

File No. 170156

Committee Item No. 4

Board Item No. 27

# COMMITTEE/BOARD OF SUPERVISORS

## AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation

Date May 1, 2017

Board of Supervisors Meeting

Date May 9, 2017

### Cmte Board

- |                                     |                                     |  |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Resolution                                   |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance                                    |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Memorandum of Understanding (MOU)            |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Form 126 - Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Form 700                                     |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Vacancy Notice                               |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Information Sheet                            |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Public Correspondence                        |

OTHER (Use back side if additional space is needed)

- |                                     |                                     |   |
|-------------------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Planning Resolution No. 19866</u>            |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Mission Action Plan 2020</u>                 |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Small Business Commission Recommendation</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Notice of Public Hearing</u>                 |
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Completed by: Alisa Somera

Date April 28, 2017

Completed by: Alisa Somera

Date May 4, 2017

1 [Planning Code, Zoning Map - Production, Distribution, and Repair Controls; Eliminating the  
2 Transit-Oriented Retail Special Use District, and Correcting Height Limits in the UMU District]

3 **Ordinance amending the Planning Code and Zoning Map to prohibit Gym and Massage**  
4 **uses in the Production, Distribution, and Repair (PDR) zoning districts, eliminate the**  
5 **Transit-Oriented Retail Special Use District, which includes all parcels in PDR districts**  
6 **along 16th Street from Mission Street to Potrero Avenue, and correct the height limits**  
7 **on certain parcels in the Urban Mixed Use (UMU) District to allow for groundfloor PDR**  
8 **uses; affirming the Planning Department's Commission's determination under the**  
9 **California Environmental Quality Act; and making findings of consistency with the**  
10 **General Plan, and the eight priority policies of Planning Code, Section 101.1, and**  
11 **findings of public necessity, convenience, and welfare under Planning Code, Section**  
12 **302.**

13 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
14 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
15 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
16 **Board amendment additions** are in double-underlined Arial font.  
17 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
18 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
19 subsections or parts of tables.

20 Be it ordained by the People of the City and County of San Francisco:

21 Section 1. Findings and Purpose.

22 (a) On March 1, 2017, the Planning Department has determined that the actions  
23 contemplated in this ordinance were adequately analyzed pursuant to the California  
24 Environmental Quality Act ("CEQA") in the Final Environmental Impact Report ("FEIR")  
25 previously prepared for the Eastern Neighborhoods Rezoning and Area Plans project. The  
Planning Department reviewed the proposed legislation in accordance with CEQA Guidelines

1 Sections 15162 and 15164. The Planning Department found that implementation of the  
2 proposed legislation would not cause new significant impacts not identified in the FEIR or  
3 result in a substantial increase in the severity of previously identified significant impacts, and  
4 no new mitigation measures would be necessary to reduce significant impacts. No changes  
5 have occurred with respect to circumstances surrounding the original project that would cause  
6 significant environmental impacts to which the modified project would contribute considerably,  
7 and no new information has been put forward which shows that the modified project would  
8 cause significant environmental impacts. To document this analysis and conclusions, the  
9 Planning Department issued an Addendum to the FEIR.

10 (b) On March 2, 2017, the Planning Commission found that the Addendum to the EIR,  
11 is adequate, accurate, and objective, reflects the independent analysis and judgment of the  
12 Planning Department and the Planning Commission, and concurred with said determination  
13 comply with the California Environmental Quality Act (California Public Resources Code  
14 Sections 21000 et seq.). Said determinations, including the Addendum, are is on file with the  
15 Clerk of the Board of Supervisors in File No. 170156 and is incorporated herein by reference.  
16 The Board affirms this determination and incorporates the Planning Commission's findings as  
17 its own.

18 (bc) On March 2, 2017, the Planning Commission, in Resolution No. 19866, adopted  
19 findings that the actions contemplated in this ordinance are consistent, on balance, with the  
20 City's General Plan and eight priority policies of Planning Code Section 101.1. The Board  
21 adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the  
22 Board of Supervisors in File No. 170156 and is incorporated herein by reference.

23 (ed) Pursuant to Planning Code Section 302, the Board of Supervisors finds that this  
24 Planning Code Amendment will serve the public necessity, convenience, and welfare for the  
25

1 reasons set forth in Planning Commission Resolution No. 19866, and the Board incorporates  
2 such reasons herein by reference.

3 (de) In 2008, the City adopted the Eastern Neighborhoods Plan and related zoning, in  
4 part to refine the City's approach to Production, Distribution, and Repair (PDR) uses and to  
5 preserve and encourage such uses in the southeastern neighborhoods of the city. (See e.g.  
6 Ordinance No. 297-08 (General Plan Amendments) and Ordinance No. 298-08 (Planning  
7 Code Amendments), among others.) Since the adoption of this Plan and its associated  
8 zoning, the continued establishment, evolution, and adaptation of these uses demands a  
9 more responsive set of zoning controls in the Planning Code.

10 (ef) The zoning controls proposed in this ordinance are intended to satisfy the  
11 following policy goals: (1) Reduce land use pressures on PDR from competing uses; (2)  
12 Permit new forms of cross-subsidization for PDR uses; and, (3) Expand opportunities for PDR  
13 uses to locate in ground-floor locations.

14  
15 Section 2. The Planning Code is hereby amended by revising Sections 145.1, 210.3,  
16 and 210.3C, and deleting 249.38, to read as follows:

17 **SEC. 145.1. STREET FRONTAGES IN NEIGHBORHOOD COMMERCIAL,**  
18 **RESIDENTIAL-COMMERCIAL, COMMERCIAL, AND MIXED USE DISTRICTS.**

19 (a) Purpose. The purpose of this Section is to preserve, enhance, and promote  
20 attractive, clearly defined street frontages that are pedestrian-oriented, fine-grained, and  
21 which are appropriate and compatible with the buildings and uses in Neighborhood  
22 Commercial Districts, Commercial Districts, Residential-Commercial Districts, and Mixed Use  
23 Districts.

24 \* \* \* \*  
25

1 (c) **Controls.** The following requirements shall generally apply, except for those  
2 controls listed in subsections (1) Above Grade Parking Setback and (4) Ground Floor Ceiling  
3 Height, which only apply to a "development lot" as defined above.

4 \* \* \* \*

5 (4) **Ground Floor Ceiling Height.** Unless otherwise established elsewhere in  
6 this Code:

7 (A) All ~~Ground floor non-residential~~ uses in UMU Districts shall have a  
8 minimum floor-to-floor height of 17 feet, as measured from grade. ~~Ground floor residential~~  
9 uses shall also be designed to meet the City's Ground Floor Residential Design Guidelines.

10 \* \* \* \*

11 **SEC. 210.3. PDR DISTRICTS.**

12 These Districts provide space for a wide variety of PDR (production, distribution and  
13 repair) and other non-residential activities in districts where these uses are free from inherent  
14 economic and operational competition and conflicts with housing, large office developments,  
15 and large-scale retail, which are not permitted in these Districts. Other uses that share  
16 operational characteristics with PDR uses are permitted in these Districts, as they require  
17 large flexible spaces and prefer separation from intensive housing districts. PDR-zoned land  
18 is also an important reservoir of space in San Francisco for new and evolving industry and  
19 activity types that cannot be foreseen today and cannot practically function or compete for  
20 space in a typical downtown office or neighborhood commercial environment. Business and  
21 activities allowed in PDR Districts generally share a need for flexible operating space that  
22 features large open interior spaces, high ceilings, freight loading docks and elevators, floors  
23 capable of bearing heavy loads, and large (often uncovered exterior) storage areas. These  
24 uses are often not ideally compatible with housing for operational reasons, including the need  
25 for significant trucking and delivery activities, 24-hour operation, and emission of noise, odors

1 and vibrations. Importantly, PDR uses are limited in the amount of rent they can afford relative  
2 to office, retail, and residential uses, yet are important sectors of the City's economy.

3 **PDR-1-B District: Light Industrial Buffer.** The intent of this District is to create a  
4 buffer area between residential neighborhoods and light industrial areas, primarily in the  
5 Bayview Hunters Point neighborhood. Thus, this District prohibits residential uses and limits  
6 Office, Retail, and Institutional uses. Generally, all other uses are permitted. This zone allows  
7 for less intensive production, distribution, and repair activities that will not compromise the  
8 quality of life of nearby residents. These uses generate less external noise, odors, and  
9 vibrations and engage in fewer trucking activities than those permitted in PDR-2 Districts.  
10 Uses in this District are generally conducted completely within enclosed structures. Small-  
11 scale Retail and Office uses are permitted, as are other activities that may serve well to buffer  
12 existing residential neighborhoods from areas of concentrated industrial operations. In  
13 considering any new land use not contemplated in this District, the Zoning Administrator shall  
14 take into account the intent of this District as expressed in this Section and in the General  
15 Plan.

16 **PDR-1-D District: Design.** The intention of this District is to retain and encourage less-  
17 intensive production, distribution, and repair businesses, especially the existing clusters of  
18 design-related businesses. Thus, this District prohibits Residential and Office uses, and limits  
19 Retail and Institutional uses. Additionally, this District prohibits heavy industrial uses, which  
20 generate external noise, odors, and vibrations and engage in frequent trucking activities.  
21 Generally, all other uses are permitted. In considering any new land use not contemplated in  
22 this District, the Zoning Administrator shall take into account the intent of this District as  
23 expressed in this Section and in the General Plan.

24 **PDR-1-G District: General.** The intention of this District is to retain and encourage  
25 existing production, distribution, and repair activities and promote new business formation.

1 Thus, this District prohibits Residential and Office uses, and limits Retail and Institutional  
2 uses. Additionally, this District allows for more intensive production, distribution, and repair  
3 activities than PDR-1-B and PDR-1-D but less intensive than PDR-2. Generally, all other uses  
4 are permitted. In considering any new land use not contemplated in this District, the Zoning  
5 Administrator shall take into account the intent of this District as expressed in this Section and  
6 in the General Plan.

7 **PDR-2 District: Core Production, Distribution, and Repair.** The intent of this District  
8 is to encourage the introduction, intensification, and protection of a wide range of light and  
9 contemporary industrial activities. Thus, this District prohibits new housing, large office  
10 developments, large-scale retail, and the heaviest of industrial uses, such as incinerators.  
11 Generally, all other uses are permitted. The conservation of existing flexible industrial  
12 buildings is also encouraged. This District permits certain non-industrial, non-residential uses,  
13 including small-scale Retail and Office, Entertainment, certain institutions, and similar uses  
14 that would not create conflicts with the primary industrial uses or are compatible with the  
15 operational characteristics of businesses in the area. Light industrial uses in this District may  
16 be conducted entirely within an enclosed structure, partly within enclosed structures, or some  
17 functions may occur entirely in open areas. These uses may require trucking activity multiple  
18 times per day, including trucks with up to 18 wheels or more, and occurring at any time of the  
19 day or night. As part of their daily operations, PDR activities in these areas may emit noises,  
20 vibrations, odors, and other emissions, as permitted by law. Within the requirements of local,  
21 state, and federal health and safety regulations, and within the stipulation of this Code, which  
22 may impose additional use size maximums and minimum distance requirements on certain  
23 activities, raw materials used for production, manufacturing, repair, storage, research, and  
24 distribution may be stored on site and may include chemical, biological, and other hazardous,  
25 explosive, or flammable materials. In considering any new land use not contemplated in this

District, the Zoning Administrator shall take into account the intent of this District as expressed in this Section and in the General Plan.

Table 210.3

ZONING CONTROL TABLE FOR PDR DISTRICTS

Zoning Category	§ References	PDR-1-B	PDR-1-D	PDR-1-G	PDR-2
****					
<b>RESIDENTIAL STANDARDS AND USES</b>					
****					
<b>Residential Uses</b>					
****					
Homeless Shelter	§§102, 208	<del>C(18)(19)</del>	<del>C(18)(19)</del>	<del>C(18)(19)</del>	<del>C(18)(19)</del>
****					
<b>NON-RESIDENTIAL STANDARDS AND USES</b>					
****					
<b>Sales and Service Category</b>					
<b>Retail Sales and Service Uses*</b>	§§ 102, 202.2(a)	P (1)	P (10)	P (9)	P (1)
Adult Business	§102	NP	P	P	P
Animal Hospital	§102	P	P	P	P
Cat Boarding	§102	P	P	P	P
Grocery Store, General	§§102, 202.3	P (1)	P (13)	P (12)	P (1)
Gym	§§102, <u>210.3C</u>	<del>P(1)NP</del>	<del>P(13)NP</del> (20)	<del>P(12)NP</del> (20)	<del>P(1)NP</del>
Hotel	§102	NP	NP	NP	NP

1	Kennel	§102	NP	P	P	P
2	Massage Establishment	§102	<del>CNP</del>	<del>CNP</del>	<del>CNP</del>	<del>CNP</del>
3	Massage, Foot/Chair	§102	<del>PNP</del>	<del>PNP</del>	<del>P-NP</del>	<del>PNP</del>
4	Mortuary	§102	P	NP	P	P
5	Motel	§§102, 202.2	NP	NP	NP	NP
6	****					

7 \* Not listed below.

8 (1) See Table 210.3A.

9 (2) See Table 210.3A.

10 (3) NP above 7,500 Gross Square Feet.

11 (4) Required to be in an enclosed building, NP if operated on open lot.

