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# IN SAN FRANCISCO, THINGS ARE LOOKING UP(ZONED)

Under pressure from the state, the city is grappling with making space for more homes

San Francisco is trying to rezone much of the western half of the city, a politically fraught process.

ADAM PARDEE



By [Max Harrison-Caldwell](#) - , San Francisco Business Times  
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San Francisco is in a pickle.

The city needs to plan for 82,000 units of housing by 2031. If it fails to plan for this goal, defined by the state's Regional Housing Needs Allocation and enforced by California's Department of Housing and Community Development, the state will take away money for parks, transit and affordable housing. It will also remove the city's ability to veto most development, imposing the "builder's remedy" to facilitate construction without local interference.

With current zoning, meeting this goal within San Francisco's 47 square miles is effectively impossible. Developers will not be able to build structures that are tall enough and dense enough in the available space. Plus, HCD has mandated zoning changes that require the city to concentrate new development in areas close to transit, parks and schools. So San Francisco must rezone many of its neighborhoods.

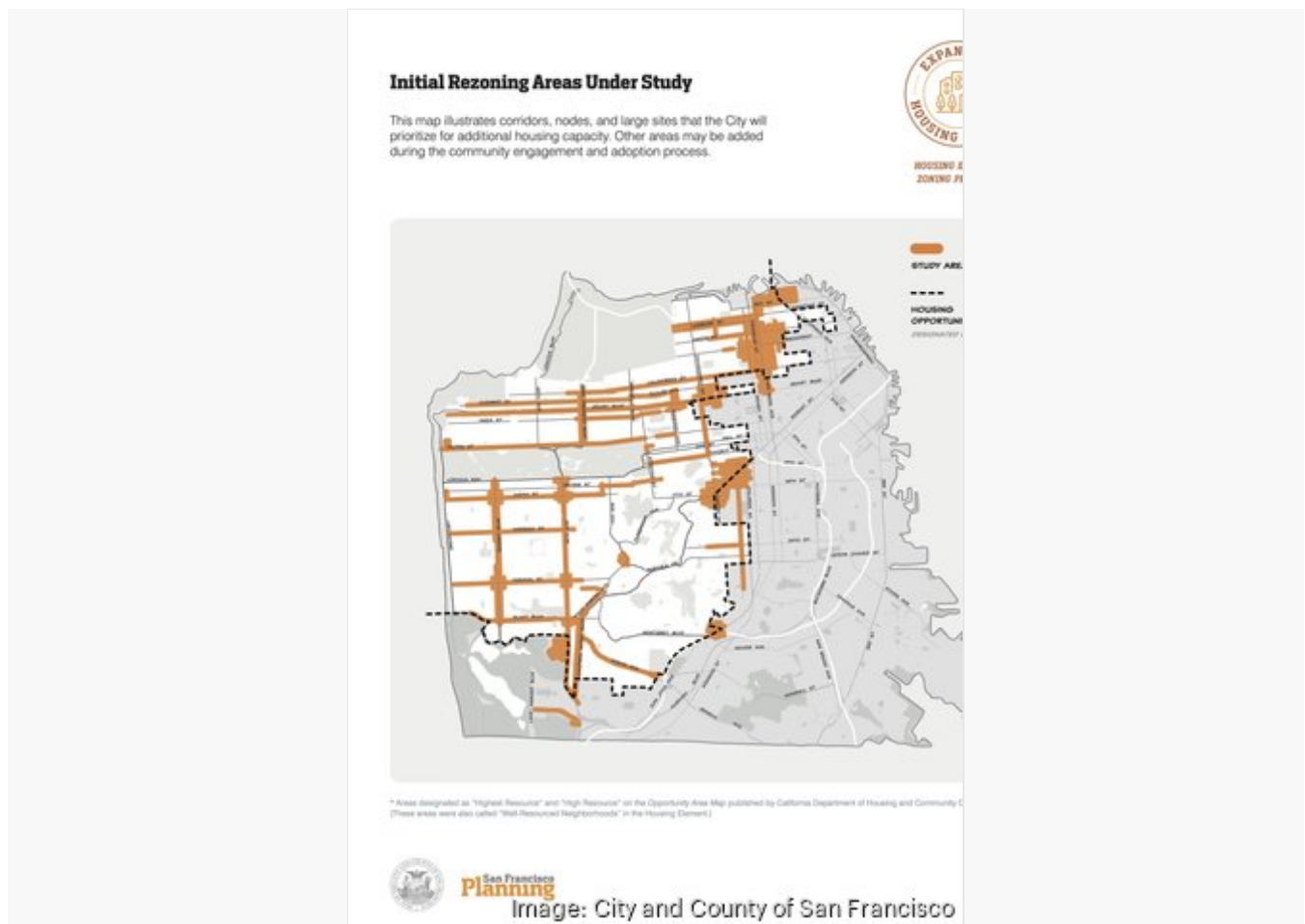
It's aiming to do that in one big push which could be the largest change to the city's zoning in decades – certainly since the strictures on downtown growth imposed in the 1980s and the 1978 Residential Rezoning Act, which put much of today's limits on housing development in place.

