

Community Planning in the Eastern Neighborhoods

Rezoning Options Workbook

Draft



San Francisco Planning Department
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Section One

Citywide Land Use Context

The rezoning effort in the Eastern Neighborhoods is the largest ongoing planning effort in the City. The outcome of this effort will have a major impact on the overall development of San Francisco. It will influence the kind of places we build, the type of housing we provide, the jobs that we retain or create, as well as the social and economic diversity of the City. This section of the report provides an overview of how the Eastern Neighborhoods rezoning effort relates to the rest of the City.

The Community Planning Process in the Eastern Neighborhoods is one of the components of the Citywide Action Plan (CAP), a comprehensive planning effort that addresses the need for housing and jobs, while enhancing the best qualities of San Francisco as a place to live and work.

The development of housing in industrial land has been one of the driving forces in the Eastern Neighborhoods rezoning effort. The challenge of creating housing opportunities is compounded by a concern for existing and future production, distribution, and repair (PDR) jobs in the City. This challenge is explored in this section through an assessment of land for housing and for PDR in the context of the total households and jobs forecast, housing production opportunities in the rest of the city, and land required for PDR activities. The purpose of this assessment is to inform the decision about how much housing should be placed in industrial land and how much land should be provided for production, distribution, and repair activities.

This section of the report includes an overview of the housing needs and opportunities citywide, an assessment of PDR space and land needs, and a profile of housing production and job growth by major areas in the City.

Housing as a Priority

Housing Production and Affordability

Housing is the City's most pressing problem. The urgency of this housing challenge was underscored by the State-mandated update of the Housing Element of the City's General Plan wherein the City is directed to assemble various resources to facilitate housing production. At least 40% of the new housing must be affordable to very low- and low-income households; and another 32% affordable to households of moderate means. A further challenge, calls for directing housing where it is appropriate and encouraging a mix of housing sizes and types to accommodate current and future needs of the City's households in good neighborhoods which can sustain growth.

In its earlier years, San Francisco had room to grow, expanding west and south, creating the present-day residential districts. South of Market and much of the City's eastern flank were relegated to industrial uses, although residential enclaves and neighborhoods grew as factory workers chose to live near their places of work. Suburban flight that began in the 1950s turned around by the 1980s and San Francisco once again became an attractive place to live. Since then the City's population and household growth began surpassing new housing production and the resulting housing shortage became a problem of affordability. Median home sales prices still hover at about \$550,000 with many newly constructed market-rate housing costing upwards of \$750,000. Housing rental rates continue to be beyond the means of many working people.

Land Use Conflicts

While not actively encouraged, the City's zoning standards have always allowed housing in industrial lands where PDR activities were located. It was not until the economic boom of the mid-1990s, however, that space for PDR activities became severely compromised. The high-tech growth of that period turned into an extensive incursion as Internet start-ups and live/work loft development ate into industrial lands. Live/work lofts had also become fashionable and highly desired by many, including those made newly rich by high tech enterprises. Indeed, live/work lofts – although then considered commercial development – made up much of the new housing production in the late 1990s.

Live/work loft developments were initially permitted in industrial districts to accommodate artists' needs. Industrial buildings were especially ideal for conversion into live/work lofts and offered low rents affordable to struggling artists. But live/work lofts became a highly profitable residential development type and were soon priced out of most artists' means.

Although the housing stock was increased, live/work loft developments did not diminish the affordability problem in San Francisco. As most of these new live/work lofts were put up in industrial districts, essential urban amenities such as transit, retail stores, other community services and open space were neither readily available nor forthcoming. Most of these expensive live/work lofts were also constructed amidst functioning industrial activities, inevitably leading to conflicts between neighbors over noise, fumes and truck loading. When the high tech bubble burst, the City's industrial districts were left with many empty live/work lofts and possibly irrevocably splintered industrial business clusters. Turning

to industrial lands for residential re-use and allowing live/work development to happen haphazardly without providing necessary infrastructure and supportive urban amenities unfortunately breaks from the pattern of desirable neighborhoods upon which the City's economy depends.