12 (5) NP above 5,000 Gross Square Feet.

13 (6) More than 3 screens NP.

14 (7) NP above 20,000 Gross Square Feet. Housing is not permitted.

15 (8) C if above 5,000 Gross Square Feet.

16 (9) In this District, all uses with this reference number are limited to a cumulative total  
17 of 2,500 Gross Square Feet per lot.

18 (10) In this District, all uses with this reference number are limited to a cumulative  
19 total of 5,000 Gross Square Feet per lot.

20 (11) Printing shop and newspaper publication limited to 5,000 Gross Square Feet.

21 (12) C required if larger than 2,500 Gross Square Feet per lot; ~~Gyms greater than 2,500~~  
22 ~~Gross Square Feet must include equipment and space for weightlifting and cardiovascular activities.~~

23 (13) C required if larger than 5,000 Gross Square Feet per lot; ~~Gyms greater than 5,000~~  
24 ~~Gross Square Feet must include equipment and space for weightlifting and cardiovascular activities.~~

25 (14) C if in a designated landmark per Section 210.3B.

1 (15) C required if taller than 25 feet above roof, grade or height limit depending on site  
2 or if within 1,000 feet of an R District and includes a parabolic antenna with a diameter in  
3 excess of three meters or a composite diameter of antennae in excess of six meters. See  
4 definition in § 102 for more information.

5 (16) NP ~~at~~above 2,500 Gross Square Feet.

6 (17) C required for properties within the Third Street Formula Retail Restricted Use  
7 District (§ 786), which includes properties fronting Third Street between Williams Avenue and  
8 Paul Street.

9 (18) C if a Macro WTS Facility; P if a Micro WTS Facility.

10 ~~(18)~~(19) In this District, Homeless Shelter uses are permitted only with Conditional  
11 Use authorization and only if each such use (a) would operate for no more than four years,  
12 and (b) would be owned or leased by, operated by, and/or under the management or day-to-  
13 day control of the City and County of San Francisco. If such a use is to be located within a  
14 building or structure, the building or structure must be either (a) preexisting, having been  
15 completed and previously occupied by a use other than a Homeless Shelter, or (b) temporary.  
16 In this District, construction of a permanent structure or building to be used as a Homeless  
17 Shelter is not permitted.

18 ~~(20)~~ NP except as provided in Section 210.3C.

19 \* \* \* \*

20 **SEC. 210.3C. ALLOWANCE FOR USES TO SUPPORT THE DEVELOPMENT OF**  
21 **NEW PDR SPACE IN THE PDR-1-D AND PDR-1-G DISTRICTS.**

22 \* \* \* \*

23 (b) **Geography.** This provision applies to parcels that meet all of the following criteria:

24 (1) Are located in either the PDR-1-D or PDR-1-G Districts;

25 (2) Are located north of 20th Street;

1 (3) Contain a floor area ratio of 0.3 gross floor area or less as of January 1,  
2 2014; and

3 (4) Are 20,000 square feet or larger.

4 (c) **Controls.** The Planning Commission may permit, per the procedures described  
5 below in Subsection (d), non-PDR uses on the subject lot pursuant to the following provisions:

6 (1) At least 1/3 of the total Gross Floor Area developed on the parcel shall  
7 contain PDR Uses, as defined in Section 102.

8 (2) For purposes of this Subsection, every square foot of Small Enterprise  
9 Workspace, as defined in Section 102, shall count as 0.5 square feet of PDR space and 0.5  
10 square feet of non-PDR space as specified in Subsection (3) below.

11 (3) The non-PDR space may contain one or ~~both~~ a combination of the following  
12 uses:

13 (A) Office Uses, as defined in Section 102; ~~and/or~~

14 (B) Institutional Uses, as defined in Section 102, except for Hospitals;

15 and/or

16 (C) Gym Use, as defined in Section 102.

17 (4) Uses other than those listed in Subsections (2) and (3) above, such as retail,  
18 are subject to the controls of the underlying district.

19 (5) No residential uses are permitted, even as part of Institutions as defined  
20 under Section 890.50, except as allowed pursuant to Section 204.4.

21 \* \* \* \*

22 ~~**SEC. 249.38. TRANSIT-ORIENTED RETAIL SPECIAL USE DISTRICT.**~~

23 ~~(a) **Purpose.** The Transit-Oriented Retail Special Use District is intended to support street~~  
24 ~~activity along 16th Street.~~

1           ~~(b) Geography. The boundaries of the Transit Oriented Retail Special Use District include all~~  
2 ~~parcels in PDR Districts that are along 16th St. from Mission St. to Potrero Avenue.~~

3           ~~(c) Controls. All provisions of the Planning Code currently applicable shall continue to apply,~~  
4 ~~except that the amount and types of retail sales and services allowed on a parcel will be controlled in~~  
5 ~~the same manner as in the UMU District or the underlying zoning district, whichever is greater.~~

6  
7           Section 3. The Planning Code is hereby amended by revising Sectional Maps SU07,  
8 SU08, HT07, and HT08 of the Zoning Map of the City and County of San Francisco as  
9 follows:

10           (a) The Transit Oriented Retail Special Use District, formerly Planning Code Section  
11 249.38, having been repealed by this ordinance, Sectional Maps SU07 and SU08 are  
12 amended accordingly, as follows:

13

<u>Description of Property</u>	<u>Special Use District Deleted</u>
Assessor's Block 3551, Lots 001, 003; Assessor's Block 3552, Lot 012-013; Assessor's Block, 3553, 014; Assessor's Block 3571, Lots 001-002, 002A, 014; Assessor's Block 3572, Lots 001, 019-020, 020A, 020B, 020C, 021; Assessor's Block 3926, Lot 002; Assessor's Block 3927, Lot 004; Assessor's Block 3928, Lots 013-015; Assessor's Block 3966, Lot 001.	Transit Oriented Retail Special Use District

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(b) Sectional Maps HT07 and HT08 are amended as follows:

<u>Description of Property</u>	<u>Height and Bulk Districts to be Superseded</u>	<u>Height and Bulk Districts Hereby Approved</u>
Assessor's Block 3526, Lots 005-006; Assessor's Block 3548, Lots 028, 048, 050, 052, 063-064, 085, 094-098, 111-118, 124-126, 167-170; Assessor's Block 3570, Lots 042-043, 045-047, 137-140; Assessor's Block 3575, Lots 099; 104-106; Assessor's <del>Block 3612, Lots 007-008,</del> <del>010-012, 082-109, 117-119;</del> Assessor's Block 3613, Lots 011-012, 056-070; Assessor's Block 3639, Lots 001, 004A, 004B, 006, 025, 027-030, 035-036, 039-112, Assessor's Block 3640, Lots 036-039; Assessor's Block 3781, Lots 001A, 003, 011; <del>Assessor's Block 3985, Lot</del> <del>024; Assessor's Block 3986,</del>	40-X	48-X

1	<del>Lots 008, 011, 014, 016-041;</del>		
2	<del>Assessor's Block 3987, Lots</del>		
3	<del>003A, 007, 009A, 009B, 012-</del>		
4	<del>013, 017-022, 024, 036-038;</del>		
5	<del>Assessor's Block 3999, Lots</del>		
6	<del>006-007, 010, 013-014;</del>		
7	<del>Assessor's Block 4000, Lots</del>		
8	<del>024, 028-050, 053-074;</del>		
9	<del>Assessor's Block 4001, Lots</del>		
10	<del>001, 001A, 023-024;</del>		
11	<del>Assessor's Block 4005, Lots</del>		
12	<del>001B, 004, 006-007;</del>		
13	<del>Assessor's Block 4006, Lots</del>		
14	<del>006, 010-020; Assessor's</del>		
15	<del>Block 4008, Lots 001, 001A,</del>		
16	<del>002; Assessor's Block 4025,</del>		
17	<del>Lots 013, 015-020;</del>		
18	<del>Assessor's Block 4034, Lots</del>		
19	<del>006-100; Assessor's Block</del>		
20	<del>4084, Lots 026-029, 031-</del>		
21	<del>032, 049-068; Assessor's</del>		
22	<del>Block 4106, Lots 023-024,</del>		
23	<del>030-176; Assessor's Block</del>		
24	<del>4107, Lots 001B, 022, 026-</del>		
25	<del>057; Assessor's Block 4108,</del>		

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<p>Lots 003C, 003E, 003H, 003P, 015, 017-018, 022- 031, 038-040; Assessor's Block 4147, Lots 001, 035- 065; Assessor's Block 4167, Lot 013; Assessor's Block 4224, Lots 047-048, 051- 060, 063-088, 094-119, 125- 149, 154-157, 163-170</p>		
<p>Assessor's Block 4108, Lot 0030</p>	<p>40-X/45-X</p>	<p>48-X</p>
<p>Assessor's Block 3987, Lot 902</p>	<p>40-X/48-X</p>	<p>48-X</p>
<p>Assessor's Block 3575, Lot 101</p>	<p>40-X/58-X</p>	<p>48-X/58-X</p>
<p>Assessor's Block 3948, Lots 001A, 003B; Assessor's Block 3995, Lots 020, 045- 052, 073-088; Assessor's Block 4043, Lots 011B, 014- 016; Assessor's Block 4060, Lots 001, 004, 006-063; Assessor's Block 4084, Lots 001, 036, 044-048; Assessor's Block 4108, Lots</p>	<p>45-X</p>	<p>48-X</p>

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<p><del>003, 003A, 003B, 003F,</del> <del>003J, 003L, 003M, 003N,</del> <del>003R</del></p>		
<p><del>Assessor's Block 4080, Lots</del> <del>015-059, 067-142</del></p>	<p><del>45-X/58-X</del></p>	<p><del>48-X/58-X</del></p>
<p><del>Assessor's Block 4044, Lot</del> <del>052</del></p>	<p><del>45-X/58-X/68-X</del></p>	<p><del>48-X/58-X/68-X</del></p>
<p>Assessor's Block 3549, Lots 024-026, 045-047, 050A, 051-057, 059-064, 084, 090- 091; Assessor's Block 3552, Lots 026-029, 029A, 029B, 030-035, 037-038; Assessor's Block 3571, Lot 004C; Assessor's Block 3574, Lots 087-088; Assessor's Block 3575, Lots 097, 100; Assessor's Block 3591, Lots 019-022; <del>Assessor's Block 3996, Lots</del> <del>012, 017-018; Assessor's</del> <del>Block 4042, Lots 003-004;</del> <del>Assessor's Block 4043, Lot</del> <del>012A</del></p>	<p>50-X</p>	<p>58-X</p>

1	Assessor's Block 3552, Lot	50-X/58-X	58-X
2	020		
3	<del>Assessor's Block 3930A, Lot</del>	<del>85-X</del>	<del>88-X</del>
4	<del>002; Assessor's Block 3962,</del>		
5	<del>Lots 007, 011, 015-086</del>		

6  
7  
8 Section 4. Exemption. Any project for which a development application, as defined in  
9 Planning Code Section 401, was submitted by February 7, 2017, shall be exempt from the  
10 amendments related to Gym use contained in this ordinance (specifically, the amendments to  
11 Planning Code Table 210.3 and its footnotes and Section 210.3C(c)(3)(C)) and shall be  
12 considered under the law related to such use in effect prior to the effective date of this  
13 ordinance.

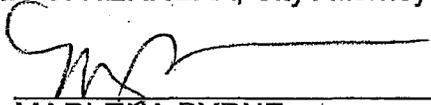
14  
15 Section 5. Effective Date. This ordinance shall become effective 30 days after  
16 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
17 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
18 of Supervisors overrides the Mayor's veto of the ordinance.

19  
20 Section 6. Scope of Ordinance. Except as stated in Section 3 with reference to the  
21 Zoning Map, in enacting this ordinance, the Board of Supervisors intends to amend only those  
22 words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks,  
23 charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly  
24 shown in this ordinance as additions, deletions, Board amendment additions, and Board  
25 amendment deletions in accordance with the "Note" that appears under the official title of the

1 ordinance. With regard to Section 3, the Board of Supervisors intends to amend Sectional  
2 Maps SU07, SU08, HT07, and HT08 of the Zoning Map of the City and County of San  
3 Francisco as described therein.

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APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

By:   
MARLENA BYRNE  
Deputy City Attorney

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**REVISED LEGISLATIVE DIGEST**

(5/1/2017, Amended in Committee)

[Planning Code, Zoning Map - Production, Distribution, and Repair Controls; Eliminating the Transit-Oriented Retail Special Use District, and Correcting Height Limits in the UMU District]

**Ordinance amending the Planning Code and Zoning Map to prohibit Gym and Massage uses in the Production, Distribution, and Repair (PDR) zoning districts, eliminate the Transit-Oriented Retail Special Use District, which includes all parcels in PDR districts along 16th Street from Mission Street to Potrero Avenue, and correct the height limits on certain parcels in the Urban Mixed Use (UMU) District to allow for groundfloor PDR uses; affirming the Planning Commission's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code Section 302.**

Existing Law

San Francisco Planning Code Section 210.3 regulates the use permitted within the Production, Distribution, and Repair (PDR) zoning districts, which are generally located within the South of Market neighborhoods. Existing law allows Gym and Massage, Foot/Chair uses, both as defined in Planning Code Section 102, and permits with a conditional use authorization Massage Establishment use, also as defined in Section 102.

