Market and Octavia Area Plan Amendment

Planning Commission | May 21, 2020
1. Project Overview

2. Comments Post Initiation Hearing

3. Proposed Legislation
Market and Octavia Area Plan Amendment

Development interest in the area

The Hub

Market & Octavia Plan Area

2008

2012

2016
PROJECT DETAILS

18 sites

1,640 Additional Housing Units

$235M Additional Impact Fee Revenue

430 Additional Affordable Units

Market and Octavia Area Plan Amendment
## Project Timeline

<table>
<thead>
<tr>
<th>DATE</th>
<th>MILESTONE</th>
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</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>
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<tr>
<td>June 2019</td>
<td>Workshop #4: Project Update + Public Benefits</td>
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<tr>
<td>July 2019</td>
<td>DEIR released</td>
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<tr>
<td>Jan 2020</td>
<td>Workshop #5: Project Update</td>
</tr>
<tr>
<td>Feb 2020</td>
<td>Planning Commission Initiation Hearing</td>
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<tr>
<td>May 2020</td>
<td>Planning Commission Adoption Hearing</td>
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</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
COMMENTS POST INITIATION HEARING
EXISTING CONDITIONS
RACIAL AND SOCIAL EQUITY ACTION PLAN
EQUITY AND COMMUNITY STABILIZATION
HOUSING
TRANSPORTATION
GROUND FLOOR + COMMUNITY SERVING USES
PUBLIC BENEFITS
EXISTING CONDITIONS
• Provide basic demographic data.

• What is the level of the population living at poverty and low-income level?

• Data on the unhoused population?
Data from the 2014-2018 U.S. Census American Community Survey 5-Year Estimates

Seven census tracts that intersect with the Hub boundary.

The Hub boundary represents about 10% of this geography.
### Demographics

**No. of Households**
- Greater HUB Area: 19,013
- Citywide: 359,673

**Median Household Income**
- Greater HUB Area: $72,031
- Citywide: $104,917

**Family / Non-Family Households**
- Greater HUB Area:
  - Family: 28.6%
  - Non-Family: 71.4%
- Citywide:
  - Family: 47%
  - Non-Family: 53%

**Single Persons Households**
- Greater HUB Area: 55.11%
- Citywide: 37%

**Households with Children**
- Greater HUB Area: 10.31%
- Citywide: 19%

**Average Household Size**
- Greater HUB Area: 1.78
- Citywide: 2.8

**Average Family Household**
- Greater HUB Area: 2.87
- Citywide: 3.3

**Median Family Income**
- Greater HUB Area: $95,602
- Citywide: $123,291

**Percentage of Households Without a Car**
- Greater HUB Area: 58%
- Citywide: 30%

**Households with Seniors (60+)**
- Greater HUB Area: 23.97%
- Citywide: 34%

*Note: This data includes the Census tracts that intersect with the Hub boundary. This data includes a larger geography than the Hub boundary.*

Source: 2014-2018 U.S. Census American Community Survey 5-Year Estimates
**Demographics**

**Total No. of Housing Units**
- 21,433 Greater HUB Area
- 390,376 Citywide

**Owner / Renter Occupied Units**
- 13% Owner Greater HUB Area
- 87% Renter Greater HUB Area
- 37% Owner Citywide
- 63% Renter Citywide

**Structure Type**
- 63% 20 Units or More

**Unit Size**
- 36% No Bedroom
- 22% 2 Bedroom
- 34% 1 Bedroom

**Median Rent / Median Home Values**
- $1,426 Rents Greater HUB Area
- $1,643 Citywide
- $909,986 Home Values Greater HUB Area
- $927,400 Citywide

**Evictions**

*Note: This data includes the Census tracts that intersect with the Hub boundary. This data includes a larger geography than the Hub boundary. Source: 2014-2018 U.S. Census American Community Survey 5-year Estimates*
Unsheltered and Sheltered Point-in-time Count Results By District

Source: 2019 San Francisco Homeless Point-in-Time Count & Survey
• What is the timing of the Department’s Racial and Social Equity Plan?

• What is the community process for Phase 2 of the Racial and Social Equity Plan?

• Clarification on what the assessment tool is and how it is used.

• The assessment tool needs further refinement.
Office of Racial Equity legislation requires all Departments to complete an action plan by the end of 2020.

Phase I of the Department's Action Plan was adopted by the Planning Commission in Fall 2019.

