



# San Francisco Family Zoning Plan

**HOUSING ELEMENT REZONING**



**San Francisco  
Planning**

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**SMALL BUSINESS  
COMMISSION  
INFORMATIONAL  
JULY 28, 2025**

## TODAY'S PRESENTATION

- Family Zoning Plan Overview and Legislation Introduction
- Small Business Strategies
- Next Steps



*“We want a city with more families, more workers, more dreamers. We want to build housing for the next generation of San Franciscans so **kids who grow up here can have the same opportunity to raise their own children in this beautiful and special place.**”*

*Mayor Daniel Lurie, SF Chronicle (4/3/25)*





We are **Expanding Housing Choice** for...



## Seniors

“I’m 54 and when I become a senior citizen, **I want to be able to stay in SF.**”



## Families

“The only thing keeping my family of four in our one-bed, one-bath apartment is **rent control.**”

We are **Expanding Housing Choice** for...



## Local Workers

“I think about all my nonprofit workers with families or who want to start families... **they all have to live outside the city.**”

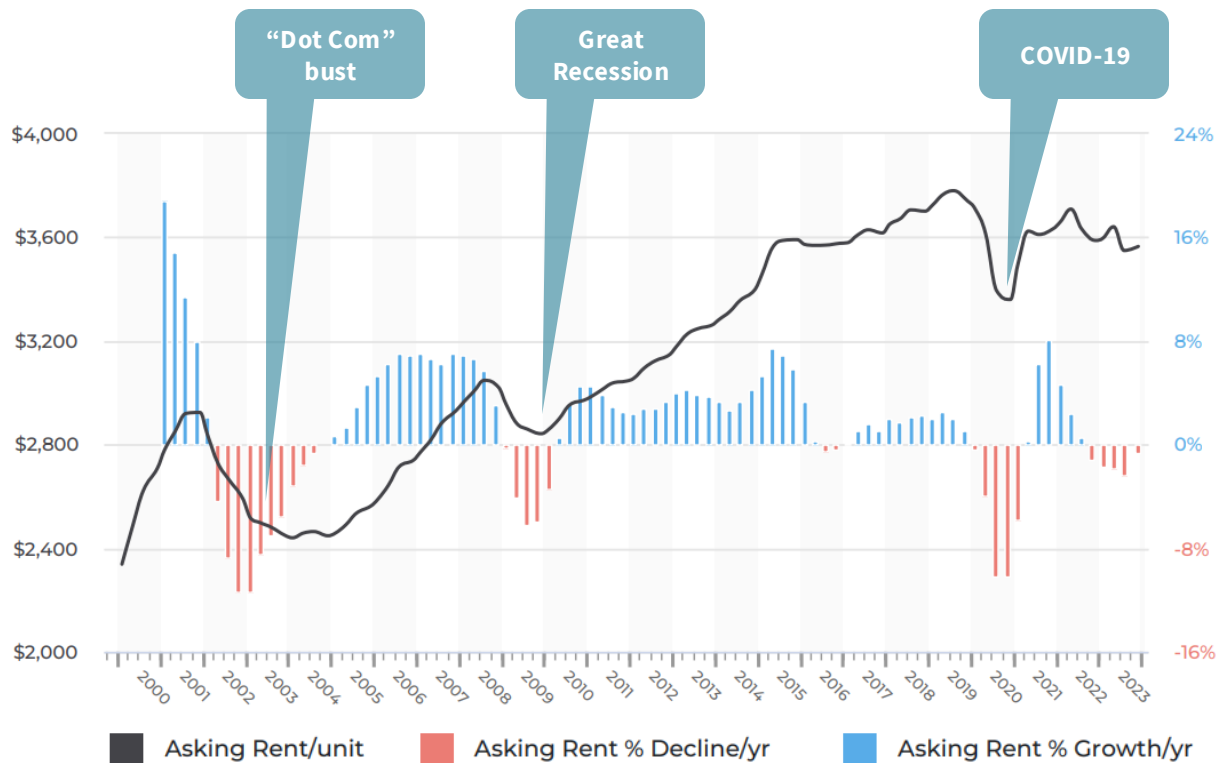


## Young Adults

“**[It’s] impossible to find a place in SF for youth in college or just finishing college.**”