Planning Code Section 210.3C currently allows the Planning Commission to permit certain otherwise prohibited uses (specifically Office and Institutional Uses) within the PDR-1-D (Design) and PDR-1-G (General) zoning districts if the proposed project also includes new PDR uses, covering at least 1/3 of the total gross floor area developed.

Amendments to Current Law

The proposed legislation would prohibit new Gym use within the PDR districts, except as provided in Planning Code Section 210.3C.

The proposed legislation would also amend Section 210.3C to allow the Planning Commission to approve Gym use in the PDR zoning districts if the proposed project also includes new PDR uses, covering at least 1/3 of the total gross floor area developed.

The proposed legislation would also delete the Transit-Oriented Retail Special Use District, which runs along 16th Street from Mission to Potrero, and revise the height limits in certain UMU (Urban Mixed Use) District, as defined in Planning Code Section 843, to allow for ground-floor PDR uses.

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# SAN FRANCISCO PLANNING DEPARTMENT

March <sup>28</sup>~~16~~, 2017

Ms. Angela Calvillo, Clerk  
Honorable Supervisor Hillary Ronen  
Board of Supervisors  
City and County of San Francisco  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

1650 Mission St.  
Suite 400  
San Francisco,  
CA 94103-2479

Reception:  
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415.558.6409

Planning  
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Re: Transmittal of Planning Department Case Number 2015-000988PCA MAP:  
Approval of PRD-Related Planning Code & Zoning Map Amendments  
with modifications  
Board File No. 170156  
Planning Commission Recommendation: Approval with Modifications

Dear Ms. Calvillo and Supervisor Ronen,

On March 2, 2017, the Planning Commission conducted duly noticed public hearings at regularly scheduled meetings to consider the proposed Ordinance, introduced by Supervisor Ronen and Mayor Lee that would amend the Planning Code and Zoning Map to prohibit Gym and Massage uses in the Production, Distribution, and Repair (PDR) zoning districts, eliminate the Transit-Oriented Retail Special Use District, which includes all parcels in PDR districts along 16th Street from Mission Street to Potrero Avenue, and adjust the height limits on certain parcels in the Urban Mixed Use (UMU) District to encourage ground floor PDR uses. At the hearing the Planning Commission recommended approval with modifications.

The Commission's proposed modifications were as follows:

**Modification 1:** In order to ensure that the 17 foot ground floor height requirement in the UMU district is utilized in new buildings for the purpose of creating new PDR-ready spaces rather than additional stories of housing beyond what is intended for the height district, the following code amendment is recommended:

## SECTION 145.1 STREET FRONTAGES IN NEIGHBORHOOD COMMERCIAL, RESIDENTIAL-COMMERCIAL, COMMERCIAL, AND MIXED USE DISTRICTS.

\*\*\*

- (4) Ground Floor Ceiling Height. Unless otherwise established elsewhere in this Code:
  - (A) *Ground floor non-residential uses in UMU Districts shall have a minimum floor to floor height of 17 feet, as measured from grade. The ground floor of new buildings in UMU Districts, regardless of use, shall have a minimum floor-to-floor height of not less than 17 feet, as measured from grade. Ground floor residential uses shall be designed to meet the City's Ground Floor Residential Design Guidelines.*

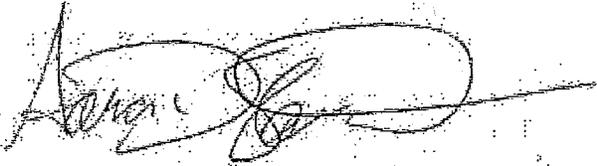
Modification 2: Exempt parcels located in District 10 from the proposed UMU district height adjustment.

The proposed amendments do not require supplemental environmental review, as the environmental effects of this legislation have been adequately analyzed pursuant to the California Environmental Quality Act in the Final Environmental Impact Report previously prepared for the Eastern Neighborhoods Rezoning and Area Plans project.

Supervisor, please advise the City Attorney at your earliest convenience if you wish to incorporate the changes recommended by the Commission.

Please find attached documents relating to the actions of the Commission. If you have any questions or require further information please do not hesitate to contact me.

Sincerely,



Aaron D. Starr  
Manager of Legislative Affairs

cc:

Marlena Byrne, Deputy City Attorney  
Sheila Chung Hagen, Aide to Supervisor Ronen  
Carolyn Goossen, Aide to Supervisor Ronen  
Alisa Somera, Office of the Clerk of the Board

Attachments:

Planning Commission Resolution  
Planning Department Executive Summary



# SAN FRANCISCO PLANNING DEPARTMENT

## Planning Commission Resolution No. 19866

HEARING DATE: MARCH 2, 2017

1650 Mission St.  
Suite 400  
San Francisco, CA 94103-2479

Reception:  
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415.558.6409

Planning  
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415.558.6378

*Project Name:* Mission Action Plan 2020 (MAP2020) –  
PDR-Related Planning Code & Zoning Map Amendments

*Case No.:* 2015-000988PCA MAP [Board File No. 170156]

*Initiated by:* Mayor Edwin M Lee, Supervisor Hillary Ronen /  
Introduced February 6, 2017

*Staff Contacts:* John M. Francis, Project Manager/Planner  
(415) 575-9147 | john.francis@sfgov.org

*Reviewed By:* AnMarie Rodgers, Senior Policy Advisor

**RESOLUTION** Recommending Approval with modifications to the Board to amend the Planning Code and Zoning Map to prohibit Gym and Massage uses in the Production, Distribution, and Repair (PDR) zoning districts, eliminate the Transit-Oriented Retail Special Use District, which includes all parcels in PDR districts along 16th Street from Mission Street to Potrero Avenue, and adjust the height limits on certain parcels in the Urban Mixed Use (UMU) District to allow for ground floor PDR uses; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code Section 302.

### PREAMBLE

WHEREAS, on February 6, 2017 Mayor Lee and Supervisor Ronen introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 170156, which would prohibit Gym and Massage uses in the Production, Distribution, and Repair (PDR) zoning districts, eliminate the Transit-Oriented Retail Special Use District, which includes all parcels in PDR districts along 16th Street from Mission Street to Potrero Avenue, and adjust the height limits on certain parcels in the Urban Mixed Use (UMU) District to accommodate adequate ceiling height for ground floor PDR uses; and

WHEREAS, the same conditions observed in the Mission District over 15 years ago that justified enacting interim land use controls to reduce the displacement of Production, Distribution and Repair (PDR) or light-industrial uses and began the rezoning and community planning process to turnover some industrial land for housing production at higher affordable levels persist today; and

WHEREAS, the Mission neighborhood has been the subject of various planning efforts by the City and the community over the past sixteen years or more, most recently the People's Plan for Housing and Jobs, the City's Mission Area Plan adopted in 2009 as part of the Eastern Neighborhoods Area Plans, the Mission Street Heights Study in 2006, and currently the Mission Action Plan 2020; and

WHEREAS, since 1994, the City has recognized the effect of market forces and changing land use patterns upon the viability of light industrial activity and residential affordability in the Mission District. For example the Planning Commission and/or Board of Supervisors found the following:

1995 Planning Commission Resolution Number 13794:

- Proposals for housing and live/work developments, both new construction and conversion of former industrial buildings are increasingly being proposed in industrially zoned districts.
- There are other strategies that could be explored to promote both appropriate housing locations and industrial stability and the opportunity for economic development, such as the "swapping" of opportunity sites.

1999 Planning Commission Resolution 14861:

- Interim controls [are required] to temporarily eliminate the threat to the supply of industrially zoned land and building space available to PDR businesses, while providing adequate space and direction for the location of residential and live/work development.

2001 Planning Commission Resolution 16202:

- Office and live/work housing uses began to compete with PDR uses for land and building space in large part because market pressures favored this type of development.
- As a result of this, the supply of industrially zoned land and building space available to PDR uses was expected to continue to diminish in the future unless protected.

2001 Board of Supervisors Resolution 518-01

- There was a 41% increase in average commercial lease rates in the Mission District between 1997-1999.
- It is necessary to create a "community service" use category, which allows nonprofits, arts activities and community-serving small businesses to be located where commercial uses, which do not provide direct services to Mission District residents, may be inappropriate.

2004 Planning Commission Resolution 16727:

- The General Plan calls for a balanced economy in which good paying jobs are available for the widest breadth of the San Francisco labor force.
- Arts activities—a thriving element of San Francisco that contributes to tourism and attracting new businesses and new industries to this city—are also in need of attention/protection.

WHEREAS, in response to these findings, the Commission authorized the launching of the Eastern Neighborhoods Plans (EN Plans) in 2001 through Resolution Number 16201; and

WHEREAS, the EN Plans, a large scale community planning effort encompassing four neighborhoods including the Mission District, sought to balance the need for residential and the growth of office development with the need to preserve land for PDR activities; and

WHEREAS, The purpose of MAP2020 is to retain low to moderate income residents and community-serving businesses and nonprofits in order to preserve the socioeconomic diversity of the Mission neighborhood.

WHEREAS, the objectives of MAP2020 are as follows:

- Maintain the socio-economic diversity of the neighborhood by stabilizing the low and moderate income households at 65 percent of the total or growing the 2015 absolute amount of those households.
- Stem the loss of and promote community businesses, cultural resources, and social services serving low to moderate income households.
- Retain and promote Production, Distribution and Repair (PDR) and other high-paying jobs for entry level and limited skilled workers.
- Increase economic security by strengthening educational and economic pathways and job opportunities for low to moderate income individuals and families, especially those without a college education.

WHEREAS, members of the Mission community, Planning Department staff, and other San Francisco City staff from the Office of Mayor Ed Lee, the Office of District 9 Supervisor, the Office of Economic and Workforce Development, Mayor's Office of Housing, the Rent Board, and the Building Department among others created a compendium of over fifty tenant protections, housing, economic development and other tools to advance the goals and objectives of MAP2020; and

WHEREAS, the Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

WHEREAS, on March 1, 2017 the Planning Department determined that no supplemental environmental review is required for the proposed "UMU Height Amendment" legislation (Board of Supervisors File No. 170156). The environmental effects of this legislation have been adequately analyzed pursuant to the California Environmental Quality Act ("CEQA") in the Final Environmental Impact Report ("FEIR") previously prepared for the Eastern Neighborhoods Rezoning and Area Plans project. The Planning Department reviewed the proposed legislation in accordance with CEQA Guidelines Sections 15162 and 15164. The Planning Department found that implementation of the proposed legislation would not cause new significant impacts not identified in the FEIR or result in a substantial increase in the severity of previously identified significant impacts, and no new mitigation measures would be necessary to reduce significant impacts. No changes have occurred with respect to circumstances surrounding the original project that would cause significant environmental impacts to which the modified project would contribute considerably, and no new information has been put forward which shows that the modified project would cause significant environmental impacts. Based on the foregoing and in accordance with CEQA Guidelines Section 15164 and San Francisco Administrative Code Section 31.19(c)(1), the Planning Department documented the reasons that no subsequent environmental review is required for the UMU Heights Amendment and issued an Addendum to Environmental Impact Report, attached as Exhibit M

to this case report for reference. The Planning Commission finds the Addendum to the EIR, under Case No. 2017.000838E, is adequate, accurate and objective, reflects the independent analysis and judgment of the Planning Department and the Planning Commission, and concurs with said determination; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

## FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. Eight years after the adoption of the EN Plans many of the same conditions observed in the past persist, without any indication of their easing. This situation compels continued action on the part of the City.
2. There is robust demand for PDR space while there continues to be some encroachment of illegal office in PDR zoned areas.
3. Planning Department and other City staff have been working with many community members on the Mission Action Plan (MAP) 2020 for the last two years to craft additional strategies to help stem the displacement and loss of low to moderate income households and the businesses, arts and organizations that serve them.
4. The Mission Action Plan (MAP) 2020 is a collaboration, initiated by the community, between community organizations and the City of San Francisco to create more housing and economic stability in the Mission.
5. The process involved several focus groups, two large community meetings, and various individual meetings and presentations with other key and interested stakeholders over the two-year period, during which community participants voiced the need to protect and strengthen the Mission's socio-economic diversity and to continue to increase affordable housing options as a key priority.
6. The proposed legislation is intended to further preserve and promote PDR uses by reducing pressures from competing non-PDR uses, allowing new forms of PDR cross-subsidization, and adjusting allowable building heights within the Urban Mixed Use zoning district in order to create viable ground-floor spaces for PDR businesses and expand the opportunities for PDR uses.
7. The Mission is a central and desirable location in San Francisco that will continue to face substantial economic development pressure to change; and
8. **General Plan Compliance.** The proposed Ordinance and the Commission's recommended modifications are consistent with the following Objectives and Policies of the General Plan listed below (*Commission application of the policy shown in italics*):

## COMMERCE & INDUSTRY ELEMENT

### OBJECTIVE 2

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

### Policy 2.1

Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

*The proposed Ordinance will retain existing and attract new PDR (light industrial) activity to the city by helping to preserve and create new spaces for PDR businesses and reducing competition for space with other land uses.*

### OBJECTIVE 3

PROVIDE EXPANDED EMPLOYMENT OPPORTUNITIES FOR CITY RESIDENTS, PARTICULARLY THE UNEMPLOYED AND ECONOMICALLY DISADVANTAGED.