Phase II is underway with community engagement originally scheduled for Summer 2020.

Phase II includes the use of the Assessment Tool which is being applied to certain projects and will be refined as part of Phase II.
EQUITY AND COMMUNITY STABILIZATION
• Need a plan for stabilization and protection of existing buildings and businesses

• How do the citywide community stabilization efforts play into this area?

• Need to apply racial and social equity tool to impact fee programming.

• Need to identify mitigations to address development impacts.

• Monitoring is not sufficient without action.
The Department is working with community and City agency partners to advance racial and social equity and community stabilization through a number of different initiatives and projects.

- **Citywide**: Racial and Social Equity Initiative, Community Stabilization Initiative (CSI), Housing Affordability Strategy (HAS), and the Environmental Justice updates to the General Plan

- **Community specific efforts**: Cultural Districts Program, MAP 2020, Tenderloin community planning, Civic Center Public Ream Plan and more.
- The Hub is directly adjacent to existing cultural districts where the City is actively working with the community and community based organizations to stabilize and celebrate the district.

- This work involves developing strategic plans to address community needs whether it be housing, historic and cultural assets or community stabilization.
Harness existing city programs to stabilize and protect existing residents and businesses in the Hub and the adjacent neighborhoods.

- Workforce development, employment, and business retention programs
  *Examples: Legacy Business Program, Invest in Neighborhoods, Small Sites program*

- Affordable housing
  *Examples: small sites acquisition, lottery preference program*
Proposed legislative changes to improve equitable outcomes:

• Expand the boundary in which impact fee money can be spent to fund improvements in the adjacent neighborhoods.

• Broaden the membership of the Market and Octavia CAC.

• Identified future sites for 100% affordable housing.

• Add a land dedication option to meet affordable housing requirements.

• Add requirements to support community serving uses at the ground floor.

• Expand the unit mix requirements to support more family friendly units.

• Design a welcoming/inclusive aesthetic for future buildings and open spaces.

• New General Plan policy to apply a racial and social lens to future land use decisions.
HOUSING
• Explore a new AMI for the Hub area.
• Concern that the AMI is too high.
• Concern that larger unit sizes makes units more expensive.
• Require on-site BMRs and do not allow off-site BMRs.
• Identify sites for affordable housing.
• Need a plan for stabilization and protection of existing housing.
• Concern about gentrification pressure on adjacent neighborhoods.
**Area Median Income**

- Typically calculated at the metro area/county level, not the neighborhood level.
- Depends on household size
- Updated every year by HUD using data from the census
- HUD calculates 100% AMI for a family of 4 for cities and regions across the entire United States

**Household Median Income**

- Median income for all households
- Does not account for household size

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**Median Household Income**

- Greater HUB Area: $72,031
- Citywide: $104,917
NEIGHBORHOOD AMI

- Varying neighborhood AMIs make it harder for developers and city staff to align different funding sources to build and run housing.

- Varying AMIs also make it harder for residents to know what units they qualify for and can afford in different areas.

- A neighborhood AMI does not address the fundamental challenge of how to subsidize units to be affordable to people with lowest incomes.

- Could change financial feasibility of developments by requiring deeper subsidy and could justify lower inclusionary rates.
### Market and Octavia Area Plan Amendment

<table>
<thead>
<tr>
<th></th>
<th>The Hub</th>
<th>Hub + 1/2 Mile Buffer</th>
<th>Market Octavia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent Controlled Units</td>
<td>461</td>
<td>20,833</td>
<td>7,372</td>
</tr>
<tr>
<td>Existing BMR Units</td>
<td>567</td>
<td>11,840</td>
<td>2,582</td>
</tr>
<tr>
<td>Total Residential Units In Area</td>
<td>3,094</td>
<td>44,686</td>
<td>15,597</td>
</tr>
</tbody>
</table>

- **Existing Stabilized in Area**: 37%, 75%, 66%
- **Existing BMR in Area**: 22%, 28%, 18%

- **340 Valencia St**: 254 Units
- **1400 Mission St**: 167 Units
- **365 Fulton St**: 120 Units

Stabilized Housing
Below Market Rate (BMR) Housing
Sites Identified for 100% Affordable Housing
Below Market Rate (BMR) Housing
Affordable Housing Resources

<table>
<thead>
<tr>
<th>Affordable Units</th>
<th></th>
<th>Future Affordable Units</th>
<th>Total</th>
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<tbody>
<tr>
<td>Under Construction</td>
<td>128</td>
<td></td>
<td></td>
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<tr>
<td>Under review</td>
<td>494</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,578</td>
<td></td>
<td>2,200</td>
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</table>

29% affordable units + fees
• Building more housing provides more housing choices.