*... and many others*

## Unmet Housing Needs: **Rising Costs**



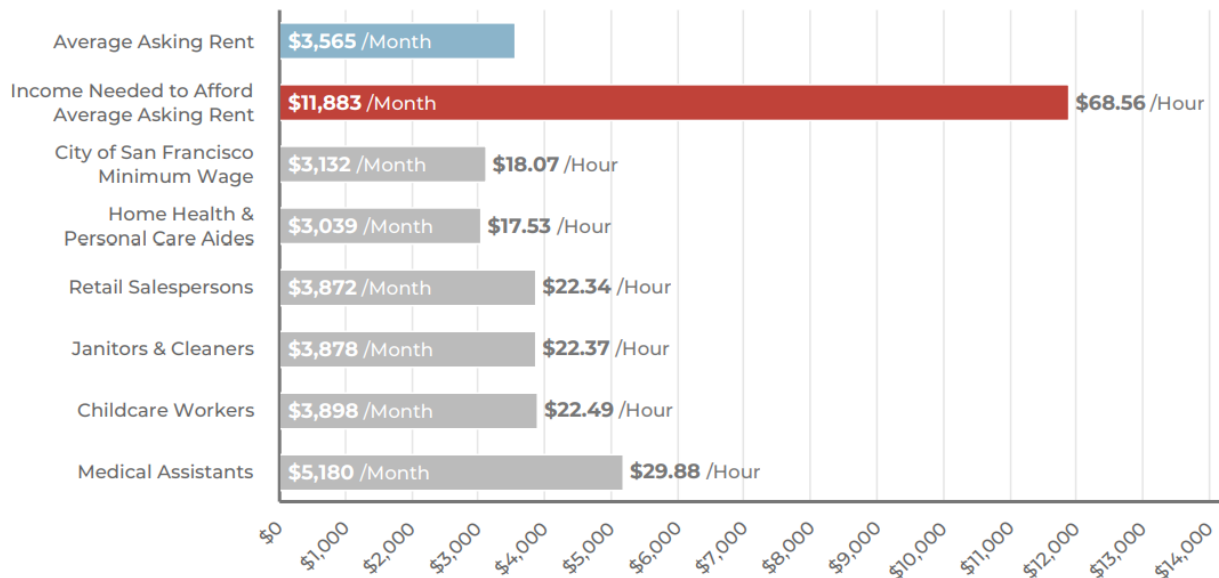
*SF is the **2nd-most expensive region** in the US (2024).*

***40% of renters** (91,000 households) and **30% of homeowners** (41,000 households) are **cost-burdened\****

Source:  
California Housing Partnership;  
National Low-Income Housing  
Coalition; US Census (2023)

*\* Defined as paying more than 30% of income on housing costs*

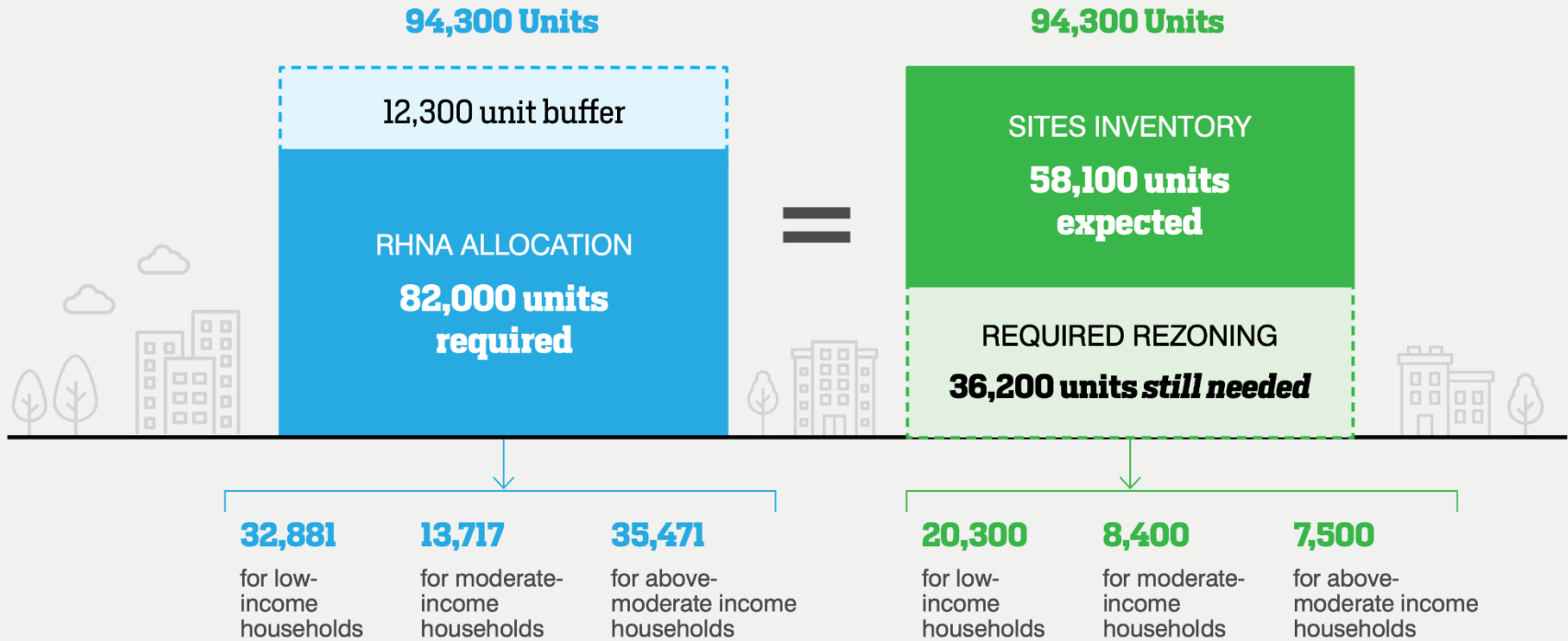
## Unmet Housing Needs: Low & Middle Incomes