#### Policy 3.1

Promote the attraction, retention and expansion of commercial and industrial firms which provide employment improvement opportunities for unskilled and semi-skilled workers.

*The proposed Ordinance will retain existing and attract new PDR (light industrial) activity to the city by helping to preserve and create new spaces for PDR businesses and reducing competition for space with other land uses. These businesses will provide employment improvement opportunities for unskilled and semi-skilled workers.*

### OBJECTIVE 4

IMPROVE THE VIABILITY OF EXISTING INDUSTRY IN THE CITY AND THE ATTRACTIVENESS OF THE CITY AS A LOCATION FOR NEW INDUSTRY.

#### Policy 4.5

Control encroachment of incompatible land uses on viable industrial activity.

*The proposed Ordinance will eliminate some non-PDR uses from PDR districts, thereby reducing competition for affordable space between PDR and other uses and protecting viable light industrial activity.*

#### Policy 4.11

Maintain an adequate supply of space appropriate to the needs of incubator industries.

*The proposed Ordinance will reduce competition for affordable space between PDR uses and other uses in PDR districts in order to help preserve incubator industries such as light manufacturing that depend on relatively inexpensive space.*

## MISSION AREA PLAN

### OBJECTIVE 1.1

STRENGTHEN THE MISSION'S EXISTING MIXED USE CHARACTER, WHILE MAINTAINING THE NEIGHBORHOOD AS A PLACE TO LIVE AND WORK.

#### Policy 1.1.1

Revise land use controls in some portions of the Northeast Mission Industrial Zone to stabilize and promote PDR activities, as well as the arts, by prohibiting construction of new housing and limiting the amount of office and retail uses that can be introduced. Also place limitations on heavier industrial activities which may not be appropriate for the Mission.

*The proposed Ordinance will help to stabilize and promote PDR activities in the Northeast Mission Industrial Zone by reducing the amount of retail permitted in the area through elimination of the Transit-Oriented Retail Special Use District.*

**OBJECTIVE 1.3**

INSTITUTE FLEXIBLE "LEGAL NONCONFORMING USE" PROVISIONS TO ENSURE A CONTINUED MIX OF USES IN THE MISSION.

**Policy 1.3.1**

Continue existing, legal nonconforming rules, which permit pre-existing establishments to remain legally even if they no longer conform to new zoning provisions, as long as the use was legally established in the first place.

*The proposed Ordinance will not affect legal nonconforming rules and uses that become legal conforming as a result of the Ordinance will continue to be subject to existing rules.*

**OBJECTIVE 1.7**

RETAIN THE MISSION'S ROLE AS AN IMPORTANT LOCATION FOR PRODUCTION, DISTRIBUTION AND REPAIR (PDR) ACTIVITIES.

**Policy 1.7.1**

In areas designated for PDR, protect the stock of existing buildings used by, or appropriate for, PDR businesses by restricting conversions of industrial buildings to other building types and discouraging the demolition of sound PDR buildings.

*The proposed Ordinance will help protect PDR building stock by reducing the amount of non-PDR uses that are permitted to locate in PDR districts.*

**Policy 1.7.3**

Require development of flexible buildings with generous floor-to-ceiling heights, large floor plates, and other features that will allow the structure to support various businesses.

*The proposed Ordinance will further promote the development of flexible buildings with generous floor-to-ceiling heights by adjusting heights in the Urban Mixed Use district to accommodate them.*

9. **Planning Code Section 101 Findings.** The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future

opportunities for resident employment in and ownership of such businesses enhanced;

*The proposed Ordinance may impact existing Gym and Massage uses in PDR districts by converting them to legal nonconforming. However, it preserves these uses in numerous other zoning districts and provides new opportunities for gyms to locate in PDR districts as a cross-subsidizing use type.*

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

*The proposed Ordinance may have a beneficial effect on housing and neighborhood character because it seeks to improve the delivery of mixed use developments that include housing. This improves the diversity of the City's neighborhoods.*

3. That the City's supply of affordable housing be preserved and enhanced;

*The proposed Ordinance may help to enhance the City's supply of affordable housing by clarifying Planning Code conflicts that slow down the development of or limit the amount of new housing that can be constructed.*

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

*The proposed Ordinance will not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking as it addresses preservation and promotion of PDR uses.*

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

*The proposed Ordinance will help retain existing and attract new PDR (light industrial) activity to the city by preserving and creating new spaces for PDR businesses and reducing competition for space with other land uses.*

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

*The proposed Ordinance will not have an adverse effect on City's preparedness against injury and loss of life in an earthquake as it addresses preservation and promotion of PDR uses.*

7. That the landmarks and historic buildings be preserved;

*The proposed Ordinance will not have an adverse effect on the preservation of the City's Landmarks and historic buildings as it addresses preservation and promotion of PDR uses.*

8. That our parks and open space and their access to sunlight and vistas be protected from

development;

*The proposed Ordinance will not have an adverse effect on the City's parks and open space and their access to sunlight and vistas as it addresses preservation and promotion of PDR uses.*

10. **Planning Code Section 302 Findings.** The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

THEREFORE BE IT RESOLVED, that the Planning Commission recommends approval with modifications to the Board of the legislation protecting and promoting PDR.

**Modification 1:** In order to ensure that the 17 foot ground floor height requirement in the UMU district is utilized in new buildings for the purpose of creating new PDR-ready spaces rather than additional stories of housing beyond what is intended for the height district, the following code amendment is recommended:

**SECTION 145.1 STREET FRONTAGES IN NEIGHBORHOOD COMMERCIAL, RESIDENTIAL-COMMERCIAL, COMMERCIAL, AND MIXED USE DISTRICTS.**

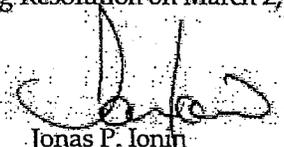
\*\*\*

(4) Ground Floor Ceiling Height. Unless otherwise established elsewhere in this Code:

(A) ~~Ground floor non residential uses in UMU Districts shall have a minimum floor-to-floor height of 17 feet, as measured from grade. The ground floor of new buildings in UMU Districts, regardless of use, shall have a minimum floor-to-floor height of not less than 17 feet, as measured from grade. Ground floor residential uses shall be designed to meet the City's Ground Floor Residential Design Guidelines.~~

**Modification 2:** Exempt parcels located in District 10 from the proposed UMU height adjustment.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on March 2, 2017.

  
Jonas P. Ionin  
Commission Secretary

AYES: Ellis, Melgar, Moore, Richards, Johnson, Koppel, Fong

NAYS: None

ABSENT: None

ADOPTED: March 2, 2017



# SAN FRANCISCO PLANNING DEPARTMENT

## Executive Summary

### Endorsement of Action Plan, Amendments to the Planning Code and Zoning Map, and Extension and Modification of Interim Controls

HEARING DATE: MARCH 2, 2017

1650 Mission St.  
Suite 400  
San Francisco,  
CA 94103-2479

Reception:  
415.558.6378

Fax:  
415.558.6409

Planning  
Information:  
415.558.6377

*Project Name:* **Endorsement of Mission Action Plan 2020  
Extension and modification of Mission 2016 Interim Controls  
PDR-Related Planning Code and Zoning Map Amendments**

*Case Nos.:* **2015-000988CWP, 2015-000988PCA-02, 2015-000988PCA MAP**

*Staff Contacts:* **Claudia Flores, Senior Community Development Specialist & City contact  
for MAP2020 & Mission Interim Controls  
[Claudia.Flores@sfgov.org](mailto:Claudia.Flores@sfgov.org), (415) 558-6473  
John Francis, Planner & Project Manager for MAP2020-related PDR  
Planning Code and Zoning Map legislation  
[John.Francis@sfgov.org](mailto:John.Francis@sfgov.org), (415) 575-9147**

*Reviewed by:* **AnMarie Rodgers, Senior Policy Planner; Joshua Switzky, Senior Planner**

*Recommendation:* **Endorsement of Mission Action Plan 2020;  
Extension and Modification of Mission 2016 Interim Controls; and  
Approval of PRD-Related Planning Code & Zoning Map Amendments  
with modifications**

## BACKGROUND

The Mission Action Plan 2020 (MAP2020) has been developed over the course of the last two years through the collaborative efforts of members of the Mission community, the Planning Department, the Office of Mayor Ed Lee, the District Supervisor's Office, the Mayor's Office of Housing, and the Office of Economic and Workforce Development in coordination with several other City agencies (Arts Commission, Department of Building Inspection, Department of Homelessness and Supportive Housing, Human Services Agency, and Department of Public Health). Preliminary drafts of MAP2020 were forwarded to the Planning Commission on May 5<sup>th</sup> and June 2<sup>nd</sup> 2016 (in matrix form) and posted on the website; the full written report was released on January 27, 2017. We are pleased to now be able to share the revised and updated version of the MAP2020 report, and to seek its endorsement by the Commission and subsequently by the Board of Supervisors.

In addition, on January 14, 2016 the Planning Commission adopted Resolution Number 19548 adopting the Mission 2016 Interim Controls which will expire on April 14, 2017.

Date: March 2, 2017

The Department is proposing a nine month extension of the Mission 2016 Interim Controls as staff is continuing to develop legislation to implement MAP2020.

As one of the first legislative changes, the Mayor and Supervisor Ronen introduced MAP2020-related legislation to the Board of Supervisors on February 7, 2017. This proposed ordinance includes amendments to the Planning Code and Zoning Map [Board File No. 170156] to further protect and promote Production, Distribution and Repair (PDR) zones and uses. Those amendments are before the Commission for recommendation today.

Notice of this approval hearing for interim control extension and Planning Code and Zoning Map amendments was published and mailed to all affected property owners and tenants, according to the requirements of the Planning Code.

This case report includes the following key sections:

- 1) Overview of:
  - A) MAP2020;
  - B) the Interim Controls; and
  - C) the PDR-Related Planning Code & Zoning Map Amendments.
  
- 2) Summary of Activity Prior to Hearing:
  - A) CEQA Review for all three actions
  - B) a summary of public comment and feedback for all three actions.
  
- 3) The three actions before the Commission today:
  - A) Endorsement of MAP2020;
  - B) Approval the Interim Controls; and
  - C) Recommendation to the Board on Proposed PDR-Related Planning Code & Zoning Map Amendments; and
  
- 4) Next steps in the MAP2020 process.

## 1. OVERVIEW

### 1A. OVERVIEW OF MAP2020 GOAL AND OBJECTIVES

Date: March 2, 2017

The goal of MAP2020 is to retain and attract low to moderate income residents and community-serving businesses (including PDR), artists, and nonprofits in order to strengthen and preserve the socioeconomic diversity of the Mission neighborhood.

Market pressures affecting the neighborhood intensified greatly in the Mission District over the six years that followed the adoption of the Eastern Neighborhood Area Plans and the recovery from the Great Recession. As a result, MAP2020 was launched in early 2015 with the intent of having a closer look at the pressures affecting the neighborhood and producing a set of actionable 'solutions' to help stabilize and strengthen the neighborhood.

The full set of strategies included in the Plan fall into the following categories:

- a. **Tenant protections**
- b. **Housing preservation**
- c. **Affordable housing production and access**
- d. **Economic development** (small businesses, arts, PDR, jobs and nonprofits)
- e. **Community planning** (enhance community participation and engagement)
- f. **Single Room Occupancy (SRO) hotels**
- g. **Homelessness**

While some of the strategies fall within existing City programs, this effort is differentiated by two key aspects:

1. At two large community meetings, members of the community prioritized which existing programs are most needed or require increased resources or tailoring to this particular neighborhood.
2. The collaborative approach helped identify which additional areas are lacking attention or resources. For example, the Plan includes several items related to SROs and the arts which tend to be unique to this and a few other neighborhoods, relative to others in the City.

Therefore, it is the package of solutions together tailored to specific neighborhood needs, the collective process to arrive at these solutions and priorities, and the emphasis on addressing equity or the disproportionate impact of displacement on low-income, communities of color –an issue that many major cities are grappling with- that is specific to this effort.

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A challenge encountered during this process is the tension between moving forward to implementation given the sense of urgency and the desire to have the details and feasibility of certain strategies (such as zoning) before endorsing the Plan. A particular sticking point has been how to address the approximately 2,000 market-rate units currently in the pipeline and how the parallel Citywide Inclusionary Affordable Housing Requirements (Section 415) will be revised in light of the Controller's Technical Advisory Committee's recommendations regarding feasibility.

As a result, MAP2020 has moved forward in parallel phases to continue to work through these challenges while not delaying other strategies of critical importance related to the retention and stabilization of neighborhood residents, businesses, arts and nonprofits.

Since last presenting the draft Plan to the Commission (in matrix form), the following actions have proceeded in order to balance the need for urgency with the need for more process and detail on certain elements:

- Began implementation or acceleration of the shorter-term(6-12 month) items related to tenant business and nonprofit protection programs (most of which are not legislative in nature)
- Continued enforcement and commenced process improvement measures
- Drafted and introduced initial PDR protection legislation (introduced at the Board on Feb 7<sup>th</sup>)
- Supported the completion of the Calle 24 Special Use District process
- Continued the advancement and priority-processing of affordable housing projects in the pipeline
- Implemented the Commission's Mission 2016 Interim Controls and hosted numerous meetings with project sponsors and community advocates to discuss project advancement and consistency with MAP2020 goals
- Continued further conversations about what might be missing from the initial set of strategies

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## 1B. OVERVIEW OF INTERIM CONTROLS

The Department is proposing to extend the Mission 2016 Interim Controls by nine (9) months in a narrower geography (within the boundaries of the Calle 24 Special Use District and along Mission Street) in order to allow time for the Department to further advance the legislative items discussed in MAP2020, which are still being drafted.

