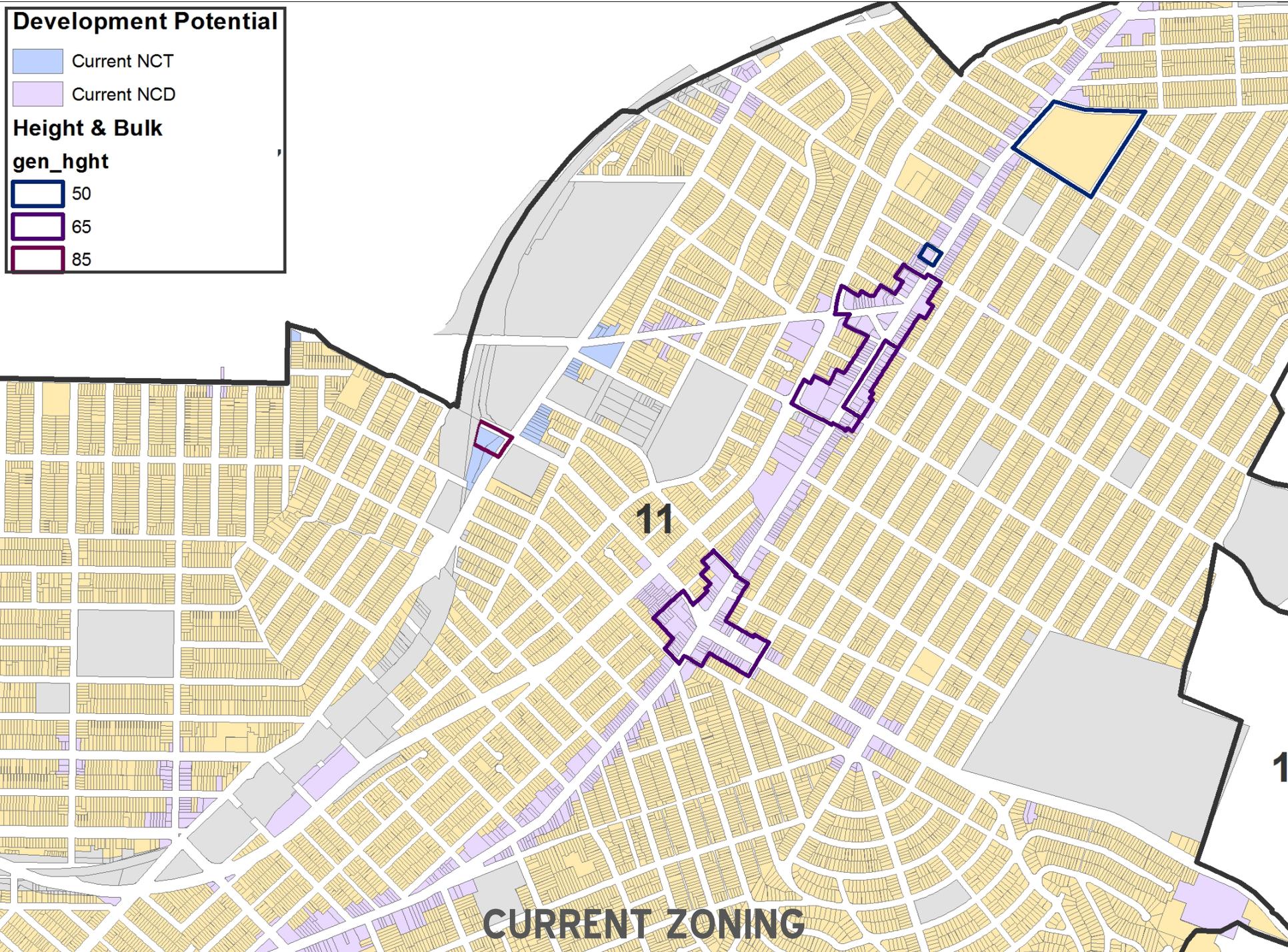
Development Potential

- Current NCT
- Current NCD

Height & Bulk

gen_hght

- 50
- 65
- 85



POTENTIAL DEVELOPMENT UNDER CURRENT ZONING

Type of Site	Current Zoning		Increased Density		Increased Density & 55ft		Increased Density & 65ft	
	Total Units	Inclusionary Affordable	Total Units	Inclusionary Affordable	Total Units	Inclusionary Affordable	Total Units	Inclusionary Affordable
High Opportunity	522	70	760	109	965	150	1165	190
Medium Opportunity	308	32	463	58	574	83	682	104
Depends on Increased Density			917	64	991	81	1075	92
Depends on Increased Density & Height			1057	42	1335	62	1676	118