*A household needs to earn ~4x times the minimum wage to afford average rents.*

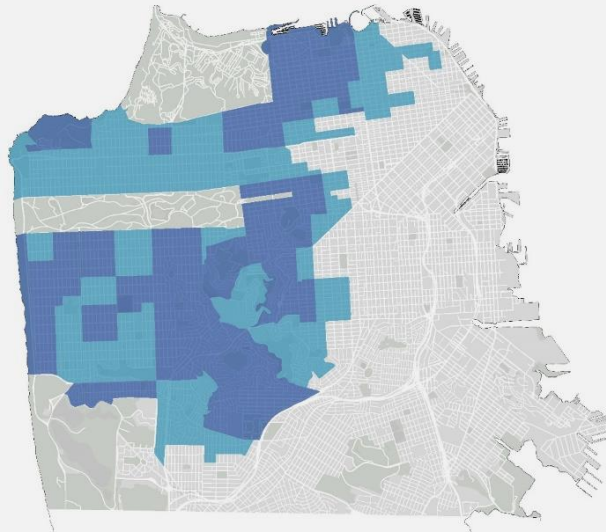
Source:  
California Housing  
Partnership (2024)

# Rezoning Shortfall Explained

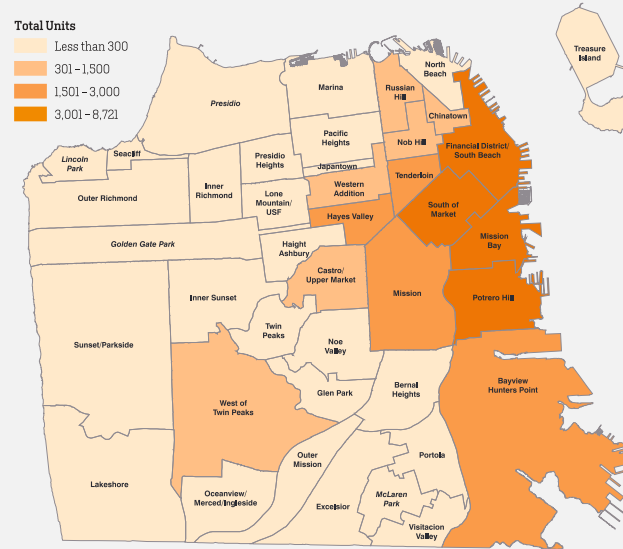




***San Francisco's Family Zoning Plan*** fulfills state laws by planning for affordable and mixed-income housing to overcome historic patterns of exclusion and segregation.



**Housing Opportunity Areas\***



**Housing Production (2005-2019)**

***Only 10% of  
affordable and mixed-  
income housing has  
been built in “housing  
opportunity areas,”  
covering over 50% of  
the city.***

\*Areas designated “Highest Resource” and “High Resource” on the Opportunity Area Map (CA Dept of Housing & Community Development)

# What's at stake



**MENLO PARK: 446' builders remedy in area zoned for 70'**

If San Francisco does not adopt compliant rezoning, we risk:

- **Loss of state funding**, including transportation & affordable housing
- **Fines and lawsuits**
- **State seizure of local permitting powers**, a.k.a. “builders remedy”

*Note: SF's obligation is to rezone to create housing capacity; penalties do not kick in if the planned units are ultimately not built.*