### The Way The Current Interim Controls Are Now:

Certain projects within the existing Mission Interim Controls (See Map: Exhibit E), are required to be reviewed at a discretionary hearing before the Planning Commission. The projects that are captured by the Interim Controls include proposed projects that have not received required entitlements or approvals by January 14, 2016 and that meet the following thresholds: a) loss of rent controlled units, b) any projects 25 units or 25,000 gross square feet or more, and c) removal of PDR and other community uses.

Projects subject to the controls are required to provide additional information associated with each threshold that the project triggers. The information is provided as part of a Large Project Authorization (LPA) or Conditional Use (CU) authorization, depending on the size of the project. If a proposed project doesn't not require either an LPA or a CU, the Interim Controls would add a new requirement for an LPA if the project is a medium size project (between 25-75 units or 25,000-75,000 gross square feet), unless the project is already subject to a Conditional Use Authorization, or CU if the project is a large project (more than 75 units or than 75,000 gross square feet). The additional information would be required in addition to requirements of the Planning Code.

Interim Controls are intended to demand extra scrutiny of projects while the MAP2020 process and legislative changes are underway. They make explicit the Commission's expectations for a dialogue about affordability; give time to the Department staff to analyze affordable housing needs and to assess sites for affordable housing production; and preserve existing income-protected units while maintaining PDR capacity in PDR zoned lands and vital community resources. More specifically, the Interim Controls have allowed time for the City to formulate the permanent zoning changes to accelerate affordable housing goals, PDR and business protection goals for the Mission through MAP2020 process, and additional time is needed to complete the package of comprehensive, permanent solutions. To date the Commission has reviewed three projects subject to interim controls.

### The Way The Interim Controls Extension & Modification Would Be:

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Within a modified and narrower area of the Mission (see Map: Exhibit E), projects that meet the same thresholds as now along with projects that propose any change of use to a restaurant would continue to provide the same information and analysis as determined by each threshold. The substance of the controls would not change, except for some clarifications proposed to be made based on lessons learned from the first set of projects that were subject to the controls. The changes are in the resolution in underlined and strike through text. Proposed projects triggering the controls would continue to require review at a discretionary hearing before the Planning Commission.

### 1C. OVERVIEW OF PDR-RELATED PLANNING CODE AND ZONING MAP AMENDMENTS

On February 6, 2017, the Mayor Lee and Supervisor Ronen introduced Planning Code and Zoning Map amendments [Board File Number 170156] related to PDR uses that are intended to: preserve and promote PDR uses in the Eastern Neighborhoods by reducing pressures from competing uses; allow new forms of PDR cross-subsidization; and adjust allowable building heights on certain parcels within the Urban Mixed Use (UMU) zoning district in order to provide sufficient ground-floor ceiling height and thus expand the viable opportunities for PDR uses to locate in new developments. The amendments also include clerical changes to the Code.

#### The Way It Is Now Under the Existing Law:

1. Planning Code Section 210.3 permits Gym uses smaller than 2,500 gross square feet in all PDR districts. Larger gyms are conditionally permitted in PDR-1-D and PDR-1-G.
2. Planning Code Section 210.3 conditionally permits Massage (Establishment) uses in all PDR districts.
3. Planning Code Section 210.3 permits Massage (Foot/Chair) uses in all PDR districts.
4. Planning Code Section 210.3C permits the construction of office and institutional uses within the PDR-1-D and PDR-1-G districts—which are otherwise not permitted—as a means to subsidize the construction of new PDR space on the same site. The code provision pertains only to certain large parcels north of 20<sup>th</sup> Street that are vacant or substantially underutilized and do not contain significant existing PDR space. At least 1/3 of the total gross floor area of the redeveloped parcel must contain PDR uses.

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5. Within PDR districts generally, accessory retail uses up to 2,500 square feet are permitted. The Transit-Oriented Retail Special Use District (SUD), established in Section 249.38 of the Planning Code and covering parcels in PDR districts on 16<sup>th</sup> Street from Mission Street to Potrero Avenue, raised the maximum allowable square footage for retail within its boundaries by adopting the retail standards of the Urban Mixed Use (UMU) district. As a result, the accessory retail standards in the SUD are:
  - a. Permitted up to 25,000 gross sq.ft. per lot; above 25,000 gross sq.ft. per lot permitted only if the ratio of other permitted uses to retail is at least 3:1.
  - b. Permitted up to 3,999 gross sq.ft. per use
  - c. Conditional Use over 4,000 gross sq.ft. per use.
6. Planning Code Section 145.1 requires a minimum ground floor height (floor-to-floor) of 17 feet for non-residential space in the UMU district in order to provide adequate ceiling height such that these spaces are viable for PDR uses. In order to accommodate this expanded ground floor height while maintaining the same buildable square footage, allowable building heights in the UMU district were raised as part of the Eastern Neighborhoods Plan adoption: 40, 45, 50, and 80 foot districts were raised by 3 to 8 feet to 48, 58, and 88 foot districts to typically accommodate 4, 5 or 8 stories respectively. However, a number of UMU parcels did not have their heights similarly adjusted and remain at the lower height, resulting in either a loss of buildable square footage, typically a reduction in housing units, (i.e. the 17-foot ground floor requirement results in the reduction of most or all of a floor from the building) or requests for variances to construct low-ceiling height (eg 10-foot) ground floor commercial spaces that would likely not be viable for PDR uses.

#### **The Way It Would Be Under the Proposed Ordinance:**

The proposed Ordinance would modify the Planning Code and Zoning Maps in the following ways:

1. Restrict Gym uses from all PDR districts.
2. Restrict Massage (Establishment) uses from all PDR districts.
3. Restrict Massage (Foot/Chair) uses from all PDR districts.
4. Add Gyms as a permitted use for PDR cross-subsidization purposes in Planning Code Section 210.3C.
5. Eliminate the Transit-Oriented Retail Special Use District to allow only accessory retail (up to 2,500 square feet) in PDR parcels included in the SUD.

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6. Raise allowed heights on select parcels in the UMU district from 40-X, 45-X, 50-X, and 85-X to 48-X, 48-X, 58-X, and 88-X, respectively.

## 2. SUMMARY OF ACTIONS BEFORE THIS HEARING

### 2A. ENVIRONMENTAL REVIEW FOR ALL THREE ACTIONS

The Resolution of Endorsement of MAP2020 and Resolution of Modification and Extension of the Interim Controls are not a projects under California Environmental Quality Act ("CEQA"), Public Resources Code section 15060(c).

The Environmental Review Officer has determined that the proposed legislation is eligible for an Addendum to the Eastern Neighborhoods Programmatic Environmental Impact Report.

### 2B. PUBLIC ENGAGEMENT & FEEDBACK FOR ALL THREE ACTIONS

Public comment on the MAP2020 strategies was received during the 2016 public hearings held by the Planning Commission, during individual presentations at organizations, at two large community meetings, as well as at several focus groups. During those events, the comments were generally supportive of MAP2020. The draft MAP2020 report for public review was released on January 27, 2017. The summary of public comments is included in exhibit C. Generally, public comment is in support of the work and focuses on 3 main topics:

- Support for strengthening tenant protections and businesses, limiting speculation and house flipping while also being mindful of property owner's challenges.
- Concern that total housing production (affordable and market-rate) not be limited.
- Concern or lack of understanding on the specific focus on one ethnic group (the Latino population).
- Emphasizing appropriate protections for artists.

Specific responses to each of the comments are included in Exhibit C.

For the extension and modification of Interim Controls, notification as well as focused meetings with developers and interested community participants took place. Some community participants would like to keep the original boundaries of the Interim Controls and make the controls apply to projects that are 5 units or more.

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For the proposed PDR-Related Planning Code and Zoning Map Amendments, 4 focused working sessions with interested stakeholders were held, a notice about the proposed changes was sent to affected property owners and to property owners within a 300-foot radius of affected parcels, and there was discussion at the Eastern Neighborhoods Community Advisory Committee after the legislation was introduced at the Board.

There was general support for the changes to further protect PDR and comments were focused on the following:

- Some residents expressed a desire to ensure that the additional height allowance proposed for parcels in the UMU district is utilized only to extend ground floor heights for non-residential uses, as opposed to using the extra height to build an additional story of housing. Some residents also expressed concern that the spaces may not be used for PDR (where Prop X does not apply, primarily outside of the Mission), either initially or at some future date, and a preference that the height allowance be accompanied by a requirement that such spaces only be used for PDR.
- Some residents in Potrero Hill expressed concern that the proposed additional height allowance on these UMU parcels could impact contextual compatibility with adjacent lower-scale buildings as well as affect neighborhood vistas.

A summary of public comments related to the UMU height adjustment proposal is include in Exhibit L.

Additional opportunities for input and engagement as legislative changes are crafted on MAP2020-related legislation and programs will continue to be announced and posted on the website [www.sfplanning.org/mission-action-plan-2020](http://www.sfplanning.org/mission-action-plan-2020)

### 3. THE THREE ACTIONS BEFORE THE COMMISSION TODAY:

#### REQUIRED COMMISSION ACTION

The proposed Resolution is before the Commission to:

- A. Adopt a resolution **Endorsing the Mission Action Plan 2020.**
- B. Adopt a resolution **Extending and Modifying the Mission 2016 Interim Controls.**

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- C. Adopt a resolution recommending **approval with modifications to the Board of Supervisors of the PDR-related Ordinances amending the Planning Code and Zoning Map.**

Modifications related to the height adjustment in the UMU district are under development in light of recent public comments received and will be presented to the Commission at the hearing on March 2. The modifications will address the utilization of the proposed additional height, such as by clarifying how it will be applied to the ground floor of new projects.

#### RECOMMENDATION

The Department recommends that the Commission:

- 1) *Adopt* the resolution of endorsement of MAP2020.
- 2) *Adopt* the resolution extending and modifying the Mission 2016 Interim Controls
- 3) *Adopt* the resolution recommending approval with modifications of the proposed PDR-Related Planning Code & Zoning Map changes to the Board of Supervisors

#### 3A. BASIS FOR RECOMMENDATION ENDORSING THE MISSION ACTION PLAN 2020

MAP2020 was developed through a collaborative effort between the City and numerous community participants. It represents the first time the City and community members have co-written and produced a joint action plan to help to preserve and strengthen the neighborhood's cultural diversity, low to moderate income residents, and the businesses and organizations that serve them. MAP2020 provides a goal, objectives as well as actionable strategies to support the long term social and economic wellbeing of the Mission. MAP2020 has received broad-based support from the general community as an initial step in addressing displacement, addressing equity, and increasing neighborhood resiliency in the face of change and economic pressures.

#### 3B. BASIS FOR EXTENDING & MODIFYING THE MISSION INTERIM CONTROLS

The Mission 2016 Interim Controls were adopted to apply scrutiny to projects and make explicit the Commission's expectation for a dialogue about affordability and displacement while MAP2020 and its related implementation measures were developed. Additional time the interim controls afford is requested since the related

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legislation has only begun implementation and more time is needed to complete it. The Department proposes to narrow the geography of the Interim Controls in order to focus more closely on the areas of the Mission where the Department has heard most concerns about projects in recent months – projects on Mission Street, which also explains the proposed addition of changes of use to restaurants as a trigger, as well as projects within the Latino Cultural District. This does not mean that projects outside of these boundaries are not expected to contribute to the goal and objectives of MAP2020 only that this is where the Department has heard the most concerns about proposed projects that are expected to be in front of the Commission for action in the next 9 months.

### **3C. BASIS FOR RECOMMENDING APPROVAL, WITH MODIFICATIONS OF PROPOSED PDR-RELATED PLANNING CODE AND ZONING MAP AMENDMENTS**

The PDR-Related Planning Code and Zoning Map amendments recommended for adoption reflect MAP2020 and City priorities related to PDR preservation and promotion. PDR uses and businesses in the Mission District and throughout the city help to maintain the economic vitality and diversity of San Francisco, while also providing needed goods and services to the local community. As such, it is the City's goal to help them thrive.

#### **Restricting Gym & Massage Uses**

By restricting Gym and Massage uses—which are not PDR uses—from PDR districts, the proposed code amendments will help reduce competition for space with PDR uses and businesses, thus helping to keep rents affordable for PDR. Since these uses are permitted in numerous other zoning districts throughout the city, it is not anticipated that this change will have a significant impact on their ability to find suitable space outside PDR districts.

#### **Cross-Subsidizing PDR**

Due to the relatively low rents that PDR businesses can typically afford, the construction of new PDR space is often economically infeasible for developers. Moreover, a number of parcels in PDR districts are underutilized with limited developed building space. To help address this challenge, the Board adopted Planning Code Section 210.3C in 2014, which permits the construction of office and/or institutional space—which can command higher rents—as a way to “cross-subsidize” the construction of net new PDR space on the same site. Section 210.3C requires that at

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least 1/3 of the total gross floor area developed on the parcel be dedicated to PDR uses. The parcels that can take advantage of this Section are located in either the PDR-1-D or PDR-1-G districts; are located north of 20<sup>th</sup> Street; contain a floor area ratio of 0.3 or less as of January 1, 2014 (i.e. they are virtually vacant); are 20,000 square feet or larger; and do not contain significant existing PDR space that would require demolition. Potential eligible sites are in the northern Mission and Showplace Square, as shown in Exhibit I.