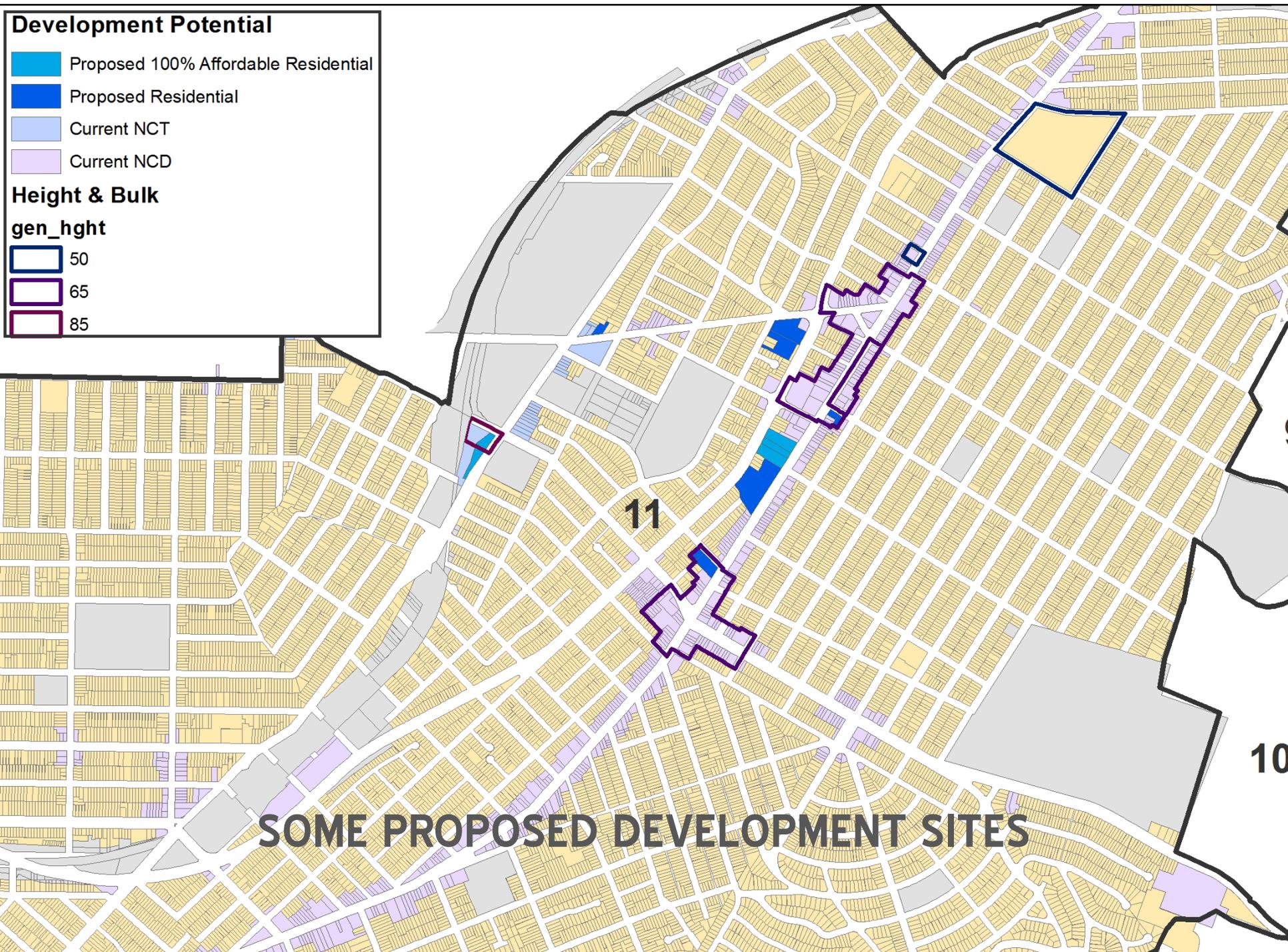
Development Potential

- Proposed 100% Affordable Residential
- Proposed Residential
- Current NCT
- Current NCD