# Family Zoning Plan Legislation

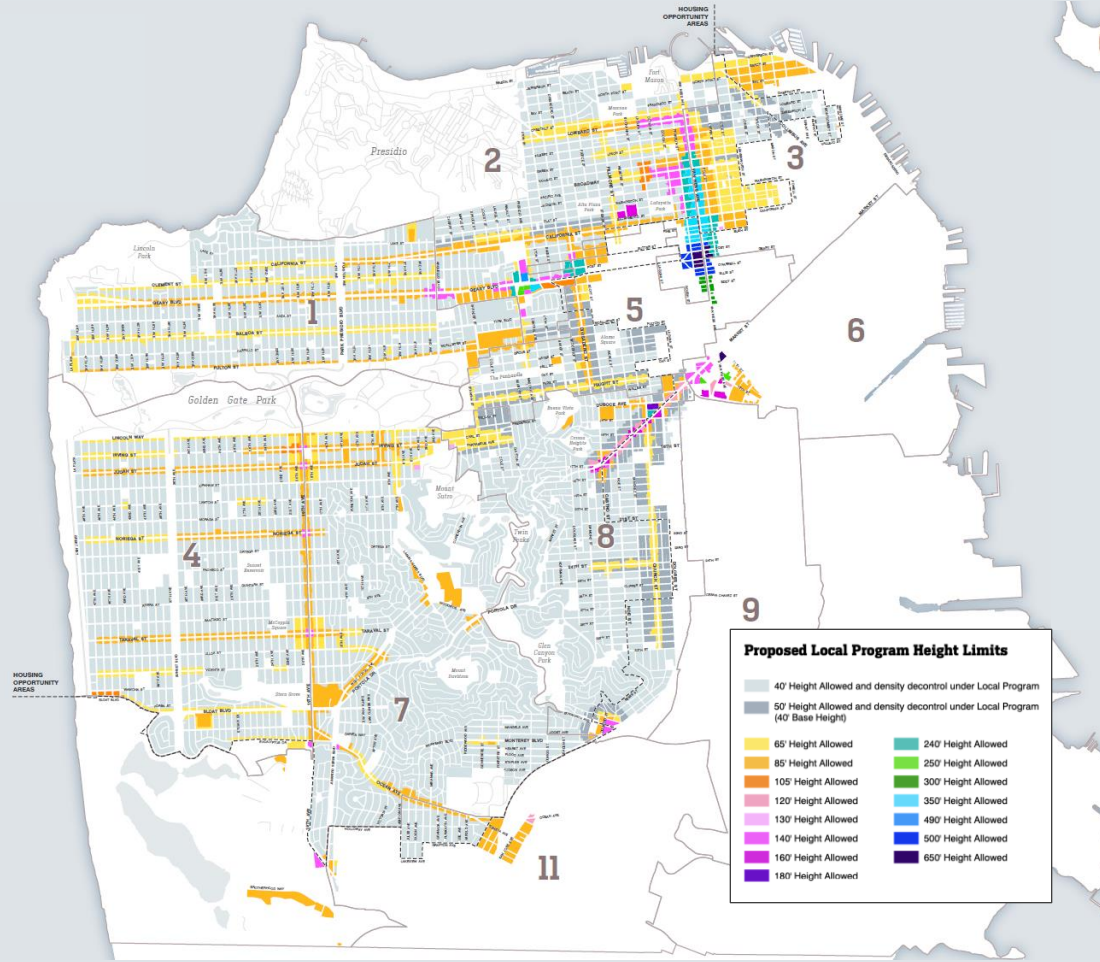
Introduced June 24, 2025

## Zoning Map Ordinance [250700]

- Establishes **zoning structure**: Base Heights, Local Program Heights, Zoning District Classification, and SFMTA Special Use District.

## Planning Code Ordinance [250701]

- Establishes **zoning standards to regulate the design and uses of new developments**; Creates the Housing Choice-SF Program (“Local Program”).