## **Under fire**

The city started developing its rezoning plan last year. So far, it has drawn ire from wealthy homeowners, tenant advocates and small business operators, not to mention prominent local politicians. Chief among the concerns of the latter three groups is the fear of displacement of residential and commercial renters, despite the city's assurances that it's building protections into the plan. The city is continuing to work on an effective plan that addresses resident fears and also delivers the state-mandated goods before the January 2026 deadline. Sounds like plenty of time, right?

Not exactly. In a city where individual neighborhood rezonings can take decades, there's no time to waste.

San Francisco's Planning department has been conducting outreach and drawing up maps of what the rezoning might look like since spring 2023. In that time, the department has hosted [nearly 170 outreach events](#), produced three maps and taken a draft proposal to the Planning Commission. Following a Planning Commission hearing in February, the department received feedback from Mayor London Breed and is currently working on a revised draft that it hopes to bring back to the Planning Commission this fall. After that, the proposal will go to a Board of Supervisors committee – in the first part of 2025, planning staffers hope – and then to the full board.



Zone of interest: After the state of California designated much of the city as "housing opportunity areas," San Francisco planners identified transit corridors and commercial strips where more and denser homes could be built.

SAN FRANCISCO PLANNING DEPARTMENT

In an [April memo](#), Mayor Breed told the planning department to focus zoning changes less on high-rise and more on midrise development. Planning staff said the next draft of

the plan will reflect the mayor's suggestions. But it's not just high-rise areas that will change – in order to maintain the same amount of units citywide, the planning department may also raise height limits in some areas that had been zoned lower, according to San Francisco Principal Planner Lisa Chen.

“Maybe there are corridors that were 65 (feet) that we're looking at in the range of 65 to 85 now,” Chen said of the maximum heights. “We're just looking across the plan area and thinking about prioritizing midrise development overall.”

Chen added that the department could also make up lost units by identifying new development sites.

Dan Sider, chief of staff for the planning department, said the department's iterative approach reflects its commitment to community engagement.



Dan Sider, chief of staff for the San Francisco Planning Department, says the lengthy rezoning process is an effort to "figure out what makes sense."

STAN OLSZEWSKI



“It’s a function of just trying to do right policywise and partnering with the stakeholders and the elected officials and all the various representatives to figure out what makes sense,” Sider said.

But the community doesn’t have the ultimate say – the state does. And, as Chen explained, the state is mandating “fair housing.”

“It’s not just the volume of development, but also thinking about the distribution of where we grow,” Chen said. “How to make sure that we’re considering past harms and thinking about how we grow more equitably and create housing opportunities in areas that have really good resources.”

Residents of those areas with good resources – Cow Hollow, Pacific Heights and the Sunset, for instance – have gotten plenty of [press](#) for their opposition to the rezoning effort. Lori Brooke is the co-founder of Neighborhoods United SF, a coalition of neighborhood groups who are organizing against upzoning. She said there’s no way San Francisco is going to meet its RHNA goals even with the rezoning, so punishment from the state is inevitable. Furthermore, Brooke said, the city is already facing unique penalties, like annual reviews of its progress toward housing construction targets (the state evaluates other cities every four years).