Land Supply for Housing

The City Planning Department recently looked at land availability and suitability for housing development as part of its efforts to ensure adequate, appropriate and affordable housing in San Francisco. Ongoing planning and rezoning efforts could provide space for about 66,000 to 78,000 housing units.

Major Areas	Potential Housing Development under Ongoing Rezoning Efforts
Eastern Neighborhoods	17,000 to 29,000
Better Neighborhoods / Transit Corridors	16,000
Downtown / Mission Bay	22,000
Residential Neighborhoods / Rest of City	10,000
Total	66,000 to 78,000

Residential districts, where most housing – especially family housing – is already located, still contain a number of vacant and developable lots. Construction of as many as 9,200 new units in single-family homes, duplexes or flats in vacant lots scattered around established residential neighborhoods will have very minimal cumulative effect on infrastructure needs. Secondary units, perhaps the least invasive approach to additional housing production, will be encouraged by pending legislation and could possibly add a significant amount to the City's housing inventory.

Current planning initiatives launched under the Citywide Action Plan are providing a comprehensive approach to balance housing and jobs needs without diminishing the City's and its neighborhoods' livability. The Better Neighborhoods Program is increasing the supply and diversity of housing, in neighborhoods where new housing makes sense, as central objectives. Their proximity to transit and essential services, are ideal for additional housing, especially in upper stories above commercial uses. A soon to be launched program will focus on housing in Downtown neighborhoods including Rincon Hill, Transbay Terminal and the Mid-Market area. Downtown districts and its surrounding areas are increas-

ingly becoming attractive to housing development given nearness to jobs and transit. The higher densities and heights permitted in these districts can allow for as many as 22,000 new units. Although not characteristic of family housing, higher density and taller buildings, could possibly be adapted to ensure multi-generation households well-served by community facilities.

Clearly, the City can accommodate housing in lands outside the industrial districts that already enjoy access to community facilities, services and transit. But the frightening dimensions of the City's housing challenge require that the land currently zoned for industry be carefully evaluated for its transformation into full-service livable neighborhoods while ensuring that employment dislocation is minimal and that sufficient land is retained where current and future PDR activities important to the City's economy can flourish.

Production, Distribution, and Repair Activities: Use of Space and Land

The nature of production, distribution, and repair (PDR) businesses and workers is a simple one. They prepare our food and print our books; produce the sounds and images for our movies; take people to the airport; arrange flowers and set theatrical stages; build houses and offices; pick up our mail and garbage. They take care of very simple yet essential tasks. PDR businesses do many other things that tend to be invisible in our daily lives unless we happen to be part of these businesses.

The current concern around PDR activities is not really around these tasks – which most people agree are important – but about the land they occupy. Many advocates would like to see industrial lands used for other purposes. The policy question to be addressed then is whether PDR businesses and workers should be allowed to remain and expand in the City or whether they should be replaced with other uses. In order to do this, it is important to understand the current makeup of PDR activities in the City, their location and spatial patterns, and future trends. It is equally important to recognize how much or how little space remains for PDR uses today and in the future.

The Makeup of Production, Distribution, and Repair Activities

PDR businesses include a wide spectrum of activities that have been described in previous Planning Department reports (Profiles of Community Planning Areas, San Francisco's Eastern Neighborhoods, January 2002: Industrial Land in San Francisco, Understanding Production, Distribution and Repair, July 2002: San Francisco Land Use Survey, 1998). Until recently, the definition of PDR was primarily based on industrial sector and business classifications. However, the definition has to be approached from a spatial perspective to address PDR as a land use to be regulated through zoning controls.

PDR activities fall somewhere in the middle of the spectrum of non-residential land use activities. On one end are office activities making intensive use of land with tall buildings and many workers employed per square foot of building space used; having minimal and small equipment requirements; and very little need for huge delivery trucks. Most of the office activities are located Downtown. On the other end

of the spectrum are heavy industrial/maritime activities that occupy considerable tracts of land and smaller or lower buildings; employ fewer workers per square foot of land or building occupied; and make use of larger equipment needs and generate heavier trucking activity. Most of the heavy industrial activities remaining in San Francisco include essential city functions such as energy generation or sewage treatment. Maritime activities, primarily located in City Port-owned lands zoned for industrial uses, also fall into this end of the spectrum. Retail, cultural, and PDR activities are in between these two extremes.