# Community Engagement

**280 people** reached at **Open Houses**

**2,382 people** filled out **Surveys**

**76 people** attended **Focus Groups**

**1,200 people** at **Housing Education Workshops**

**560 people** at two **Affordable Housing Summits**

**60+ groups** received **Community Conversations**

... plus other events & public hearings





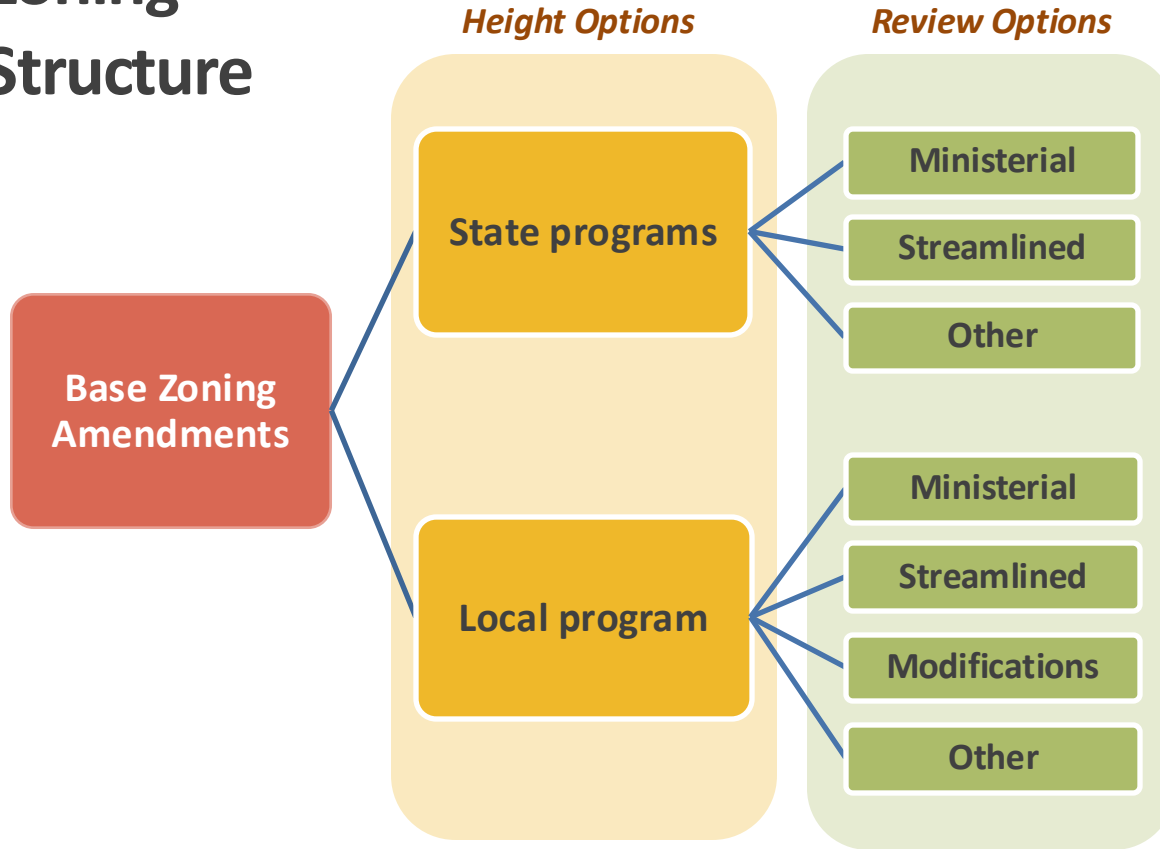
# Legislation Timeline

- **June 24<sup>th</sup>:** Mayor's Legislation introduced
- **July 17<sup>th</sup>:** Planning Commission – General Plan **Amendment Initiation**
- **September 11<sup>th</sup>:** Planning Commission – Adoption
  - 20-day notification period begins August 22nd
  - 90-day CPC Review ends September 22nd
- **October to November:** Board of Supervisors Adoption
  - Land Use & Transportation Committee, then Full Board
- **January 31, 2026:** State deadline for adoption





# Zoning Structure



**Example: Geary Blvd**  
*Existing height = 40'*



**Base height = 55'**

**Local Program  
height = 85'**

# Family Zoning Plan: Base Zoning Amendments

## REZONING STRUCTURE

- Base Height
- Allowable Density
- Zoning Districts

## SUSTAINABLE TRANSPORTATION

- Parking Maximums
- Curb Cut Restrictions
- Driveways & Loading

## HOUSING DIVERSITY

- Minimum Use Densities
- Maximum Unit Size
- Flats Policy

## OTHER

- Legacy Business relocation
- Technical Amendments
- Wind Review

# Family Zoning Plan: Menu of Local Program Flexibility

## Automatic Flexibility for Local Program (Housing Choice SF Program)

- |  |   |
|--|---|
| <ul style="list-style-type: none"><li>• Density</li><li>• Inclusionary Housing flexibility</li><li>• Rear Yard</li><li>• Usable Open Space</li><li>• Unit Exposure</li></ul> | <ul style="list-style-type: none"><li>• 10' bonus for community uses</li><li>• Large lot development</li><li>• Non-residential use size</li><li>• Catchall (15% additional flexibility)</li><li>• Additional options for 100% affordable projects</li></ul> |
|--|---|

## Fulfilling the **Housing Element Vision**

Actions to build a more inclusive and resilient SF:

- Protect tenants and **restrict residential demolitions**
- Support our cherished **small businesses**
- Reshape **historic preservation tools** with housing in mind
- Create **affordable and diverse housing** through multi-pronged approach



# Importance of Small Businesses

- **Cultural and economic anchors** offering food, retail, educational, social, and cultural resources.
- In 2019, San Francisco was home to around **94,000 small businesses**, generating nearly **360,000 jobs**.







## Small Business Challenges

- **High cost of doing business:** related to opening, maintaining and growing (labor, materials, permitting, online retail, etc.)
- **Generational transitions:** One-half of owners of Bay Area small businesses are approaching retirement age.
- **Post-pandemic struggles:** 2022 survey of 802 businesses found that 1/3 of businesses anticipated a major change over the next year, with 22% planning to sell or close.
- **Vacancies:** As of December 2024, the citywide retail vacancy rate was roughly 7.7%

# Rezoning: Potential Economic Impacts

Rezoning could have **both positive and negative effects** on small businesses:

## Potential benefits

- **Higher population & more demand** for businesses (ex: \$223 million / year in increased local spending)
- **Greater community investment** in neighborhood programs & services, like beautification and street cleaning.
- **Longer-term stability** for neighborhoods and employees, particularly if workforce and middle-income housing are prioritized.