Height & Bulk

gen_hght

- 50
- 65
- 85



POTENTIAL DEVELOPMENT WITH INCREASED DENSITY

Type of Site	Current Zoning		Increased Density		Increased Density & 55ft		Increased Density & 65ft	
	Total Units	Inclusionary Affordable	Total Units	Inclusionary Affordable	Total Units	Inclusionary Affordable	Total Units	Inclusionary Affordable
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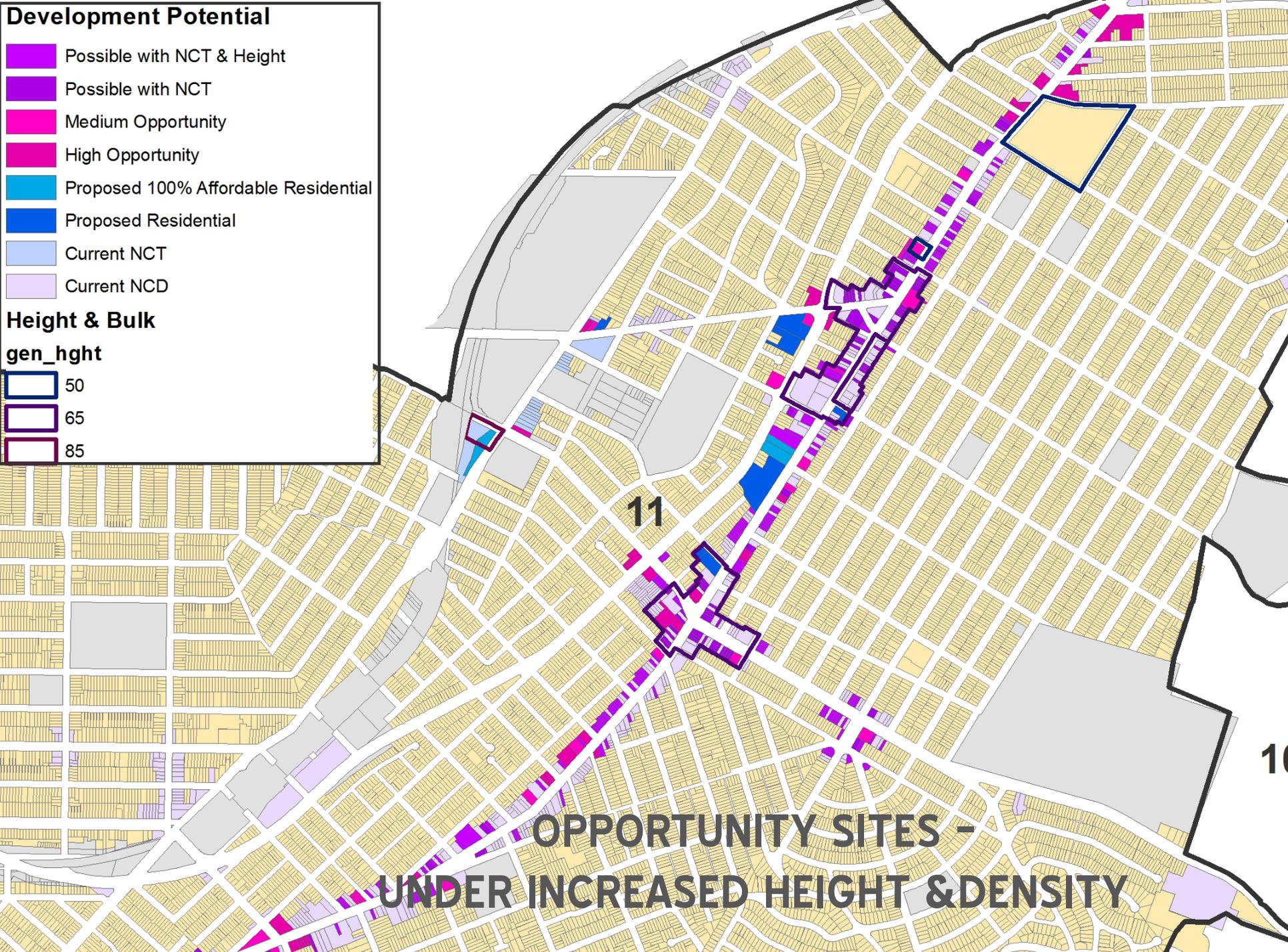
Development Potential

- Possible with NCT & Height
- Possible with NCT
- Medium Opportunity
- High Opportunity
- Proposed 100% Affordable Residential
- Proposed Residential
- Current NCT
- Current NCD