The proposed code amendments would add Gym uses as a permitted use eligible to cross-subsidize PDR under Section 210.3C. The rationale is to provide additional opportunity and flexibility for property owners to construct PDR space that would likely not otherwise be supplied without a market subsidy. While Section 210.3C is scheduled to sunset at the end of 2017, the Planning Department and OEWD are studying the impact it has had and will evaluate whether to recommend extending it.

#### Eliminating the Transit-Oriented Retail Special Use District

Eliminating the Transit-Oriented Retail Special Use District (SUD) would likewise help preserve PDR-zoned lands for PDR tenants seeking space in the Mission. Within PDR districts generally, accessory retail uses up to 2,500 square feet are permitted. However, the Transit-Oriented Retail Special Use District (SUD)—established in Section 249.38 of the Planning Code in 2008 and covering parcels in PDR districts on 16<sup>th</sup> Street from Mission Street to Potrero Avenue (shown in Exhibit J)—raised the maximum allowable square footage for retail by adopting the retail standards of the Urban Mixed Use (UMU) district, as described in the Overview section above. The SUD was established to encourage additional retail activity along 16<sup>th</sup> Street. However, in the years since the SUD was adopted it has not been successful in attracting new retail uses to the 16<sup>th</sup> Street corridor, and in fact, no applications have been submitted to the City to use its expanded retail provisions. Anecdotally, it has been suggested that the SUD may be encouraging property owners to hold out for large scale retail tenants that can afford higher rents, rather than renting to PDR tenants.

The proposal to eliminate the SUD would cause the allowable square footage for retail uses to revert back to the underlying standard for PDR districts (i.e. 2,500 square feet), thus helping to reduce competition for space between PDR and retail uses. It is the Planning Department's position that the PDR market, which has experienced a resurgence relative to when the SUD was adopted in 2008, should be the focus of

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economic development efforts on this stretch of 16<sup>th</sup> Street, including through Planning Code support.

### Raising Height Limits in the UMU District

The proposal to raise the height limits on select parcels in the Urban Mixed Use (UMU) district, as shown in Exhibit K, is designed both to support the construction of new PDR space, ensure feasibility of housing construction, and address an inconsistency in the existing Code and General Plan policies. When the UMU district was created through the Eastern Neighborhoods Plans, it was intended to serve as a transitional district between industrial and residential uses in the Mission, SOMA, Potrero, and Central Waterfront neighborhoods; allowed uses include a mix of residential, retail, and PDR (light industrial). In order to support the construction of new ground floor spaces that could be flexibly utilized and be viable for PDR uses, Code Section 145.1 was amended to include a 17 foot floor-to-floor requirement on the ground floor for non-residential uses. This higher ceiling height was identified through study of PDR uses and discussion with PDR users as a key physical quality essential to viable operation of a wide range of PDR uses. In order to ensure that this higher ceiling height requirement did not result in a reduction in the number of floors previously achievable under the height limits, height limits on UMU parcels were incrementally increased to account for this additional space (as the typical floor is 10-feet in height). (Note that in other districts, such as the NC, MUG and others, height limits were adjusted upward typically by 5 feet – eg to 45, 55, and 85 – to account for 14-foot ground floors for retail space or raised stoops for walk-up residential townhouses). For example, absent the 17 foot ground floor requirement, a development in a 40-foot height district would have been permitted to build 4 stories of 10 feet in height; without adjusting the height limit and with the 17-foot ground floor requirement, it could build only 3 stories (a single 17-foot ground floor plus two 10-foot stories above) before exceeding its allowable height limit, if it also wanted to include a non-residential ground floor use. Since the intention of the 17-foot ground floor requirement was not to reduce housing potential in the UMU or potentially affect the feasibility of new construction, it necessitated the upward adjustment of heights. As a result, most parcels in the UMU received a modest increase of allowable height (3 or 8 feet) to accommodate the ground floor requirement.

The UMU parcels shown in Exhibit L, which are the subject of this Ordinance, did not receive a height increase on the zoning map at the same time as the rest of the district, resulting in a conflict between Code standards regarding allowable height and

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minimum ground floor height and the Plan's policy objectives, as described above. Several project sponsors that have either desired or been requested to provide PDR space on the ground floor have been impacted by this conflict. For example, the recent sponsor of a project at 2600 Harrison initially proposed replacement of a single story PDR building with four stories of housing within the 40-foot height limit. In order to partially offset the loss of PDR, the sponsor was asked by the Planning Department to provide PDR space on the ground floor. To accomplish this within existing zoning and meet the 17-foot ground floor requirement however, the sponsor would have had to forego a story of residential use for a total reduction of 5 housing units. In order to avoid the loss of potential housing units, the sponsor sought and was granted a variance from the 17-foot ground floor requirement. Unfortunately, the resulting ground floor PDR space will only be 10 feet in height, making it less viable and flexible for a range of PDR uses. The proposed height increase, therefore, helps to address this Code and policy inconsistency and reduces process for both the property owner and City, while also encouraging the construction of both high-quality PDR space and housing in the Eastern Neighborhoods.

Finally, the proposed UMU height increase responds to PDR requirements passed by city voters in November 2016 via Proposition X. Now that Prop X requires the replacement of a portion of existing PDR in the UMU in the Mission, the construction of new ground floor PDR spaces and this issue is likely to become more common. The height increase will make complying with Prop X simpler and ensure that the replacement PDR spaces that are built are suitable for PDR uses (as Prop X does not otherwise prohibit sponsors from seeking variances from the ceiling-height requirement). It should be noted that while Prop X does not apply to District 10 (Dogpatch and Potrero Hill), the 17 foot ground floor requirement in the UMU does apply there, and therefore this issue is prevalent in those areas as well.

#### 4. NEXT STEPS IN THE MAP2020 PROCESS

In addition to continuing the implementation of urgent and ready strategies, the City-community partnership will continue to advance conversations on unresolved topics for which consensus has not been reached, and to develop additional strategies not yet captured in the report to ensure a living and updated action plan. Staff will come back to the Planning Commission with additional zoning proposals (many of which will require environmental review as well as formal initiation and adoption or legislative action) in the spring of this year:

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- Additional zoning changes to strengthen PDR retention
- Additional zoning changes to the 24<sup>th</sup> Street Neighborhood Commercial Transit District
- A proposal to declare Mission Street a cultural corridor with specific changes to the Mission Neighborhood Commercial Transit District to help strengthen and preserve neighborhood-serving businesses and the character of the corridor
- Zoning changes to incentivize the production of affordable housing (both inclusionary and 100% affordable)

While these additional legislative changes are complete the extension (and modification) of the Mission 2016 Interim Controls for an additional nine months (see exhibit D) is recommended.

#### Implementation & Monitoring of MAP2020

Implementation of MAP2020 will involve the following:

- An implementation group to establish processes for managing implementation
- An online Project Management platform to track progress and make it publicly available in real time.
- Reporting and communication: yearly written reports with quarterly or as-needed updates over email.
  - First progress report due July 1, 2017
- Meetings and engagement: Working groups will meet as frequently as needed to move the work forward.
  - MAP2020 participants will meet quarterly through 2020
  - Additional meetings will be scheduled to reach a broader audience and engage key and affected stakeholders
- Monitoring and evaluation: develop a monitoring and evaluation tool to monitor and evaluate progress and success.

<p><b>RECOMMENDATIONS: Endorse MAP2020</b> <b>Extend and Modify Mission 2016 Interim Controls</b> <b>Approve PDR-Related Map and Planning Code</b> <b>Amendments with modifications</b></p>
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**Attachments:**

- Exhibit A: Resolution to Endorse Mission Action Plan 2020
- Exhibit B: Mission Action Plan 2020 report
- Exhibit C: Public comment received on MAP2020 report after publication
- Exhibit D: Resolution to Extend and Modify the Mission 2016 Interim Controls
- Exhibit E: Map of original and proposed Mission 2016 Interim Controls Boundary
- Exhibit F: Resolution for PDR-Related Planning Code & Zoning Map Amendments
- Exhibit G: Ordinance [BF #170156] including PDR-Related Planning Code & Zoning Map Amendments
- Exhibit I: Map of Potential Sites for PDR Cross-Subsidization
- Exhibit J: Map of Transit-Oriented Retail Special Use District
- Exhibit K: Map of Urban Mixed Use District Proposed Heights
- Exhibit L: Public Comment Related to UMU Height Adjustment



# SAN FRANCISCO PLANNING DEPARTMENT

## Planning Commission Resolution No. \_\_\_\_\_

HEARING DATE: MARCH 2, 2017

*Project Name:* Mission Action Plan 2020 (MAP2020)  
*Case No.:* 2015-000988CWP  
*Staff Contacts:* Claudia Flores, Senior Community Development Specialist  
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*Reviewed By:* Marlo Sandler, Manager  
*Recommendation:* Endorsement of Mission Action Plan 2020

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### RESOLUTION ENDORSING THE "MISSION ACTION PLAN 2020 (MAP2020)"

#### PREAMBLE

WHEREAS, the same conditions observed in the Mission District over 15 years ago that justified enacting interim land use controls to reduce the displacement of Production, Distribution and Repair (PDR) or light-industrial uses and began the rezoning and community planning process to turnover some industrial land for housing production at higher affordability levels persist today; and

WHEREAS, the Mission neighborhood has been the subject of various planning efforts by the City and the community over the past sixteen years or more, most recently the People's Plan for Housing and Jobs, the City's Mission Area Plan adopted in 2009 as part of the Eastern Neighborhoods Area Plans, and the Mission Street Heights Study in 2006; and

WHEREAS, since 1994, the City has recognized the effect of market forces and changing land use patterns upon the viability of light industrial activity and residential affordability in the Mission District. For example the Planning Commission and/or Board of Supervisors found the following:

#### 1995 Planning Commission Resolution Number 13794:

- Proposals for housing and live/work developments, both new construction and conversion of former industrial buildings are increasingly being proposed in industrially zoned districts.
- There are other strategies that could be explored to promote both appropriate housing locations and industrial stability and the opportunity for economic development, such as the "swapping" of opportunity sites.

#### 1999 Planning Commission Resolution 14861:

- Interim controls [are required] to temporarily eliminate the threat to the supply of industrially zoned land and building space available to PDR businesses, while providing adequate space and direction for the location of residential and live/work development.

2001 Planning Commission Resolution 16202:

- Office and live/work housing uses began to compete with PDR uses for land and building space in large part because market pressures favored this type of development.
- As a result of this, the supply of industrially zoned land and building space available to PDR uses was expected to continue to diminish in the future unless protected.

2001 Board of Supervisors Resolution 518-01

- Construction of housing has not occurred in the North East Mission Industrial Zone because it is less favored than "artist live/work" use, skewing the production of new housing to upper-income, non-family, non-affordable housing in an area where low-income, family housing predominates.
- There was a 41% increase in average commercial lease rates in the Mission District between 1997-1999.
- It is necessary to create a "community service" use category, which allows nonprofits, arts activities and community-serving small businesses to be located where commercial uses, which do not provide direct services to Mission District residents, may be inappropriate.
- In recent years, construction of lower-income housing in the Mission District has fallen considerably short of demand.
- The largest amount of new housing in the Mission District has been in live/work units, which are not affordable, do not provide family housing, and occupy land that will never be available for affordable housing.

2002 Board of Supervisors Resolution 500-02:

- Construction of lower-income housing in the Mission District has fallen considerably short of demand.
- Lower-income households in the Mission District have become even more overcrowded, face ever escalating rents, and are being forced to leave the City.

2004 Planning Commission Resolution 16727:

- There is a constant need for new housing and new housing opportunity sites.
- The General Plan calls for a balanced economy in which good paying jobs are available for the widest breadth of the San Francisco labor force.
- Arts activities—a thriving element of San Francisco that contributes to tourism and attracting new businesses and new industries to this city—are also in need of attention/protection.

WHEREAS, in response to these findings, the Commission authorized the launching of the Eastern Neighborhoods Plans (EN Plans) in 2001 through Resolution Number 16201; and

WHEREAS, the EN Plans, a large scale community planning effort encompassing four neighborhoods including the Mission District, sought to balance the need for residential and the growth of office development with the need to preserve land for PDR activities; and

WHEREAS, eight years after the adoption of the EN Plans many of the same conditions observed in the past persist, without any indication of their easing. This situation compels continued action on the part of the City; and

WHEREAS, the preface to the Housing Element of the General Plan states, "San Francisco's share of the regional housing need for 2015 through 2022 has been pegged at 28,870 new units, with almost 60% to be affordable." Meaning, the need for housing production is high and the need for this housing to be affordable is severe.