Retail and cultural activities have fewer workers per building square foot occupied than office activities but have many walk-in customers or patrons. These are housed in a variety of buildings. PDR activities have more workers per square foot occupied but fewer walk-in customers than retail or cultural uses. PDR activities also involve equipment to produce, repair, and/or deliver goods. Essential PDR equipment are usually smaller than that of heavy industries and can be placed within buildings. PDR activities can also involve transportation of people or arts production such as sculpture, dance, music, film, etc. In general, PDR activities require a more specialized and higher-paid labor force such as carpenters, book binding specialists, sound recorders, or dancers. Their higher labor costs can cut against the lower profit margins brought in by PDR services and constrains these businesses' ability to pay higher rents.

PDR activities can be organized into core, medium, and light activities based on the total amount of building space for the business; the amount of space needed per worker; the amount of space required for equipment and storage, the amount of space for open storage; the type of loading facilities required; the amount of trucking activity generated, as well as some of the environmental impacts such as noise; hours of operation, etc. This classification scheme also aids in identifying different degrees of land use compatibility. Light PDR is compatible with residential uses while Medium and Core PDR are not compatible with residential. (See Table: PDR Businesses by Land Use Type in Appendices)

Light PDR

Light PDR includes a wide range of repair and service businesses that provide direct services to neighborhood residents and businesses. Examples of light PDR businesses include auto repair, small catering services, graphic design, small radio stations, or small messenger operations.



Light PDR businesses do not have special loading, drop-off, and delivery requirements beyond that of many retail stores. In most cases, they can be accomabout 450 square feet, which is lower than the 520 square-foot average for all PDR workers.





Light PDR activities are compatible with residential uses. However, light PDR businesses generally cannot compete for space as effectively and cannot pay the rent premiums of retail businesses found in some of the city's more expensive neighborhood commercial districts.

Medium PDR

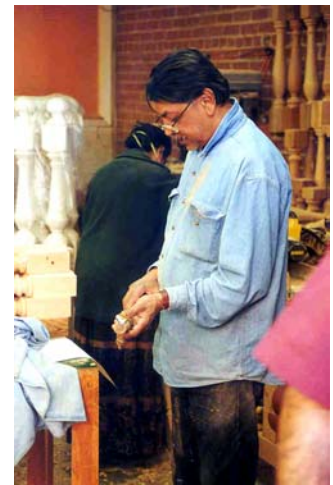
Medium PDR businesses focus more on production and distribution than light PDR businesses but do not include the heavy trucking of core PDR businesses. Types of medium PDR businesses include printers and publishers, showrooms, landscaping and horticultural services, film producers, and catering.

These businesses require larger ground floor spaces for storage or processing of larger items. The distinction between medium and core PDR is that the medium PDR buildings are generally smaller than 10,000 square feet and involve less trucking activity.



The tools workers use in this category are larger than those of office or light PDR workers. For example, an accountant might use a phone, computer, and file drawer while a PDR worker, such as a furniture maker, might use a large table to cut materials, a sawing table, and a bench to sand or carve pieces of wood. These businesses would also handle larger

products, such as sofas, large pieces of fabric or wood, large signs, etc. A sound producer can use large sound mixing equipment, multiple large speakers, large acoustic panels, and media storage space. Fabricators engage in the creation of a variety of goods. Most of the activity occurs indoors by way of a combination of tools ranging from a computer to a drill-press, sewing tables to projectors; welding machinery to rehearsal space. The products are then shipped on a daily or weekly basis out of the studio and into a truck to a local or international destination.



Distribution centers range from a jewelry wholesale business to showrooms exhibiting anything from tile to fabrics to imported Balinese furniture. Other medium PDR businesses repair appliances or supply plumbing contractors in relatively smaller spaces. Customers may interact directly on site, or through an intermediary such as a contractor or front end retailer for the repair of products or to receive services provided by these businesses.

These overall space requirements translate into more building space per worker (500 square feet) than light PDR (450 square feet) or office (300 square feet). Building types currently used by these businesses include one or two story PDR buildings as well as smaller single story warehouses.