Height & Bulk

gen_hght

- 50
- 65
- 85



POTENTIAL DEVELOPMENT WITH INCREASED DENSITY & HEIGHT TO 55 FEET

Type of Site	Current Zoning		Increased Density		Increased Density & 55ft		Increased Density & 65ft	
	Total Units	Inclusionary Affordable	Total Units	Inclusionary Affordable	Total Units	Inclusionary Affordable	Total Units	Inclusionary Affordable
High Opportunity	522	70	760	109	965	150	1165	190
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POTENTIAL DEVELOPMENT WITH INCREASED DENSITY & HEIGHT TO 65 FT

Type of Site	Current Zoning		Increased Density		Increased Density & 55ft		Increased Density & 65ft	
	Total Units	Inclusionary Affordable	Total Units	Inclusionary Affordable	Total Units	Inclusionary Affordable	Total Units	Inclusionary Affordable
High Opportunity	522	70	760	109	965	150	1165	190
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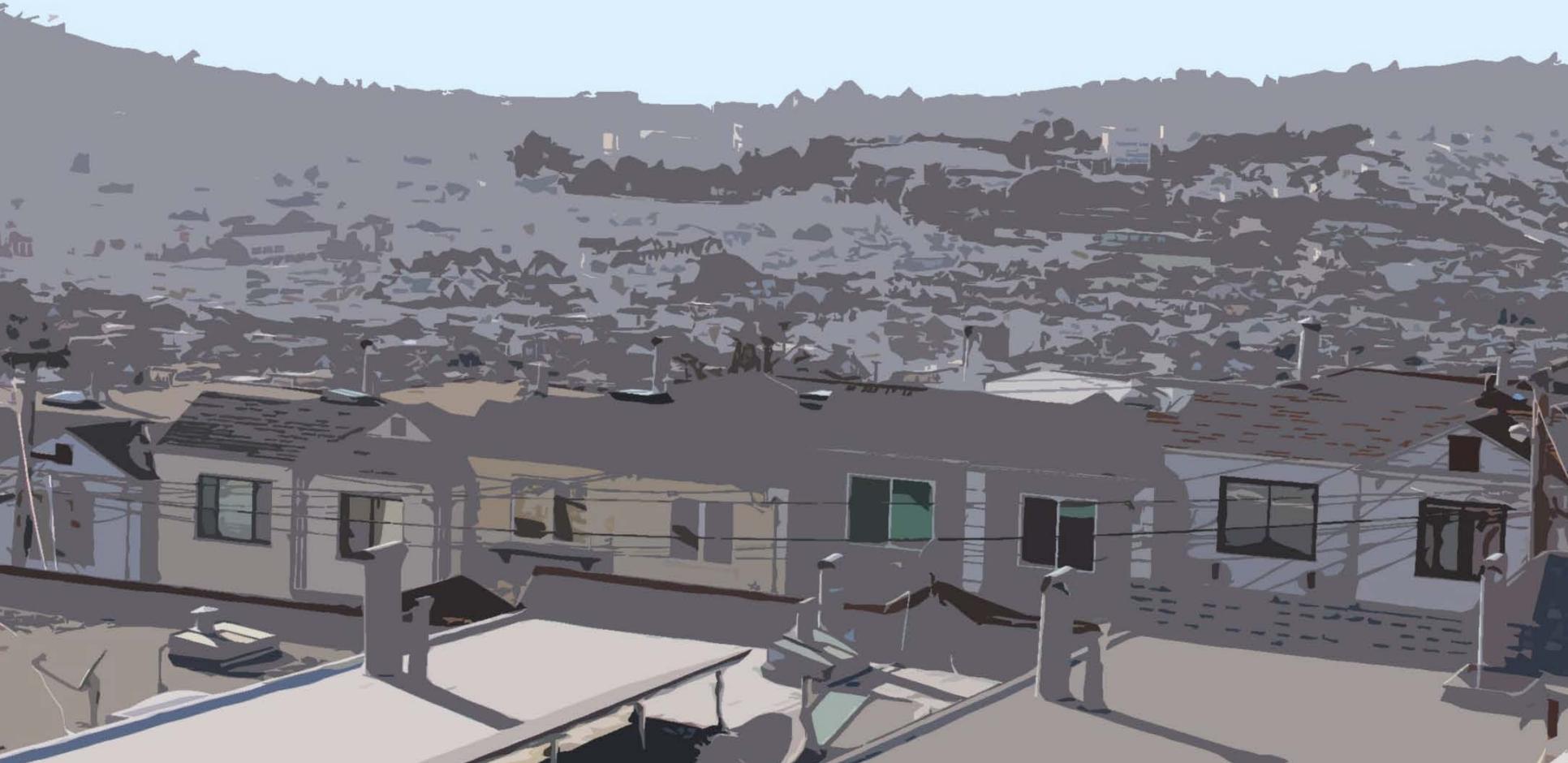
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WHAT'S YOUR STRATEGY



WHAT'S YOUR STRATEGY?

iversity within the Excelsior &
ood Commercial District?