Pacific Heights is among the areas being considered for upzoning.

“The city must sue the state for intentionally setting us up to fail,” Brooke wrote in a text message. (Jen Kwart, a spokesperson for the City Attorney's Office, did not respond to a request for comment on Brooke's proposal.)

## Tenant trepidation

NUSF isn't the only group with concerns. Joseph Smooke, a coordinator of the Race and Equity in All Planning Coalition, is worried that, despite San Francisco's strong tenant protections, the rezoning will lead to renter displacement.

Smooke described a hypothetical scenario: A building owner whose lot is rezoned decides to build a taller building on it, and demolishes the existing housing. Under state law, the tenants who had been living in that building are entitled to units in the new building at the same rent price. But construction takes time, and projects in San Francisco often stall.

“What happens if there's a delay, and who communicates with those tenants about what their rights are?” Smooke asked.



Much of San Francisco's western neighborhoods had been reserved for single-family homes for decades.

State law guarantees tenants interim housing between when the old building is demolished and the new building is complete. And in San Francisco, it's [almost impossible](#) to demolish a tenant building in the first place, according to the planning department. Data from the Department of Building Inspection shows that there have been only nine demolitions of multifamily housing buildings in the last 10 years, resulting in the loss of 26 units total. (This figure does not include buildings harmed by fire or major rehabilitation projects like [HOPE SF](#).)

Still, Smooke is concerned, and thinks a city department – perhaps the Mayor's Office of Housing and Community Development – should manage tenant outreach, facilitate interim housing and coordinate tenants' return to replacement buildings.

Annie Fryman, a housing and transportation advocate with the urbanist think tank SPUR, pointed out that the most aggressive rezoning is planned for areas dominated by single-family homes and owner-occupied buildings, not rental apartments.

“The city can always adopt and refine and strengthen (renter protection) programs, but I actually think that that is one of the most top-of-mind policy priorities for the city in this zoning,” Fryman said.

### **'A right way of growing'**

The city's next mayor will have veto power over the final plan. Aaron Peskin, the president of the Board of Supervisors and mayoral candidate, has built a reputation for torpedoing development plans, but he said he wouldn't oppose the rezoning out of hand. He did, however, stress that it was important to protect longstanding neighborhood businesses and add protections for commercial tenants.





Image: Max Harrison-Caldwell

Board of Supervisors President Aaron Peskin says he wants neighborhood businesses protected in the rezoning.

MAX HARRISON-CALDWELL

Annie Yalon, a spokesperson for the Planning Department, pointed to existing business protections like the [Legacy Business Program](#), which Peskin helped create, and said the department is working on incorporating new protections into the rezoning plan.

Under the proposed rules, developers would need to provide relocation assistance to businesses affected by new housing development, including payments equivalent to up to 18 months' rent. And if developers don't hold up their end of the deal, businesses aren't on their own – the city will handle enforcement, according to Yalon.

On Oct. 22, the Board of Supervisors adopted interim controls that would require a hearing before developers fill or demolish retail spaces formerly occupied by legacy businesses. The controls would be in effect for 18 months. At press time, the legislation awaited Mayor Breed's signature or veto.



Christin Evans of Small Business Forward, an advocacy group, said small business owners approached City Hall this year to ask that the city provide assistance to businesses displaced by residential construction. According to Evans, Breed's office said there wasn't room in the budget, and has not reached out to small business groups since then.

“We’ve not been at the table,” Evans said. “The conversations are being had behind closed doors.”

The Planning Department will continue its outreach effort as it develops the next version of the plan. But department staff said the draft map wasn't likely to change much – as they pointed out, all three existing iterations focus on upzoning transit-rich corridors like Geary, Masonic and Fulton, and that focus is likely to remain. Whether through eight-story buildings or glassy towers, the city needs to plan for explosive housing growth.

“People do want to see more affordable housing,” Chen said. “They just disagree on how we get there.”

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*Max Harrison-Caldwell is a freelance writer and former Business Times intern in San Francisco.*