WHEREAS, the City should continue to explore where new affordable housing could be developed at an economically feasible scale; and

WHEREAS, the average annual decline of low-income and moderate-income households (those earning 30%-120% Area Median Income) in the Mission from 2009-2013 was an average 150 household per year and decline could accelerate to 180 households/year; and

WHEREAS, approximately 900 low- and moderate-income households left the Mission District from 2010-2015 and if this trend continues unabated additional low- and moderate-income households could be lost by 2020; and

WHEREAS, within the Mission, an average of 160 evictions notices have been filed per year since 2009, of which about 50% were Ellis and No Fault evictions; and

WHEREAS, small businesses are facing lease expirations and substantial rent increases that often double or triple their rents;

WHEREAS, demand for maker and PDR space has increased while there continues to be some encroachment of illegal office in PDR zoned areas;

WHEREAS, Planning Department and other City staff have been working with many community members on the Mission Action Plan (MAP2020) 2020 for the last two years to craft additional strategies to help stem the displacement and loss of low to moderate income households and the businesses, arts and organizations that serve them;

WHEREAS, MAP2020 is collaboration, initiated by the community, between community organizations and the City of San Francisco to create more housing and economic stability in the Mission;

WHEREAS, from 2015-2017 the MAP2020 has been a collaborative process involving several groups and individuals, and an innovative model for working in a community in crisis which has resulted in trust building between City and community participants, honest dialogue about strategy tradeoffs, and a deeper understanding and acknowledgment of historical inequities that exacerbate the impact of the crisis on the most vulnerable residents; and

WHEREAS, there is a distinction between demographic change that occurs from choice and individual household decisions to move and systemic, forced dislocation from a neighborhood, and MAP2020 is focused on the latter to enable low to moderate income households, businesses and organization to have

the same choice as others to stay and prosper in their chosen community rather than face forced moves; and

WHEREAS, the San Francisco Department of Public Health considers displacement a public health concern and all Bay Area Health Departments have documented the impacts of housing unaffordability, insecurity and displacement on health through the Bay Area Regional Health Inequities Initiative; and

WHEREAS, this process involved several focus groups, two large community meetings, and various individual meetings and presentations with other key and interested stakeholders over the two-year period, during which community participants voiced the need to continue to increase affordable housing options as a key priority in order to protect and strengthen the Mission's socio-economic diversity; and

WHEREAS, the purpose of MAP2020 is to explore and develop ways to retain low to moderate income residents and community-serving businesses and nonprofits in order to preserve the socioeconomic diversity of the Mission neighborhood; and

WHEREAS, the objectives of MAP2020 are as follows:

- Maintain the socio-economic diversity of the neighborhood by stabilizing the low and moderate income households at 65 percent of the total or growing the 2015 absolute amount of those households.
- Protect tenants at risk of eviction and preserve existing housing, particularly rent-controlled apartments and single-room occupancy hotels.
- Increase the proportion of affordable units, compared to market rate units, planned and under construction to balance the housing mix.
- Stem the loss of and promote community businesses, cultural resources, and social services serving low to moderate income households.
- Retain and promote Production, Distribution and Repair (PDR) land and uses and other high-paying jobs for entry level and limited skilled workers.
- Increase economic security for low to moderate income individuals and families, especially those without a college education, by strengthening educational and economic pathways and job opportunities.

WHEREAS, members of the Mission community, Planning Department and other City staff worked together to develop a clear methodology for capturing both individual (evictions and harassment) and community displacement (the loss of the Latino community and of affordable goods and services), which can serve as a precedent for other communities within and outside of San Francisco; and

WHEREAS, the Mission is a central and desirable location in San Francisco that will continue to face substantial economic development pressure to change; and

WHEREAS, to provide context and monitor progress and change on an ongoing basis, the MAP2020 captures some baseline data; and

WHEREAS, members of the Mission community, Planning Department staff, and other San Francisco City staff from the Office of Mayor Ed Lee, the Office of District 9 Supervisor, the Office of Economic and Workforce Development, Mayor's Office of Housing, the Rent Board, and the Building Department

among others created a compendium of over fifty tenant protections, housing, economic development and other tools to advance the goals and objectives of MAP2020; and

WHEREAS, this is an initial milestone in this process and the set of strategies is not exhaustive and the plan is intended to be actionable, monitored and constantly updated through an implementation and monitoring strategy; and

WHEREAS, some of the strategies include the continued implementation and further tailoring of existing City and community programs, while others are newly proposed and may require further review, such as environmental review, and analysis as they are further planned and designed by the Department prior to approval and implementation; and

WHEREAS, some of the strategies will be implemented primarily by the City, and others primarily by the broader community (defined broadly to include non-government actors such as community organizations, residents property owners, developers, and other responsible parties) and there will continue to be community engagement to develop their implementation; and

WHEREAS, the Board of Supervisors through Resolution No. 140421 designated parts of the Mission as a Latino Cultural District; and

WHEREAS, Mission Street which is the primary neighborhood commercial corridor serves many goods and services that are affordable and provides multicultural and multilingual services should also be designated a cultural corridor that is part of the aforementioned Latino Cultural District; and

WHEREAS, interim controls and an interim policy were enacted by Planning Commission on January 14, 2016 and August 6, 2015 respectively while MAP2020 was underway;

WHEREAS, the Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

**THEREFORE BE IT RESOLVED**, that the Planning Commission endorses the Mission Action Plan 2020 as City policy to strengthen and support the Mission as a culturally and socio-economically vibrant community; and

**BE IT FURTHER RESOLVED**, that the Planning Commission endorses the Goal and Objectives of the Mission Action Plan 2020 (MAP2020) as City policy; and

**BE IT FURTHER RESOLVED**, that the Planning Commission endorses the strategies included in MAP2020 and acknowledges they are not exhaustive and will continue to evolve as the work progresses; and

Resolution No. \_\_\_\_\_  
Exhibit A: Draft Resolution to Endorse Mission Action Plan 2020  
Hearing Date: March 2, 2017

MAP2020  
2015-000988CWP

BE IT FURTHER RESOLVED, that the Planning Commission directs Planning Department staff and supports the work of other City staff and community members to continue Plan implementation, planning and development of possible legislation, and initiate review of any proposed legislation, including any required environmental review under the CEQA, on the suggested strategies as recommended in MAP2020 to increase affordable housing capacity and continue to streamline its production, as well as protect residents, arts, nonprofits and businesses; and

BE IT FURTHER RESOLVED, that the Planning Commission recommends that other City agencies with jurisdiction and/or programs in the Mission review and implement those aspects of MAP2020 that are in their purview; and

BE IT FURTHER RESOLVED, that the Planning Commission recommends that the community implement those aspects of MAP2020 that are in their purview.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on \_\_\_\_.

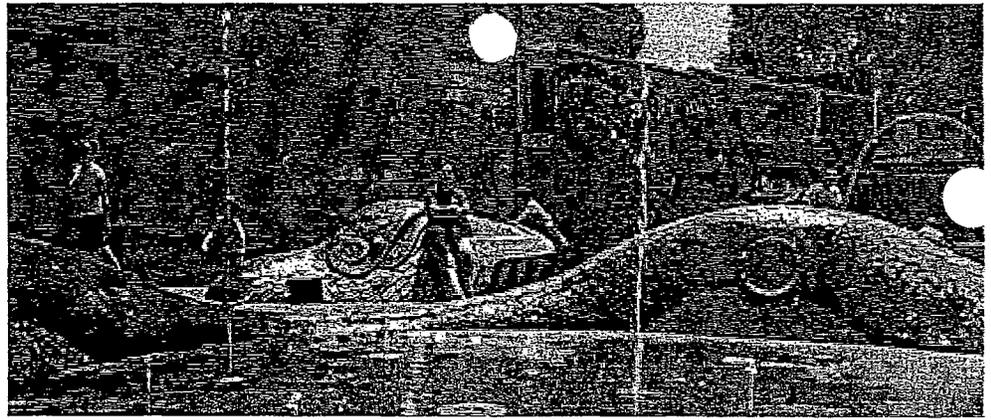
Jonas P. Ionin  
Acting Commission Secretary

AYES:

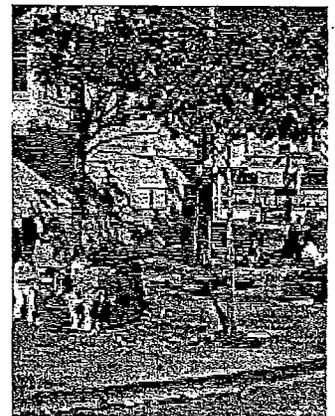
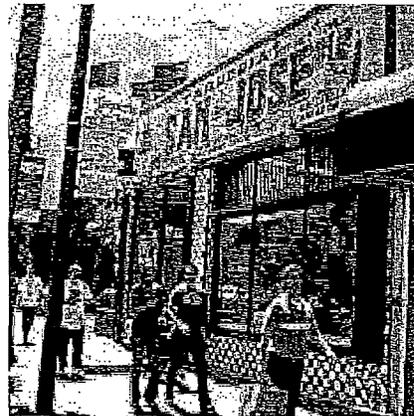
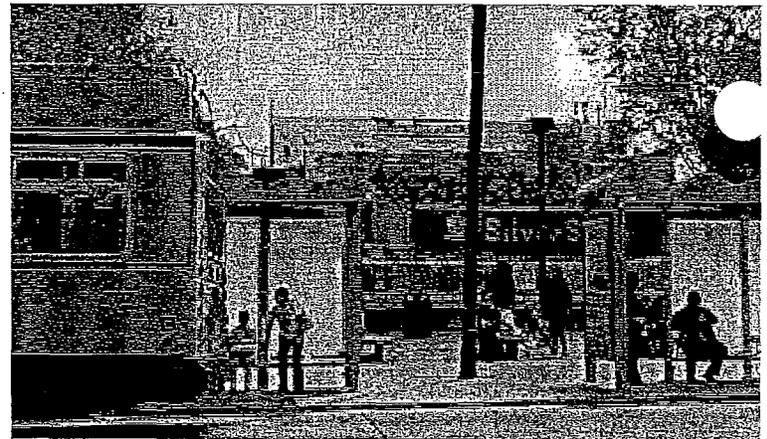
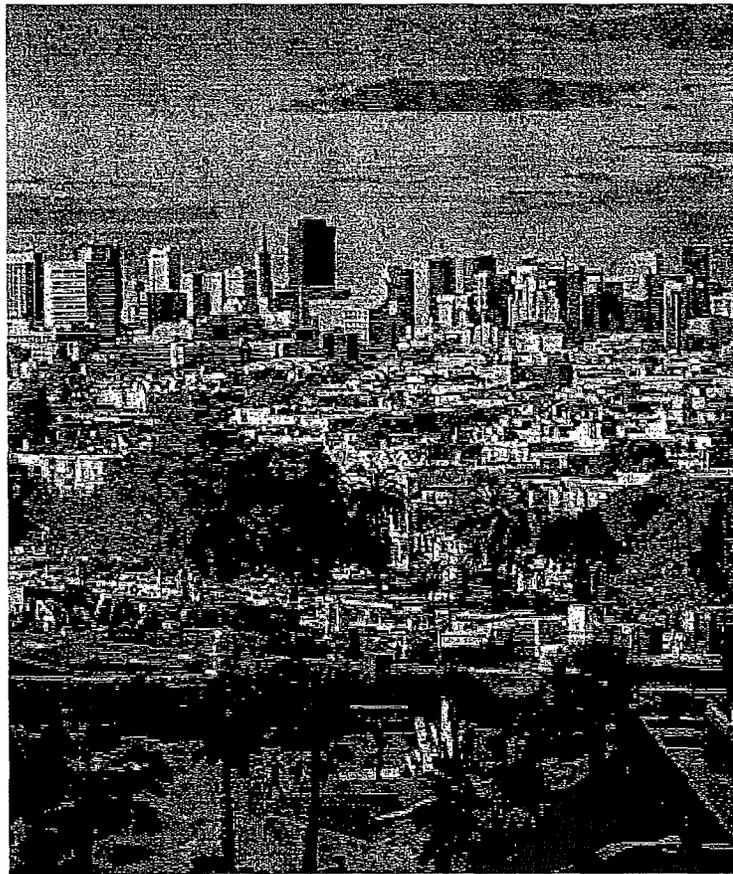
NAYS:

ABSENT:

ADOPTED:



# MISSION ACTION PLAN 2020



*Note: This is not solely a City product. This report is a joint product of this specific city-community participants' effort. Some of the views in the report are solely the City's and some are solely of the community advocates and where there is disagreement on a topic it is clearly stated as a way to call out an area where there is more work to be done and conversations to continue.*

# MISSION ACTION PLAN 2020

DRAFT FOR PUBLIC REVIEW

PHASE 1 STATUS REPORT  
JANUARY 2017

# ACKNOWLEDGEMENTS

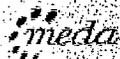
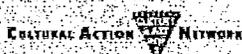
Many City agencies and community organizations have participated in the process to date. Others will be added as requested.