Due to loading, delivery times, and noise, medium PDR is less compatible with other uses than light PDR. Some medium PDR businesses could be accommodated in some proximity to residential uses if appropriate isolation from noise and trucking is provided.

Core PDR

Core businesses include small trucking operations, apparel manufacturing, distribution centers for produce, canned food, vegetables, meat, seafood, and flowers; suppliers of materials used in the construction industry--lumber, pipes, large equipment rentals, and electrical; large showrooms, paper manufacturing and large publishing operations.



These businesses require the largest floor plate in the buildings they occupy. Loading areas, heavy trucking, and open storage are significant components of their operations because the equipment they use and the products



they handle tend to be larger or processed in greater volumes than those found in light or medium PDR businesses. For example, employees in a large food wholesale and distribution business unload several trucks with forklifts late at night. Consequently core PDR workers tend to need the most building space,



on average about 600 square feet per employee. These businesses require single story warehousing and distribution buildings with large open storage yards. They are incompatible with most other uses due to noise, heavy truck traffic, and sometimes odors generated.

Core, medium, and light PDR space attributes might vary according to their location. For example, core businesses in Bayview use more space per worker than in the rest of the city. Given the intense competition for land in Mission and SoMa, some core PDR busi-



nesses use land more efficiently in multi-story buildings. Sometimes they also operate morning, swing, and graveyard shifts using their available space around the clock rather than just in the morning or evening.

Location and Distribution of PDR Activities

Approximately 4,800 businesses and 53,000 PDR jobs are located throughout the industrial land. Most of them are located in the Eastern Neighborhoods and Central Waterfront and a small share is located at the Port and Hunters Point. They include a mix of light, medium, and core PDR activities. Another 6,000 light PDR businesses and 27,000 jobs are located in the residential and commercial neighborhoods in the rest of the city.

Table 1: Production, Distribution and Repair Jobs in San Francisco, 2000

	Industrial Land	Residential and Commercial Land	Total
Light PDR	6,000	27,000	33,000
Medium/Core PDR	47,000	0	47,000
Total	53,000	27,000	80,000

Source: ABAG, SF Planning Department, Dun & Bradstreet

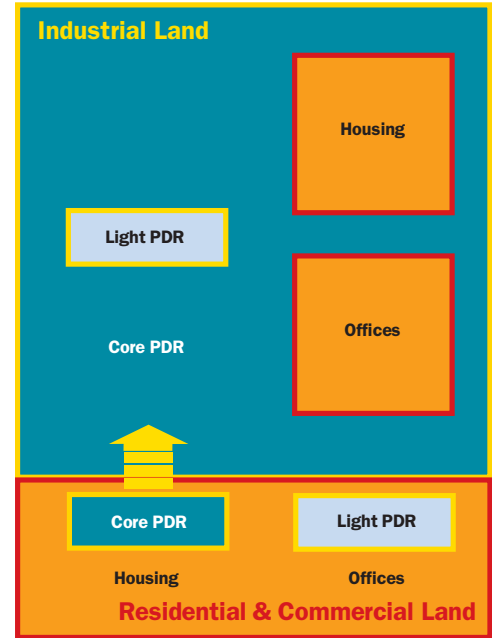
Land Available for Core and Medium PDR in 2000

In order to understand how much land is available for core and medium PDR businesses, it is important to understand how the various uses allowed in a zoning district compete in the real estate market. It is also important to understand that zoning rules directly impact new development and not necessarily existing uses. Existing uses can remain in place, even if they are no longer allowed under new zoning rules as non-conforming uses. They can stay as long as they can compete with the surrounding uses in the real estate market.

Current zoning allows light PDR businesses throughout the city, while medium and core PDR businesses can only be located in industrial land. At the same time, industrial land allows a wide spectrum of uses from residential to heavy industrial. Thus, core and medium PDR businesses have had to compete for this industrial land not only with light PDR businesses but also with residential and commercial uses.