## Potential burdens

- **Potential displacement** of existing businesses that are located on sites suitable for development.
- **Construction impacts** when new homes are being built, varying depending on the scale of project.
- **Cost challenges**, especially if new retail spaces are larger, higher-end, or require more build out.

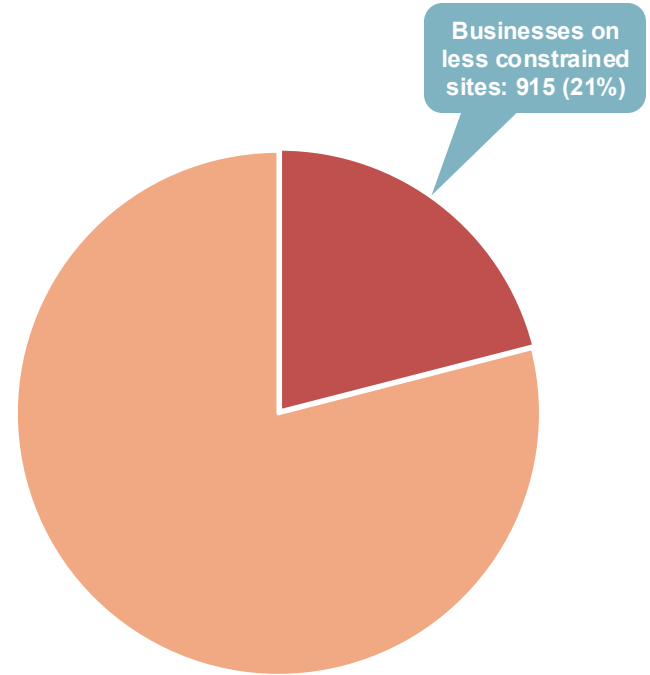
## Rezoning: **Businesses in Plan Area**

Proposed rezoning includes 37 commercial corridors, home to **4,295 registered businesses**.

Of this sum, **915 businesses (21%)** are on parcels with fewer development constraints, including **47 Legacy Businesses (1%)**.

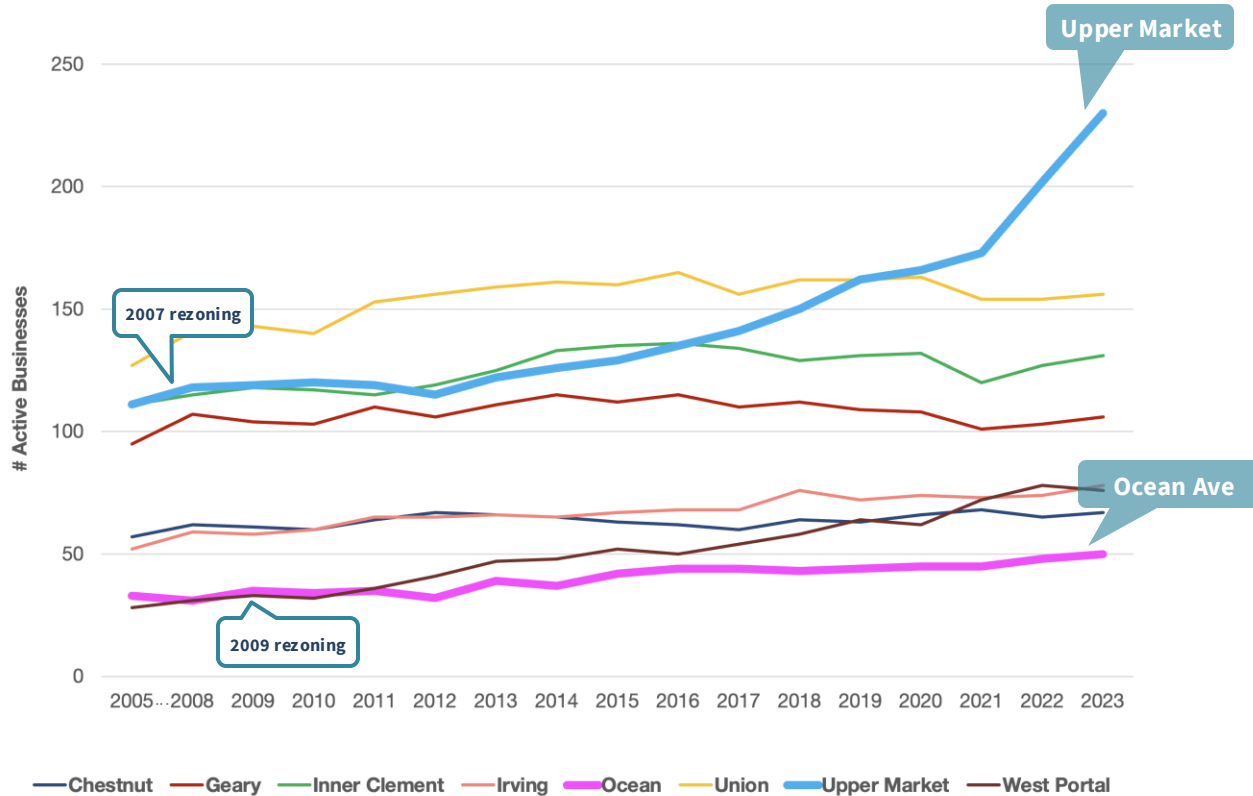
- 28% in the food and beverage industry
- 17% in the retail trade