• This area has two additional fees that can fund affordable housing, unique compared to other parts of the City.

• Existing affordable housing requirements incentivize on-site units.

• Proposed legislation:
  • *Land dedication option to meet affordable housing requirements.*
  • *Expand the unit mix requirements to support more family friendly units over time.*
TRANSPORTATION
• Concerns about on-street loading (i.e. delivery, TNCs).

• Interest in restricting Uber and Lyft.

• Concern about transit capacity with the new development.

• Limit the amount of parking.

• Understand how residents are educated about sustainable transportation choices and how education measures relate to the TDM program.
Market and Octavia Area Plan Amendment

Transit Lines
- F
- J
- K
- L
- M
- N
- 6
- 7
- 9R
- 47
- 49
- 14
- 14R

Van Ness Muni Metro Station

Proximity to BART for regional trips

Bicycle Routes

Bike Share Stations

Existing Transportation
Planned and Proposed Transportation:

- SFMTA's Fleet Plan (Citywide study to analyze Bus/Rail Capacity)
- Dedicated On/Off Street Loading Zones (location TBD)
- Van Ness Bus Rapid Transit
- Lower Parking Ratio throughout the HUB
- Muni Metro Three-car Trains
- Better Market Street
- Complete Streets Projects
- Van Ness Station Capacity Improvements
- Elevator Access to Muni Metro Station at 10 South Van Ness
• The Hub is centrally located, in addition to transit, can walk and bike to jobs.

• Education measures are part of the menu of TDM measures a sponsor can choose.

• Further study needed to restrict TNC’s or delivery vehicles in the area, regulatory challenges for implementation.

• New funding for transportation (Area Plan Fees + TSF)

• Proposed legislation:
  • Require a Driveway Loading and Operations plan (DLOP).
  • Lower parking requirements and no conditional use authorization for additional parking.
GROUND FLOOR + COMMUNITY SERVINGUSES
• Understand what types of uses will be at the ground floor.

• Concern that ground floor uses may not be neighborhood serving.

• Would like to see mandatory community serving ground floor uses.

• Concern that ground floor space will be vacant if require ground floor retail.

• Concern that there is no identified community facilities/community space/community realm/cultural heritage.
Active Ground Floor Commercial Uses

- Existing Requirement (Planning Code Section 145.4)

- Required on portions of Market Street, Van Ness Avenue, South Van Ness Avenue, Octavia Boulevard, and Hayes Street.

- Examples include: retail, childcare, community facility, public facility.
New Campus
SFUSD School of the Arts (SOTA)

New Campus
French American International School

Intersection for the Arts
Local Artist Displays and Performances

One Stop Permit Center, New Childcare Facility, and Meeting Space

New Ballet School

Ute and William K. Bowes, Jr. Center for Performing Arts

Plumbers Union Hall

Temporary Navigation Center

Sydney Goldstein Theater

New Conservatory Theater

SFMTA Customer Service Center

Plumbers Union Hall

National Holistic Institute

American Red Cross

Department of Disability and Aging Services

Human Services Agency

Health Right 360

Conservatory of Music

Ground Floor Uses
New requirements to support neighborhood serving retail:

- Conditional use for retail over 6,000 sq/ft
- Conditional use for formula retail uses
- Micro-retail on lots of certain size to support neighborhood serving retail

New requirements for community serving uses:

- To receive the additional height and bulk, a project must provide community serving use on the ground floor that serve a range of income levels such as: Arts Activities, Child Care Facility, Community Facility, Instructional Service, Public Facility, School, Social Service, priority health service use or neighborhood-oriented retail.
PUBLIC BENEFITS
• How is the Hub different than Central Soma in terms of community benefits?
• Explore a new community facilities fee
**Central Soma**
- A new area plan that created new fees and funding mechanisms, including a CFD.
- Significant amount of new office development
- Geographic area includes 232 acres.

**Market and Octavia Area Plan Amendment (Hub)**
- Amending an existing plan, much of the value was captured when the Market and Octavia Area Plan was adopted, impact fees were established in 2008.
- Primarily residential development
- Geographic area includes 85 acres.
New Community Facilities Fee

- Could fund design, engineer, and develop community facilities, including cultural/arts facilities, social welfare facilities, and community health facilities.