The 1999 interim controls was a first attempt to define an area of the city for PDR uses. These interim controls divided industrial land into 1,200 acres for PDR (Industrial Protection Zones or IPZs) and 450 acres for residential and commercial uses (Mixed Use Housing Zone or MUHZ). The intent of these controls was to guide new development towards the most appropriate locations and provide more stability for core and medium PDR jobs. These controls expired in 2001 but were replaced by policy guidelines.

The 1,200 acres of IPZ land designated in the interim controls were not completely available for core and medium PDR businesses since one third of this land was already used for residential, commercial, and some heavy industrial uses that were not going away. Here, most offices, retail stores, and residential buildings remain because they can afford higher rental rates than PDR and, at the same time, pay lower rents than those at most other locations in the city. Heavy industrial uses, such as the power plant or sewage treatment plant, will not readily move because of the high level of investment in infrastructure. This non-PDR uses add to about 400 acres of land, leaving about 800 acres for PDR uses.



At the same time, core and medium PDR businesses located in the MUHZ land are leaving because they are incompatible with surrounding uses or they cannot afford the predominant residential or office rental rates. MUHZ land would then be mostly dedicated to residential and commercial uses.

The 800 acres of land is the only land available for PDR businesses under current policy guidelines. This is a smaller amount of land than the 1,150 acres of land currently used by the 53,000 PDR jobs in industrial land. If the 800 acres remain available for PDR, about 39,000 jobs could be accommodated under current densities. If higher densities are assumed, about 49,000 jobs could be accommodated. This will still represent a decline of 4,000 jobs out of the 53,000 total existing jobs. In other words, if no more land than the interim MUHZ zone is opened up for housing, there would still be an eventual reduction of 4,000 PDR jobs.

The challenge of finding space for PDR activities is even greater in the future considering that the Association of Bay Area Governments has forecasted a growth of about 18,000 PDR jobs between 2000 and 2025. In addition, the current rezoning effort in the Eastern Neighborhoods is reducing PDR land even further. Obviously, if the land supply diminishes, the forecast will have to be revised.

Currently, land competition is less intense due to the economic recession. Loss of businesses and jobs has led to a major increase of vacant space. PDR businesses have more flexibility to find space and faced less displacement pressures. Some PDR businesses are even reverting office space into warehouse space. However, as the local economy recovers over the next few years, demand for space is expected to be very high again.

Today, the City has the opportunity to design zoning controls that can guide future development through cycles of growth and decline in a more efficient and appropriate manner than the current industrial zoning or market forces have allowed over the past few years. The amount of land assigned to PDR uses in the rezoning effort of the Eastern Neighborhoods will define how many of the existing PDR businesses and jobs stay in the city, how many new ones will come, and what kind of PDR activities will be available in the City.

Growth 2000-2025: Where can we House People? Where and What Kinds of Jobs can we Accommodate?

The development of policy guidelines and zoning controls for the future use of land in this community planning effort is informed by an analysis of past, present, and future urban conditions. Past and present conditions are realities reported in various documents and data sources or collected through fieldwork. Future conditions are scenarios developed under certain economic and demographic assumptions informed by past trends, changing industries, social events, national and global trends, among other factors. The Association of Bay Area Governments is the key regional agency that develops population and job growth projections for the San Francisco Bay Area. Its regional model allocates growth to local jurisdictions based on regional and state trends as well as local policies. ABAG forecasts are used to inform how the new zoning rules in the Eastern Neighborhoods relate to future jobs and households as well as to place the Eastern Neighborhoods in a citywide perspective.

According to the ABAG's Projections 2002, San Francisco would add about 20,000 households and 135,000 jobs between 2000 and 2025. For the purpose of this analysis, we are assuming that San Francisco will grow by 30,000 households based on the annual average housing production of 1,200 units that the City experienced over the last 20 years. This assumption also takes into account various community plans and rezoning initiatives that will greatly expand housing potential capacity throughout the City. However, there is every expectation that if all aspects of the Citywide Action Plan are successfully and aggressively implemented, this rate of production can be accelerated. If this happens more than 30,000 units could be built over the same time period.

