Market Octavia Plan Amendment

Planning Commission | February 13, 2020

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Citywide Planning

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sfplanning.org/hub
Project Overview
Recommendations
Key Legislative Changes
Development interest in the area

The Hub

Market & Octavia Plan Area

2008

2012

2016

Market Octavia Plan Amendment
## Project Timeline

<table>
<thead>
<tr>
<th>DATE</th>
<th>MILESTONE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 2016</td>
<td>Project start-up, existing conditions analysis, stakeholder meetings.</td>
</tr>
<tr>
<td>April 2016</td>
<td>Workshop #1: Urban Form, Land Use, and Public Benefits</td>
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<tr>
<td>June 2016</td>
<td>Workshop #2: Public Realm</td>
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<tr>
<td>March 2017</td>
<td>Workshop #3: Refined Options and Designs</td>
</tr>
<tr>
<td>Oct 2017</td>
<td>Environmental Review Process began</td>
</tr>
<tr>
<td>June 2019</td>
<td>Workshop #4: Project Update + Public Benefits</td>
</tr>
<tr>
<td>July 2019</td>
<td>DEIR released</td>
</tr>
<tr>
<td>Jan 2020</td>
<td>Workshop #5: Project Update</td>
</tr>
<tr>
<td>Feb 2020</td>
<td>Planning Commission Initiation Hearing</td>
</tr>
<tr>
<td>March 2020</td>
<td>Planning Commission Adoption Hearing on or after March 12</td>
</tr>
</tbody>
</table>
PROJECT GOALS

Increase housing and affordable housing near transit

Develop and coordinate designs for the public realm

Create robust public benefits package and prioritize projects for implementation
PROJECT DELIVERABLES

1. Amend the **Market & Octavia Area Plan**
   - Height Map
   - Zoning Map
   - Objectives and policies

2. Amend the **Planning Code** to reflect land use and policy changes

3. Update the **Market & Octavia Implementation Plan**
THE LANDSCAPE
RECOMMENDATIONS
Market Octavia Plan Amendment

**Land Use**

- **EXISTING**
  - General Commercial (C-3-G) + Van Ness & Market Residential Special Use District (SUD)

- **PROPOSED**
  - Neighborhood Commercial (NCT-3)
  - General Commercial (C-3-G) + Van Ness & Market Residential Special Use District (SUD)
8,070 units

9,710 units

Maximum
Heights

EXISTING

PROPOSED
Public Realm

- Streets proposed for improvements
- Living Alley improvements

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Public Benefits Summary

EXISTING

$728 Million

PROJECTED

$958 Million

30% increase in public benefits
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Affordable Housing Resources

1. Inclusionary Requirements (Sec. 415) - $528 M
   - 23% affordable units

2. Market and Octavia Area Plan and Upper Market Neighborhood Commercial District Affordable Housing Fee (Sec. 416) - $154 M
   - 23% affordable units

3. Van Ness and Market Affordable Housing and Neighborhood Infrastructure Fee and Program (Sec 424)
   - $682 M
   - 29% affordable units + fees

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Inclusionary Rates Increase Citywide

<table>
<thead>
<tr>
<th></th>
<th>All Projects</th>
<th>Small Projects 10 - 24 units</th>
<th>Large Projects 25 units or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-Site</td>
<td>12%</td>
<td>13.5%</td>
<td>20.5%</td>
</tr>
<tr>
<td>Off-Site or Fee</td>
<td>20%</td>
<td>20%</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>33%</td>
</tr>
</tbody>
</table>

* "Grandfathered" rates depending on size, location, and EEA accepted date
** On-Site rates increase annually. Applies to EEA accepted on or after Jan 12, 2016

More info: [https://sfplanning.org/project/inclusionary-affordable-housing-program](https://sfplanning.org/project/inclusionary-affordable-housing-program)

BEFORE JUNE 2016 *

RENTAL

OWNER
Purpose: Studying the feasibility of increasing the inclusionary housing requirements and/or adding new fees and development requirements.

Findings: Limited Capacity

- San Francisco is currently the most expensive market to build in the world.
- Construction costs increased 5% in 2018 and **doubled** since 2013.