Stay the
Same

WHAT'S YOUR STRATEGY?

**eight within the Excelsior &
Wood Commercial District?**

**Some areas
of 55 ft.**

Stay the Same

FOR THE FULL WORKING GROUP: WHAT IS OUR RECOMMENDATION FOR DENSITY?

- **Discussion**

FOR THE FULL WORKING GROUP: WHAT IS OUR RECOMMENDATION FOR HEIGHT?

- **Discussion**

STRATEGY: HOUSING CAPACITY & COMPREHENSIVE PLANNING

	Strategy	How It Helps
1a	Allow a great number of market rate and affordable housing units through a combination of height & density changes.	
1b	Explore the feasibility of imposing an impact fee on new development.	
1c	If an impact fee is feasible, allocate funding and staffing to create an area plan (neighborhood specific plan).	

Example Area Plan: Balboa Park Station Area Plan

http://sf-planning.org/sites/default/files/FileCenter/Documents/1983-Balboa_Park_Station_Area_Plan_v2.pdf

STRATEGIES FOR AFFORDABLE HOUSING

	Strategy	How It Helps
2	Leverage market-rate development to secure “in lieu” housing fees to pay for 100% affordable housing development.	When housing developers don’t build below-market-rate units on site, they pay a fee to the Mayor’s Office of Housing and Community Development (MOHCD) that supports the construction of 100% affordable housing development.
3	Develop and increase funds dedicated to construction and operation of affordable housing .	By constructing more affordable housing units, tenants can have rental or mortgage prices that match their financial capacity.
4	Develop a land strategy for the development of 100% affordable housing.	Identifying some parcels that can become 100% affordable housing and partnering directly with those land owners can facilitate housing development. Potential locations are parking lots owned by community-serving organizations and the City.
5	Develop a small sites acquisition strategy for the Excelsior & Outer Mission.	Small sites acquisition helps protect rent-controlled buildings by purchasing them and continuing to rent them to low and moderate income San Franciscans.

STRATEGIES FOR INCREASING HOUSING

Strategy

How It Helps

6

Encourage use of **density bonus programs**, like HOME-SF, State Density Bonus, etc. to build more housing units.

Density bonus programs—which currently exist—could be tweaked to make them more feasible and attractive.

7

Appropriately and responsibly expedite the development of housing.

Create a neighborhood specific zoning plan and/or use state law to establish a **"Sustainability District"** in the neighborhood.

8

Develop **design expectations** that can be communicated with developers of new buildings.

The development of the Crocker Amazon Senior Apartments reflects a good design and good process. Clear expectations can communicate neighborhood expectations to developers.

9

Research the **impacts of allowing a greater diversity of uses and business types** within the commercial district.

This could allow a greater array of job types and services to be located within the neighborhood. Creating more dynamic offerings.

STRATEGIES TO PROTECT TENANTS

Strategy

How It Helps

10

Explore creating **laws to limit speculative investment**, second homes (non-primary residences), and foreign investment

Ensuring that San Francisco units are used by full-time residents and limiting real-estate speculation can stabilize rental prices and free up existing units.

11

Develop a "**Right of First Refusal**" **policy** that will allow tenants the first right to purchase a building or home when it goes up for sale.

If homes and buildings for sale must first be offered to the tenants, a conversation can occur between the tenants and the seller. In some cases, a deal could be made.

12

Develop **Relocation Assistance** policy to help tenants displaced from their housing.

13

Regulate and monitor "**tenant buyouts**".

COMMERCIAL DISPLACEMENT PREVENTION STRATEGIES

Strategy

How It Helps

14

Develop an **acquisition fund** to help **small businesses** purchase the property where their business is located

Ownership can provide stability for commercial tenants.

15

Explore means to explore **Cultural Preservation & Promotion** (such as a cultural district)

This could help preserve and enhance the many cultures that make the Excelsior & Outer Mission special.

16

Encourage condoization of commercial units so they can be purchased by business owners

Purchasing a commercial condo can be less expensive than purchasing an entire building.

17

Promote **legacy business status** for more businesses to increase stability with leases

The legacy business program provides incentives for landlords to renew leases and other assistance for long-term neighborhood businesses.