Overall, the total potential capacity for new housing development under proposed plans and rezoning efforts ranges from 66,000 to 78,000 new housing units. These housing potential capacity estimates are based on an inventory of the City's vacant or underutilized lands suitable for housing development. Land availability, however, is not the only factor determining new housing production. Given the City's finite supply of land and strong development pressures, landowners can expect high prices for parcels they own, if they choose to sell for housing development at all. Availability of capital, costs of labor and materials, neighborhood opposition, and building regulations are some of the additional factors that constrain the production of housing. But while this much higher household growth assumption – equivalent to 50% more than the ABAG estimate – constitutes an optimistic scenario, it is quite reasonable under appropriate policy guidelines and market conditions.

The total ABAG employment estimate is maintained at the same level primarily because of land constraints. No major expansion of commercial space is considered and industrial land would be reduced. Under the different zoning scenarios, potential commercial development could accommodate from 154,000 to 158,000 new jobs.

Table 2: Households and Jobs 2000 - 2025: Forecast growth and available space

	ABAG Forecast	Planning Department	
		Forecast Growth	Available space
Households	20,000	30,000	66,000 - 78,000 (units)
Jobs	135,000	115,000 ñ 126,000	154,000 - 158,000 (jobs)

ABAG also provides a breakdown of the total employment growth by major industrial sectors such as agriculture, manufacturing, or services. (See Forecast and Growth Allocation 2000 – 2025: Housing and Jobs in the Appendices.) These major industrial sectors are translated into land use activities in order to link employment growth to space requirements and land availability. For example, the manufacturing industrial sector is divided so that production functions fall under PDR and headquarter functions fall under office. Similarly, in the case of mining, all jobs are considered an office land use activity.

The translation of ABAG industrial sectors into the three major land use activities results into two thirds of the total growth concentrated in the office/institutional activities, 22 percent in retail, and 13 percent in PDR. However, this forecast job growth will only take place if land is available. Estimates of available space under proposed plans and rezoning efforts indicate that the City could provide enough space for office/institutional and retail, but not for PDR. Because of their linkage to other jobs, the decline in PDR jobs could trigger a job decline in other sectors of the local economy, an impact that is not analyzed in this report but should be taken into consideration for a final assessment of rezoning and land use policies.

Business Linkages in San Francisco: Percentage of Total Inputs Purchased from Selected PDR Industries				
Selling Industry	Purchasing Industry			
	Visitor Services		FIRE	
	Eating/ Drinking	Hotels	Finance	Real Estate
TOTAL PDR	45%	30%	11%	31%
<i>Wholesale Trade</i>	10%	2%	–	–
<i>Food Processing</i>	18.50%	1%	–	–
<i>Transportation</i>	2.50%	1%	3%	–
<i>Printing/Publishing</i>	–	2%	1.50%	2%
<i>Construction, Maintenance, Repair</i>	7%	19%	3%	Most of the 31% above
<i>Other PDR</i>	7%	5%	3.50%	–

Source: 1993 IMPLAN San Francisco Input-Output Table and Strategic Economics

Note: The input-output table consists of categories not comparable to employment or wage data given elsewhere in this report.

Table 3: Jobs by Land Use Activity 2000 - 2025: Forecast Growth and Available Space

Land Use Activities	Growth	Range of Jobs Accommodated Under Different Land Availability Scenarios
Office / Institutional	88,000	122,000 to 127,000
Retail	30,000	37,000
PDR	-4,300 to 7,000	-4,300 to 7,000
Total	115,000 to 126,000	154,000 to 158,000

Households and Job Growth Allocation by Major Areas: Three Choices.

The location of household and employment growth throughout the City will be guided by zoning rules as well as market forces. New development will take place where zoning rules allow it and at locations that are desirable and financially feasible. Different zoning options and economic trends will lead to different patterns of development, different places, and a different make up of San Francisco as an urban place. The Citywide Action Plan (CAP) is the current comprehensive planning framework to maximize housing opportunities and accommodate job growth. The CAP includes the Eastern Neighborhoods, Better Neighborhoods, Downtown, and transit corridors.

The City could choose to place housing primarily around transit corridors and retain much of its existing industrial land for PDR uses. This choice would intensify some of the existing character of San Francisco's mixed used neighborhoods, where residents can walk to restaurants and grocery stores and rely on the existing transit infrastructure and services to go to work or to visit places. This choice would also find housing opportunities in industrial land but those would be at selected locations close to transit. The retention of industrial land for PDR uses would preserve some of the economic and social diversity of the City.