- On-site inclusionary housing requirements have increased 67% since 2016, and will continue to increase annually.
- Projects in this area are subject to additional housing fees above 415 requirements, this fee is unique and higher than elsewhere in the city.
Public Benefits Package

Affordable Housing  Transit  Complete Streets  Schools and Childcare  Open Space
Proposed Public Benefits: **Affordable Housing**

- $682 Million
- For new on-site units and affordable housing resources
  - 2,200 affordable housing units
  - 434 additional affordable units (above existing zoning)
  - Achieve 29% affordable units overall
Proposed Public Benefits: *Transit*

$116 Million

For improvements to transit service and capacity including modernization of Van Ness Station

- Specific projects to be identified and informed by the Van Ness Station Capacity Study led by SFMTA
Proposed Public Benefits: Complete Streets

$71 Million
For street and alley improvements

1. Redesign of major streets in the Plan Area to be safe and comfortable for people walking, biking, and on transit.
2. Living alleys
$57 Million
For childcare centers and schools

- $20M New childcare centers
- $37M Capital Investments in schools serving K-12 population

Proposed Public Benefits: Schools and Childcare
$32 Million
For new parks and enhancements to existing open spaces

1. New Park at 11th and Natoma
2. Improvements to Buchanan Mall
3. Improvements to Koshland Park
4. New/Improved Civic Center Public Spaces
5. Other open spaces in the Hub area TBD

Potential Public Benefits: Open Space

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EQUITY ASSESSMENT
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Communities of Concern

[Map showing Market & Octavia Plan Area and The Hub]
• Decrease displacement risk of low income, people of color and other vulnerable populations.

• Decrease displacement risk of small businesses in and adjacent to the Hub.

• Increase affordable housing options for low income residents and communities of color.

• Ensure sidewalks are comfortable and safe for everyone.

• Program impact fee money with an equity lens and engage vulnerable populations in the process to ensure that they benefit from investment and opportunities.

Equity Assessment: Equity Goals
More housing near major local and regional transit lines, providing access to jobs, amenities, and opportunities.

Up to 2,200 affordable housing units and 682M in affordable housing resources for the City.

Improved streets and alleys, improved safety for people to walk and bike.

New and improved open space and recreational amenities.

No loss of existing housing units.

**Equity Assessment: Anticipated Benefits**
Equity Assessment: Potential Burdens

- Potential modest loss of retail and industrial jobs.
- Over time, risk of small businesses displacement and turnover due to changing demographics and new retail demands.
- Less tolerance for homeless encampments.
• Concerns that ground floor uses may not be neighborhood serving.

• Concerns that the design of new buildings, could be uninviting to a diverse population.

• Concerns that new market rate housing could add to gentrification pressures in adjacent neighborhoods

**Equity Assessment: Additional Community Concerns**
• Build more housing, including affordable housing

• Limit direct displacement by not increasing heights on sites with existing housing.

• Expand boundary in which impact fee money can be spent to serve a larger population including low income residents and communities of color in adjacent neighborhoods.

• Work with private development to conduct outreach to better reach low income residents and communities of color.

• Harness existing city programs around housing and small business protection, preservation and production.

• Transition potential homeless encampments with support from the Department of Homelessness and Supportive Housing (HSH).

• Add a new policy in the Market and Octavia Area Plan to apply a racial and social equity lens to future planning decisions.

Equity Assessment: **Strategies to Mitigate Burdens**
San Francisco Sustainable Neighborhood Framework

Integrating & Supporting EQUITY - RESILIENCE - CLIMATE Benefits & Considerations

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**Road Map Summary: Market/Octavia Example**