- Pending determination of a nexus study.

- Full details of the fee amount and fee structure would need to be worked out prior to the Board adopting any legislation related to fees.
$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.
## PROPOSED LEGISLATION

### MARKET & OCTAVIA

<table>
<thead>
<tr>
<th></th>
<th>Proposal</th>
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<tbody>
<tr>
<td>1</td>
<td>General Plan Amendment</td>
</tr>
<tr>
<td>2</td>
<td>Planning Code Amendment</td>
</tr>
<tr>
<td>3</td>
<td>Zoning Map Amendment</td>
</tr>
<tr>
<td>4</td>
<td>Planning Code Amendment and Business + Tax Code Regulations Amendment (to establish the Hub Housing Sustainability District)</td>
</tr>
<tr>
<td>5</td>
<td>Implementation Program</td>
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## GENERAL PLAN AMENDMENTS - SUMMARY

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>CHANGE</th>
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<tbody>
<tr>
<td>Racial + Social Equity</td>
<td>New Policy to apply a racial and social equity lens to future land use decisions</td>
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<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 &amp; updates as needed</td>
</tr>
<tr>
<td>TOPIC</td>
<td>CHANGE</td>
</tr>
<tr>
<td>------------------</td>
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<tr>
<td>Misc</td>
<td>Change to ‘Map 2: Frontages Where Ground Floor Retail is Required’ has been corrected to accurately reflect existing planning code requirements.</td>
</tr>
<tr>
<td>Housing Element</td>
<td>Minor clarification in supporting text to give more clarity on family friendly housing</td>
</tr>
<tr>
<td>TOPIC</td>
<td>CHANGE</td>
</tr>
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<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>
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<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>
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<tr>
<td>Topic</td>
<td>Change</td>
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<tr>
<td>Sustainability</td>
<td>Modify the Living Roofs requirement for certain projects in this area to require 30% living roof and 15% solar.</td>
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<tr>
<td>Affordable Housing</td>
<td>Allow 80/20 financing projects in this area to provide 20% of the on-site units at low income; Land dedication option to meet affordable housing requirements.</td>
</tr>
<tr>
<td>Ground Floor Uses</td>
<td>Clarify language in Planning Code Section 309 for additional height and bulk on certain parcels if projects provides ground floor uses that are neighborhood serving.</td>
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<tr>
<td>Ground Floor Uses</td>
<td>Add language to Planning Section 249.33 to allow Arts Activities and Institutional Community Uses to be considered “active uses”.</td>
</tr>
<tr>
<td>Permitted obstructions</td>
<td>Amend Section 136 which allows for certain permitted obstructions in order to meet the requirements of Section 148 or for wind restriction purposes.</td>
</tr>
<tr>
<td>Market and Octavia CAC</td>
<td>Expand the criteria to allow two members to live or work in the plan area or within 1,250’ of the plan area.</td>
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</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
HUB HOUSING SUSTAINABILITY DISTRICT (HSD)

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
PLANNING CODE AMENDMENTS — CHANGES SINCE PUBLISHING THE COMMISSION PACKET ON MAY 7, 2020

- Add “School” as a ground floor use that if provided, micro-retail requirement can be waived (SEC 244.33)
- Add “School” to the list of community serving uses that can receive 309 height/bulk exception (SEC 309)
- For projects subject to a purchase and sale agreement, allow flexibility for the location of additional on-site BMR units that exceed 415 requirements (SEC 249.33)
- Refine language to determine the fee waiver for the land dedication option (SEC 249.33)
- Allow rooftop screens to exceed building height due to elevator safety needs (SEC 260)
- Extend the sunset date of the Hub Housing Sustainability District from seven to ten years (SEC 344 (K)(2) )
PROPOSED CHANGES FOR COMMISSION CONSIDERATION ONLY

Zoning Map Amendment
- Amend the proposed height/bulk on block/lot 3511/093.

Planning Code Amendments
- Establish a new Community Facilities Fee in the Van Ness and Market Special Use District.
- Consider modifying the gross floor area (GFA) calculation to exclude exterior walls and accessory parking.
- Consider removing the conditional use authorization provision for GFA limits for on-site inclusionary units.
- Consider expanding the street frontages where active ground floor commercial uses are required per Planning Code Section 145.4.
**ACTION BEFORE THE COMMISSION**

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