The City could also make a different choice and replace industrial neighborhoods with residential neighborhoods. It could be easier to build housing in industrial land than in existing residential neighborhoods for a number of reasons: land is cheaper, lots are larger, and neighborhood opposition is very limited. However, long term costs would be significant. These new residential neighborhoods, if built according to the City's General Plan, would involve major investments in transit, sidewalks, open space, toxic clean-up and community facilities in addition to many other requirements. Indirect costs will result from the relocation of PDR businesses outside the City. The delivery of goods and services would cost more and take more time. San Francisco's economy would lose its diversity, becoming almost exclu-

sively a professional service and tourist based economy, and thus losing some of the resiliency it has shown in the past to weather economic booms and busts. Transportation costs would involve an increase in traffic at the bridges and freeway approaches to the City since some of the indispensable services and goods would be imported from outside the city. The most important cost is probably the social cost of losing stable and higher wage jobs for a sector of the population with limited formal education. This population would only have access to very low-paid jobs in restaurants and hotels, would have to look for jobs outside of the City, or leave the City.

In between these two choices, the City could identify selected industrial areas for new residential neighborhoods. Core PDR activity in these areas would be displaced. Major investments in transit infrastructure and community services would turn these areas into appropriate residential neighborhoods.

These citywide choices will be greatly influenced by the rezoning of the industrial land. This rezoning effort will influence the kind of housing and the type of neighborhoods to be built in the City and will define the kind of jobs that will be retained or removed from the City. The three citywide choices are related to the three rezoning options in the Eastern Neighborhoods: A, B, and C.

Options	Citywide Growth Allocation of Housing and Jobs	Eastern Neighborhoods: Housing Options in Industrial Land
A	Intensification and Modest Expansion of Existing Residential Neighborhoods into Industrial Land	Low Housing Option
B	Development of Selected New Residential Neighborhoods in Industrial Land	Moderate Housing Option
C	Major Residential Development in Industrial land	High Housing Option

The two sections below describe potential development scenarios under these three choices, first, a general allocation of all housing and jobs by major areas in the City, and second, a more specific description of the changes in PDR employment related to the land available.

2025 Housing and Job Allocation Citywide

Based on these three overall choices and the space made available through the various planning efforts in the City, the 30,000 housing units and 135,000 jobs expected by 2025 could be allocated as shown in the table below.

Under Option A – the intensification of existing residential neighborhoods– 21,300 units or more than two thirds of the total estimated housing production would take place in transit corridors and greater downtown. Three Better Neighborhoods Plans – Market/Octavia, Balboa Park, and Central Waterfront – are specific efforts that provide incentives for housing and commercial development at strategic locations in the transit corridors. (See www.betterneighborhoods.org for more information.) Downtown and Mission Bay includes all the major planning efforts in Transbay, Rincon Hill, and Mid-Market. Selected industrial areas rezoned for residential development could expect about 4,250 units. The rest of the City, which includes all residential districts plus the Presidio, Port properties, and Hunters Point Naval Shipyard, could expect about 4,300 units. The amount of housing that would be built in each of these areas of the City represent approximately half of the overall housing development potential created under current planning and rezoning efforts. Under this option, the amount of industrial and commercial land left for PDR would accommodate about 7,000 new PDR jobs or over 40% of the total projected by ABAG. This could reduce the total ABAG employment growth by almost 10 percent to about 126,000.

Under Option B – selected new residential neighborhoods in industrial land – 17,300 units or close to 60 percent of the total estimated housing production would take place in transit corridors and greater downtown. Downtown and Mission Bay would see 10,000 new units. About 7,300 units would be expected in the Better Neighborhoods and the rest of the transit corridors, representing 15% of estimated total. About 8,250 units or 25 percent of the total projected housing development would be located in industrial lands. This would account for selected new residential neighborhoods in industrial land. The rest of the city could expect 4,450 units, nearly the same as in the previous option, since these areas' share has remained almost constant in previous decades. The amount of housing that would be built in each of these areas of the City represent approximately one third of the overall housing development potential created under current planning and rezoning efforts. Under this option, the amount of industrial and commercial land left for PDR would accommodate about 2,500 new PDR jobs or about 15 percent of the total projected by ABAG. This could reduce the total ABAG employment growth by almost 10 percent to about 121,500.