<table>
<thead>
<tr>
<th>GOALS</th>
<th>TARGETS</th>
<th>EXISTING REQUIREMENTS</th>
<th>PLAN POLICIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zero Emission</td>
<td>- Bike parking by unit [Planning]</td>
<td>- Bike parking by bedroom + scaled for cargo bikes</td>
<td>(City Policy Direction, The Hub Regulation)</td>
</tr>
<tr>
<td></td>
<td>- 100% EV-ready, off-street parking [Green Building]</td>
<td>- EV charging, on-street parking</td>
<td></td>
</tr>
<tr>
<td>Non-Toxic</td>
<td>- Low-emitting materials [GBC]</td>
<td>- Zero-emitting materials</td>
<td></td>
</tr>
<tr>
<td>Comfortable</td>
<td>- High-quality air filtration [Health, Art 38]</td>
<td>- Shading and living walls</td>
<td></td>
</tr>
<tr>
<td>Efficient</td>
<td>- Mixed-fuel bldgs 10%+ efficient [Title 24/GBC]</td>
<td>- All-electric buildings and systems (no natural gas)</td>
<td></td>
</tr>
<tr>
<td>Carbon Free</td>
<td>- 15% roof as solar PV or thermal [GBC] OR living roof</td>
<td>- 15% roof solar PV or thermal hot water (up to 120')</td>
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<tr>
<td></td>
<td>- All-electric preferred development [GBC]</td>
<td>- Battery storage for resilience</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Renewable Electricity, large comm [Environment]</td>
<td>- Renewable electricity purchase, all bldgs</td>
<td></td>
</tr>
<tr>
<td>Smart Operations</td>
<td></td>
<td>- Smart systems and plug loads</td>
<td></td>
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<tr>
<td>Green</td>
<td>- 30% Living Roof alternative [PC] OR solar</td>
<td>- 30% living roof (up to 120')</td>
<td></td>
</tr>
<tr>
<td>Biodiverse</td>
<td>- Bird Safe Buildings [PC]</td>
<td>- 50% minimum local and California natives</td>
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<tr>
<td>Healthy</td>
<td>- Integrated Pest Management, City facilities</td>
<td>- Non-toxic landscaping practices, private development</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>- Access to healthy and affordable food</td>
<td></td>
</tr>
<tr>
<td>Regenerative</td>
<td>- Non-potable water, flushing &amp; irrigation [Health, 12]</td>
<td>- 100% climate appropriate species</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Water balance model, low-water landscaping [PUC]</td>
<td>- Non-potable water for cooling &amp; street cleaning</td>
<td></td>
</tr>
<tr>
<td>Flood Safe</td>
<td>- Stormwater/urban flood disclosure [Police]</td>
<td>- Build to 100-yr storm + SLR elevations</td>
<td></td>
</tr>
<tr>
<td>High Quality</td>
<td>- Reduce and slow stormwater runoff [SMO]</td>
<td>- Prioritize green infrastructure</td>
<td></td>
</tr>
<tr>
<td>Responsible</td>
<td>- Material use, various LEED points [GBC]</td>
<td>- Focus on low-carbon materials</td>
<td></td>
</tr>
<tr>
<td>Reduced Waste</td>
<td>- Recycling &amp; composting, buildings [Env, Bldg]</td>
<td>- Recycling &amp; composting, open spaces</td>
<td></td>
</tr>
<tr>
<td>Recovered/Reused</td>
<td>- 65% construction waste diversion [Env, Bldg]</td>
<td>- 75% Construction waste diversion</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>- Maximum deconstruction &amp; material re-use</td>
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</tbody>
</table>
NEW AREA PLAN OBJECTIVES + POLICIES

OBJECTIVE 3.2
ENHANCE ENVIRONMENTAL SUSTAINABILITY THROUGH BUILDING DESIGN

- Policy 3.2.1
  Support healthy indoor and outdoor air quality

- Policy 3.2.2
  Support biodiversity and connect people to nature.

- Policy 3.2.3
  Maximize energy efficiency and use of renewable sources

- Policy 3.2.4
  Maximize water conservation, protect from flooding, and support local watershed health.

- Policy 3.2.5
  Support the City’s zero waste goal in building design and operation by prioritizing responsible materials, reduced consumption, and material recovery and reuse.
KEY LEGISLATIVE CHANGES
PROPOSED LEGISLATION

1. **General Plan** Amendment
2. **Planning Code** Amendment
3. **Zoning Map** Amendment
4. **Planning Code** Amendment and **Business + Tax Code Regulations** Amendment (to establish the Hub Housing Sustainability District)
<table>
<thead>
<tr>
<th>Topic</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Racial + Social Equity</td>
<td>Apply a racial + equity lens to decision making</td>
</tr>
<tr>
<td>Land Use + Urban Form</td>
<td>Update purpose and related policies of the SUD</td>
</tr>
<tr>
<td>Housing</td>
<td>Incorporate policies to address families with children and tenant protections</td>
</tr>
<tr>
<td>Sustainability</td>
<td>Incorporate policy direction that supports sustainability and climate resilience</td>
</tr>
<tr>
<td>Streets + Open Spaces</td>
<td>Update policies to reflect the Hub Public Realm Plan</td>
</tr>
<tr>
<td>Arts</td>
<td>Add a new policy to encourage non profit arts on ground floor</td>
</tr>
<tr>
<td>Misc.</td>
<td>Non substantive changes to explanatory text and updates as needed</td>
</tr>
</tbody>
</table>