18

Moderate the size of commercial units in new development so they are lower in cost

This can help entrepreneurs afford space and avoid the challenge of brand-new empty store fronts.

DISPLACEMENT MITIGATION & PREVENTION STRATEGIES

FROM MISSION ACTION PLAN 2020 AND CURRENTLY UNDERWAY

Strategy

How It Helps

a

Culturally relevant and linguistically responsive **tenant counseling & legal assistance**

Helping tenants stay in their homes through education and legal assistance is a great way to promote stability.

b

Create/expand **community education** campaign for residents at risk of eviction

Helping tenants stay in their homes through education and legal assistance is a great way to promote stability.

c

Expand existing services that **help residents gain access to below market rate housing**

Tenants often need help navigating the affordable housing application process.

d

Maximize acceptance of **rental subsidies**

Persuading landlords to accept the subsidies can expand more homes to low and moderate income San Franciscans.

IOR

OUTER MISSION

NEIGHBORHOOD STRATEGY

DISPLACEMENT MITIGATION & PREVENTION STRATEGIES

FROM MISSION ACTION PLAN 2020 AND CURRENTLY UNDERWAY

Strategy

How It Helps

e

Create city enforcement mechanism to monitor/enforce **compliance with eviction ordinances** and temporary relocation due to repair, construction, or fire

Many laws are only as good as enforcement efforts. This includes laws governing tenants' rights.

f

Identify mechanism to **improve enforcement of restrictions on short-term rentals** and mechanisms to achieve compliance and enforcement

Short-term rental laws govern companies like Air Bnb or VRBO. Enforcement ensures housing units don't become full-time short term rentals.

g

Expand analysis of **eviction data**

The more we know about evictions, the better the city can work to help those facing eviction.

h

Encourage and support policy efforts to **amend the Ellis Act** to exempt San Francisco from certain provisions

The Ellis Act allows landlords to evict tenants if they are "leaving the rental business." It can also, though, lead to real-estate speculation.

EXCELSIOR

OUTER MISSION

NEIGHBORHOOD STRATEGY



THANK YOU!



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INCREASING HOUSING CAPACITY CAN HELP ACHIEVE OTHER STRATEGY GOALS

1

Mission Street is safe & inviting for pedestrians

2

Encourage active street frontage

3

Encourage more jobs on the commercial corridor to bring opportunities to residents and bring more daily visitors to the corridor

4

Develop a stable and secure source of funds to construct, maintain, and enhance public realm improvements.

5

Use art and design to create a sense of place that reflects and reinforces the character and identities of the area.

AFFORDABLE HOUSING STRATEGY

- Develop a **land strategy** for the development of 100% affordable housing.
- Develop and **increase funds dedicated** to construction and operation of **affordable housing**.

CONSTRUCTING MORE AFFORDABLE UNITS

Subsidy of 100% Affordable

- Uses a variety of sources (tax credits, grants, fees paid by developers) to construct new buildings for low income San Franciscans.
- Through these programs, can serve very-low income individuals and families
- Need subsidy to build and operate.

Leveraging Market Rate

- When building a new building, developers also build units that serve low and moderate income households
- Required by law to build or pay a fee
- Under HOME-SF, if developers build 30% below-market-rate (BMR) developers have a 2 additional stories.

DEVELOP A LAND STRATEGY FOR THE DEVELOPMENT OF 100% AFFORDABLE HOUSING.

Opportunity

- Community-based organizations (such as churches or child care) may have excess space that can become housing (parking lots, etc).
- Can provide some revenue to the organization as well as housing.

Challenges

- There is a cost to acquiring and holding land.
- Can be risky to acquire land without funding committed to construction.
- Can be challenging to work with multiple parties to develop property.
- “Excess” land is in the eye of the beholder.

DEVELOP AND INCREASE FUNDS DEDICATED TO CONSTRUCTION AND OPERATION OF AFFORDABLE HOUSING.

Some Local Sources

- Housing Bond
- In-lieu fees
- Annual Budget Process



APPROPRIATELY STREAMLINE THE DEVELOPMENT OF HOUSING

Corridor Specific Zoning Plan & Environmental Review

- Establish specific zoning for the Excelsior & Outer Mission Neighborhood Commercial District (and project area)
- Complete program level environmental review
- This requires time & funding

Sustainability District

- State law allows jurisdictions to establish housing sustainability districts.
- Very similar to a specific plan
- Requires 20% affordable units w/in the district, and prevailing wage.
- Allows program-level EIR to serve as environmental clearance for projects meeting sustainability district standards.