Under Option C – major residential neighborhoods in industrial land – about 12,000 units or 40% of the total projected housing development would be located in industrial lands. Downtown and Mission Bay would see 8,250 new units. About 5,250 units would be expected in the Better Neighborhoods and the rest of the transit corridors, representing 15% of estimated total. The rest of the city could expect the same 4,500 units as in the previous options. The amount of housing that would be built in each of these areas of the City represent approximately one third of the overall housing development potential created under current planning and rezoning efforts. Under this option, no net growth of PDR could be accommodated. Instead a loss of 4,300 jobs could be expected. This could reduce the total ABAG employment growth by at least 18 percent to about 115,000 jobs.

Table 4: Housing and Job Growth Allocation by Area, 2000 - 2025

A: Intensification and expansion of existing residential neighborhoods				
	Housing Growth	Job Growth		
		PDR	Office/Retail	Total Jobs
Eastern Neighborhoods	4,250	-1000	13,000	12,000
Better Neighborhoods/TC	9,300	2,600	13,000	15,600
Downtown/Mission Bay	12,000	1,900	63,000	64,900
Rest of City	4,300	3,600	30,000	33,600
Total	29,850	7,100	119,000	126,100
B: Development of selected new residential neighborhoods in industrial land				
	Housing Growth	Job Growth		
		PDR	Office/Retail	Total Jobs
Eastern Neighborhoods	8,250	-5,600	15,000	9,400
Better Neighborhoods/TC	7,300	2,600	11,000	13,600
Downtown/Mission Bay	10,000	1,900	63,000	64,900
Rest of City	4,450	3,600	30,000	33,600
Total	30,000	2,500	119,000	121,500
C: Major residential development in industrial land				
	Housing Growth	Job Growth		
		PDR	Office/Retail	Total Jobs
Eastern Neighborhoods	12,000	-12,400	17,000	4,600
Better Neighborhoods/TC	5,250	2,600	10,000	12,600
Downtown/Mission Bay	8,250	1,900	62,000	63,900
Rest of City	4,500	3,600	30,000	33,600
Total	30,000	-4,300	119,000	114,700

PDR Job Growth and Land Available by 2025

Under any of the options, the ABAG forecast of 18,000 PDR jobs cannot take place because land is not available to accommodate all these jobs. In order to properly address the maximum number of these jobs that can be accommodated under the three options, a more precise accounting of PDR land available was prepared. This accounting involved two key tasks: separate job growth for core and medium PDR jobs from light PDR jobs, and lower the amount of land required by PDR workers in the future.

Based on ABAG employment forecast and existing distribution of PDR jobs in core, medium and light categories, about 10,000 jobs could be expected for core and medium PDR and 8,000 for light PDR. This assumes no net gain in heavy industrial/maritime jobs.

Because core and medium PDR jobs can only go into PDR land and light PDR jobs can go into PDR land as well as mixed-use areas, land for each type of job was calculated separately. This calculation assumed a more efficient use of space where workers will use less space and buildings will be taller (See Appendices: Forecast and Growth Allocation Methodology). The calculation of core and medium PDR land also takes into account land available at the Port, Hunter's Point, and Mission Bay. Based on this land accounting, almost all of the light PDR jobs could be accommodated throughout the City in all three options. However, not much land is available to accommodate core and medium PDR jobs even assuming higher densities. Space available for core and medium PDR jobs is less than that which accommodates existing businesses. In the option where most land is primarily assigned to residential uses, a loss of 14,700 core and medium jobs is expected.

**Table 5: Core, Medium, and Light PDR Jobs 2000 - 2025:
Forecast Growth and Available Space**

PDR categories	Growth	Range of Jobs Accommodated Under Different Land Availability Scenarios
Core and Medium	10,000	-14,700 to 0
Light	8,000	10,300 to 7,000
Total	18,000	-4,400 to 7,000