**207 businesses (22%)** are located on suitable parcels (with a lot size of 8,000 sq.ft. or more).



Total businesses = 4,295

## Past Rezoning: Active Businesses

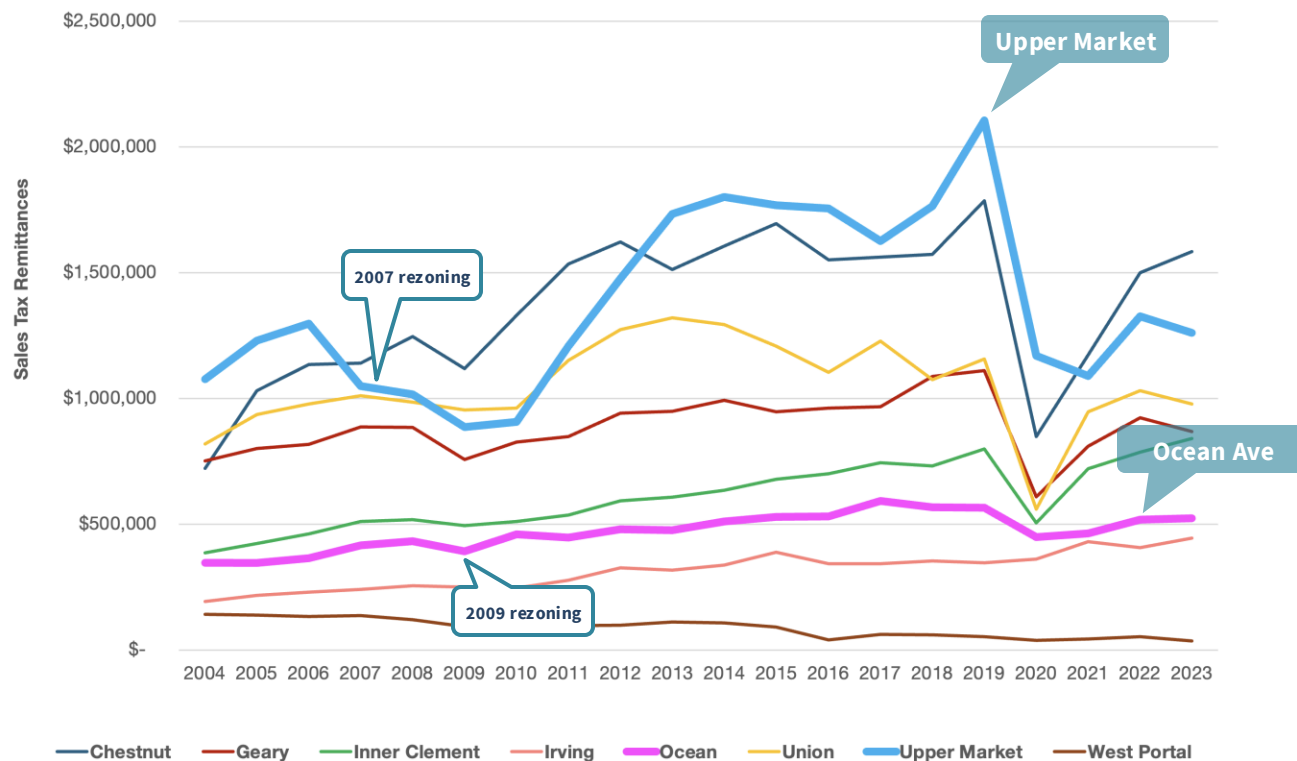


*Total active businesses on rezoned corridors remained stable or increased, consistent with control corridors.*

Source:  
CA Employment Development  
Department (2023)

NOTE: Data from 2006 and 2007 were unavailable and are thus omitted.