General Plan Amendments - Summary
<table>
<thead>
<tr>
<th>Topic</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarify the Van Ness and Market SUD</td>
<td>Amend selected policies to support the vision of the SUD as outlined in the Market and Octavia Area Plan</td>
</tr>
<tr>
<td>Parking</td>
<td>Conditional Use for additional parking not permitted</td>
</tr>
<tr>
<td>Neighborhood-Supporting Uses</td>
<td>Require micro-retail; require a Conditional Use authorization for retail uses larger than 6,000 sq/ft and for Formula Retail.</td>
</tr>
<tr>
<td>Bulk</td>
<td>Changes to the floor plate size; new tower sculpting controls.</td>
</tr>
<tr>
<td>Public Benefit</td>
<td>Expand the area in which impact fees can be spent; update the list of infrastructure projects to be funded with impact fees; allow in-kind credit for TSF; allow in-kind credit if exceed on-site inclusionary requirements.</td>
</tr>
<tr>
<td>309 Exceptions</td>
<td>Micro retail and additional height and bulk</td>
</tr>
</tbody>
</table>
ZONING MAP AMENDMENT

1. Rezone NCT-3 parcels to C-3-G
2. Rezone some publicly owned parcels from NCT-3 to P
3. Expand the Van Ness and Market Special Use District to the entire area
4. Establish new maximum height and bulk districts on 18 sites
Market Octavia Plan Amendment

### HUB HOUSING SUSTAINABILITY DISTRICT (HSD)

<table>
<thead>
<tr>
<th>FILE NO.</th>
<th>ORDNANCE NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>[Business and Tax Regulations, Planning Codes - Hub Housing Sustainability District]</td>
</tr>
<tr>
<td>1</td>
<td></td>
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<tr>
<td>2</td>
<td>Ordinance amending the Business and Tax Regulations and Planning Codes to create the Hub Housing Sustainability District, encompassing an area generally bounded by Height Street from Octavia Boulevard to Gough Street, Gough Street from Height Street to Page Street, Franklin Street from Page Street to Fell Street, Fell Street from Franklin Street to Van Ness Avenue, Van Ness Avenue from Fell Street to Hayes Street, Hayes Street from Van Ness Avenue to Larkin Street, Market Street from Ninth Street to 10th Street, street, midblock between 10th Street and 11th Street from Market Street to Mission Street, Mission Street from 10th Street to Washburn Street, a portion of Washburn Street, Rincon Street from 10th Street to just past Lafayette Street (with certain lots excluded), midblock between Lafayette Street and 12th Street to Howard Street, Howard Street just north of 12th and 13th streets, and 13th Street to Octavia Boulevard and Height Street], to provide a streamlined and ministerial approval process for certain housing projects within the District meeting specific labor, on-site affordability, and other requirements; creating an expedited Board of Appeals process for appeals of projects within the District; and making approval findings under the California Environmental Quality Act, findings of public convenience, necessity, and welfare under Planning Code, Section 302, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 191.1.</td>
</tr>
</tbody>
</table>

**1** Allows for ministerial approval of some housing projects

**2** Would generally apply to:
- Buildings 120’ and lower
- Projects that do not seek discretionary approval by the Planning Commission

**3** Projects have to meet certain criteria including:
- On-site affordable housing
- At least 10% of the units for very low or low income households

NOTE: Unchanged Code text and unmodified text are in plain Arial font. Additions to Code are in single-pitch font. Deletions to Code are in underlined light face. New sections and new amendments are bold.

Board amendment deletions are in double-pitch font.

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Market Octavia Plan Amendment
$276 M
- 71M additional fees for streets, alleys, transit, open space, childcare, schools.
- Funding for parks in Soma + the Western Addition.

$682M
- 164M additional affordable housing resources.
- 1,640 additional units.
- 434 additional affordable units.
- 29% affordable units.
ACTION BEFORE THE COMMISSION

1. Initiate the amendments to the **General Plan**
2. Initiate the amendments to the **Planning Code**
3. Initiate the amendments to the **Zoning Map**
4. Initiate the amendments to the **Planning Code** and **Business + Tax Code Regulations** (to establish the Hub Housing Sustainability District)

1. Schedule an adoption hearing on or after March 12, 2020
Market Octavia Plan Amendment

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sfplanning.org/project/market-street-hub-project