# Past Rezoning: Sales Tax Revenues

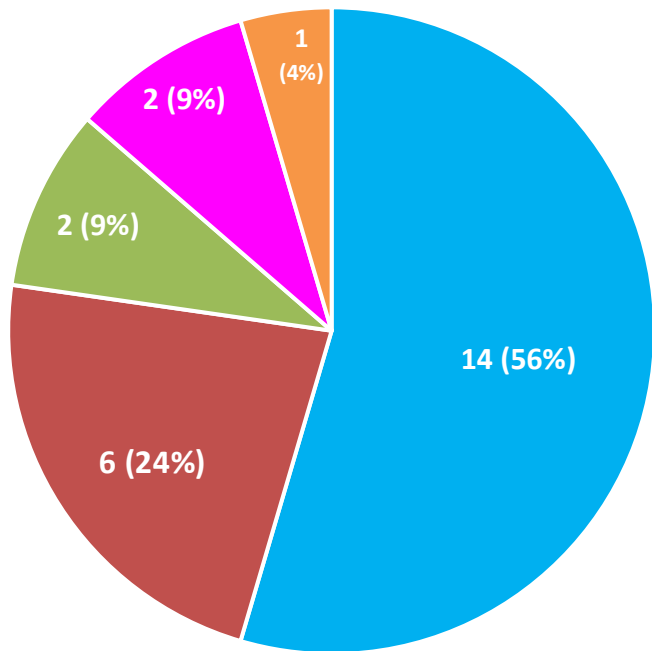


*Total taxable sales also showed similar patterns between rezoned & control corridors, with cyclical periods of decline during recessions.*

Source:  
SF Controller's Office (2023)



## Past Rezoning: Demolition Data, 2008-2024



- Projects without previous commercial
- Previously auto use
- Previously retail
- Previously food business
- Previously funeral home

### *Upper Market Street*

*Rezoned in 2007*

*Multi-family projects: 22*

*Housing units added: 2,623*

### *Ocean Avenue*

*Rezoned in 2009*

*Multi-family projects: 3*

*Housing units added: 215*

Source:

SF Planning, Land Use Database (2025)

# Existing Small Business Support

Office of Small Business, OEWD and others offer:

- **Neighborhood economic development programs**
- **Technical assistance:** including leasing & permitting support
- **Grants & waivers:** e.g., First Year Free, SF Shines
- **Legacy Business Program:** including Business Stabilization Grants
- **Access to capital:** SF Lends, SF Small Business Development Center

Photo: SF Chamber of Commerce





## Existing Regulations

- **Zoning controls** in neighborhood commercial districts, such as Active Use requirements and Formula Retail restrictions.
- **Conditional Use Authorization** required to open a new business where a Legacy Business was located.
- **AB2011 Commercial Relocation**, requiring relocation payments akin to up to 18 months of rent for projects using the program.
- **Senate Bill 1103** protects qualifying small businesses from unexpected rent increases, hidden fees, and other unclear lease terms.

## Rezoning Strategies Introduced to Support Small Businesses

- **Early notifications and referrals to OSB.** Tenants and OSB will be notified as soon as a project application is submitted.
- **Allowing commercial on more parcels** through the new zoning district, Residential Transit Oriented – Commercial (RTO-C).
- **Reducing or Eliminating CUAs for relocating displaced businesses:** such as by waiving CUAs for use size limits (for non-formula retail projects using the Local Program).
- **A square footage bonus, up to 10' height for:**
  - Relocating a displaced business
  - Providing space for a Legacy Business or a "community serving use" such as childcare, grocery, laundry, or nonprofit office
  - Providing a micro-retail space (100-1,000sf)

(BOS File 250701, Mayor)

## Additional Draft Strategies to Support Small Businesses

- A square footage bonus, up to 10' height for:
  - Providing a “warm shell” that can support food service use
  - Making a financial contribution to the Small Business Rezoning Construction Relief Program
- Waiving all fees for displaced businesses through qualification in the SF First Year Free Program.
- Commercial relocation assistance paid for by developers





## Related Efforts

- **Commercial Tenant Relocation & Business Disruption Fund:** will be administered by OSB and will require ongoing budget allocation (BOS File 250782, Supervisor Melgar).
- **Workers Opportunity to Purchase Act:** provides workers with a pathway to purchase businesses as cooperatives when owners decide to sell. (Supervisor Chan, forthcoming)
- **Making permanent the Conditional Use Authorization** required to open a new business where a Legacy Business was located. (Supervisor Chan, forthcoming)

# Legislation Next Steps

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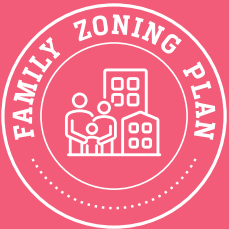
# Thank you!



<http://sfplanning.org/rezoning-events>



[sf.housing.choice@sfgov.org](mailto:sf.housing.choice@sfgov.org)



Art by Michelle McNeil, Human Rights Commission

**WHEN I BECOME A SENIOR CITIZEN  
I WANT TO BE ABLE TO **STAY IN SF****