- The Office of Mayor Ed Lee
- The Office of former District 9 Supervisor David Campos and new District 9 Supervisor Hillary Ronen
- Mission Housing Development Corporation
- Residents who are members of Plaza 16 Coalition
- San Francisco Organizing Project (SFOP)
- Dolores Street Community Services (DSCS) / Mission SRO Collaborative
- San Francisco Planning Department
- Mayor's Office of Housing and Community Development (MOHCD)
- Health Services Agency (HSA)
- Department of Building Inspection (DBI)
- Rent Board
- Office of Economic and Workforce Development (OEWD)
- Cultural Action Network (CAN)
- The Day Laborer Program and Women's Collective
- Mission Economic Development Agency (MEDA)
- Calle 24 Latino Cultural District

For other information related to MAP2020 and the Mission community please visit:

<http://medasf.org/programs/community-real-estate/mission-action-plan-2020/>

<https://www.facebook.com/missionactionplan2020/>



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## EXECUTIVE SUMMARY

San Francisco's Mission District features a richness of culture and vibrancy unmatched anywhere else in the city. It is a bustling socioeconomically diverse enclave long anchored by the many Latino businesses including specialty food stores, restaurants, cafes, taquerias, Mexican bakeries, butchers, art galleries, and gift shops that serve the needs of local residents. The uniqueness of the area and multi-modal transportation options have proven attractive to new residents and new businesses, which are now calling the Mission District home. The district has long been recognized as an art and cultural mecca boasting the largest collection of murals in the city and hosting a multitude of events that enliven the neighborhood with history, spirituality, and community throughout the year. Mission district businesses, residents, arts organizations and long established non-profit agencies collaborate to organize events such as Carnaval, Cesar Chavez Parade and Festival, and Day of the Dead.

In 2014, the City was directed by Mayor Ed Lee at the request of community organizations to assess and understand how to ensure the socioeconomic

diversity of the Mission community. For the past 18 months, under the management of the Planning Department, community and senior city officials from a diverse set of community organizations and city departments, have taken on the task of compiling data, determining and immediately investing in and introducing proactive strategies related to Housing; Tenant Protections; Production, Distribution, and Repair (PDR) space; Affordable Housing Preservation and Production; Economic Development; Community Planning and Homelessness. All efforts of the MAP2020 conversation were considered to support its purpose: "to retain low to moderate income residents and community-serving businesses (including PDR) artists; and nonprofits in order to strengthen and preserve the socioeconomic diversity of the Mission Neighborhood."

At the heart of the Mission Action Plan 2020 (MAP2020) is the vision of a thriving Mission District that is a healthy and safe community for families and children, local neighborhood-serving businesses, community nonprofits, and cultural organizations. It should be a community with opportunities to



Photo by Marisol Quintana (MEDA)

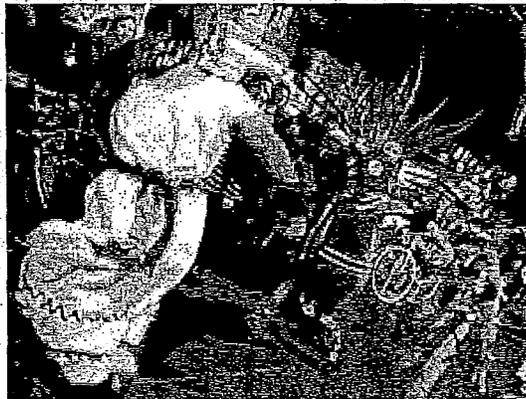


Photo by San Francisco Arts Commission



prosper economically and to find a permanent, affordable home. This report presents the first year, phase one, of MAP2020 work and proposed solutions. It focuses on the development of the Plan and the launch of a first round of urgent programmatic services that can help preserve the Mission District as a Latino cultural and commercial core, as well as a neighborhood of choice for the most vulnerable households. This report also provides a preview of the next phase of work.

Historically, the Mission has been a working class neighborhood largely comprised of low to moderate income households. Since it offered affordable housing options in earlier decades, working class people were able to find housing in this neighborhood. However, over the last thirty years, the Mission has seen a decrease in the proportion of family households and Latino population that parallels the decrease of very-low, low, and moderate income households. If these and other similar trends continue, the rich cultural and economic diversity of the Mission District could become a thing of the past, and the Mission could become a neighborhood with a majority of

high-income residents. The stabilization of low to moderate income households is essential to counter these trends and essential to not only the City's diversity but also to its economic health.

Three kinds of displacement are impacting the Mission—residential, commercial, and psychological. The Mission continues to see the highest rate of eviction notices in the city and a large portion of the city's tenant buy-outs. Between 2011 and 2014, notices of eviction in the Mission doubled. Several large fires have intensified fears of displacement. The psychological displacement is both the fear of loss and the sentiment that what was once home is no longer a welcoming space. In addition to the challenges facing low and moderate income households, many community-serving businesses, arts organizations, and nonprofits are unable to remain in the neighborhood as rents continue to increase. Over ten years from 2004-2013, Mission Street has seen an increase in change of use permits. There are fewer storefronts selling a variety of retail and household goods, and more food/beverage establishments, particularly those that cater to a wealthier clientele.

Over the course of more than a year, the MAP2020 process identified potential solutions that fall into seven broad categories. Given the complexity of housing markets and the forces of gentrification, many of these solutions rely on and influence one another regardless of category; these categories merely provide a structure to organize actions and assess progress.

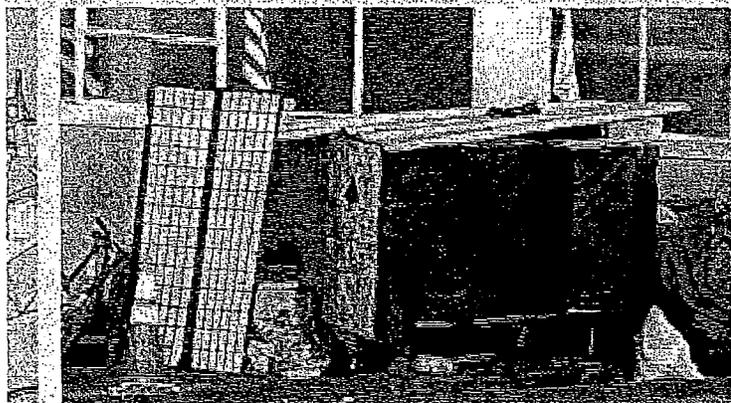
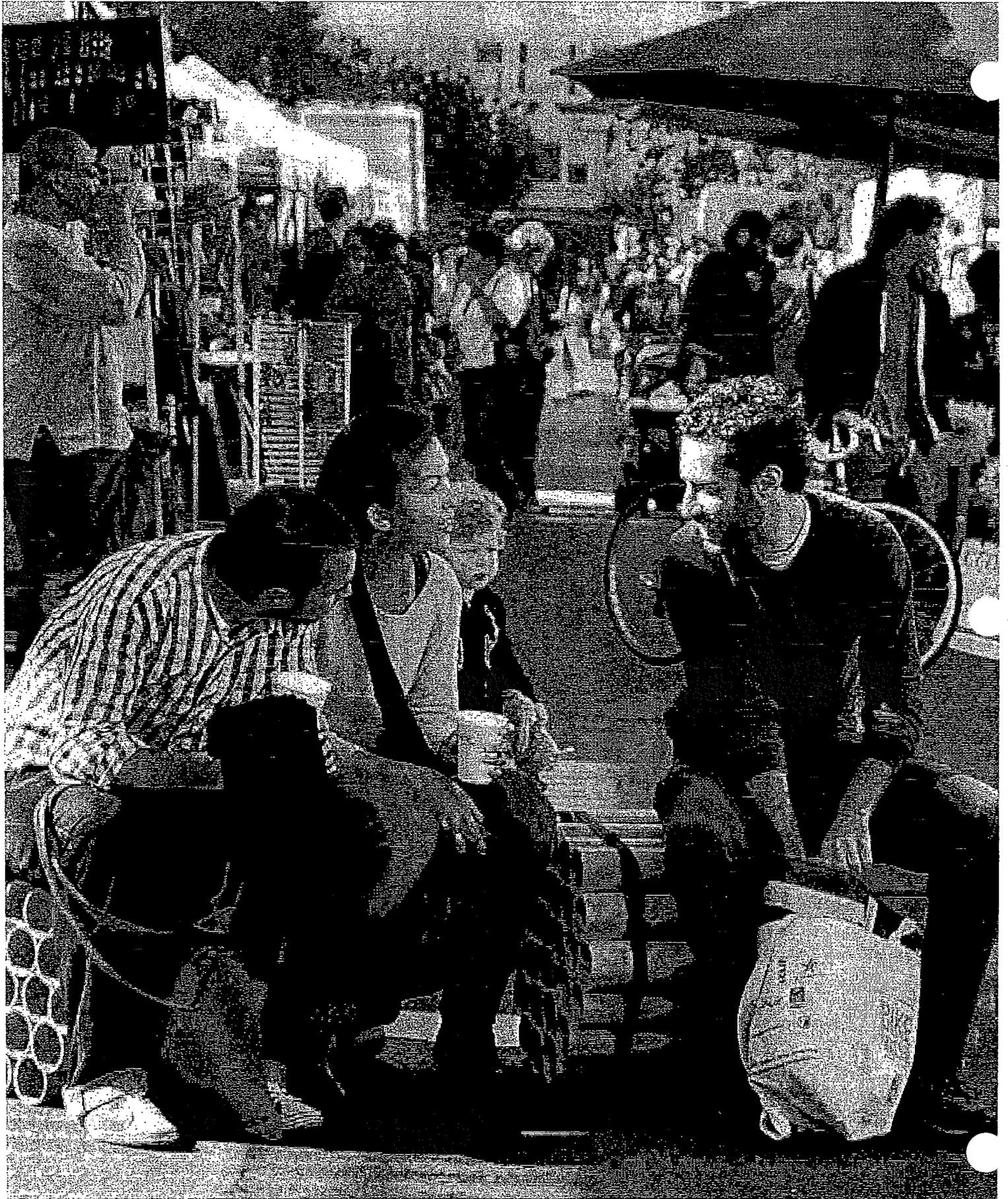
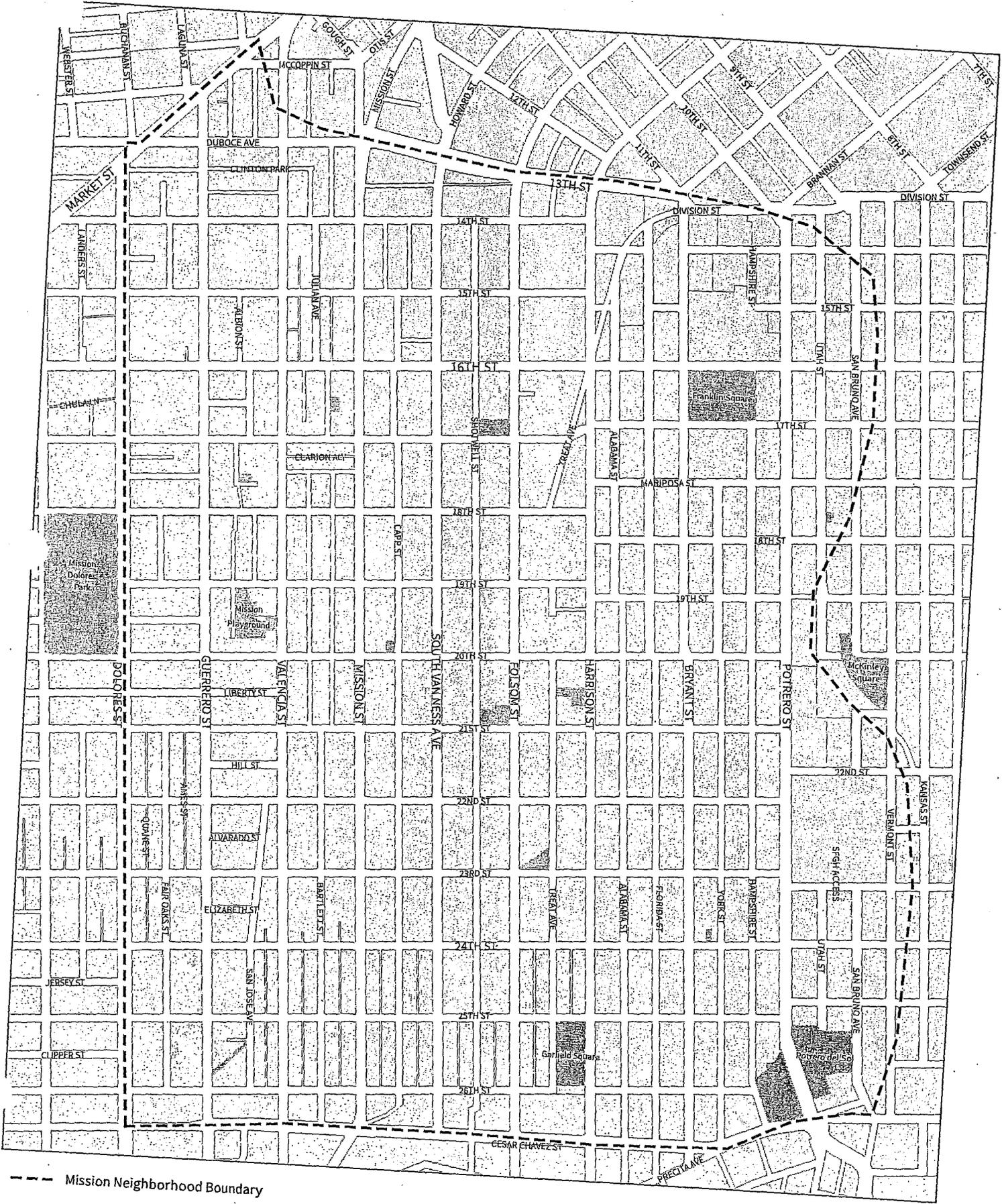


Photo by Olga Sanchez & Wendy Lara

1. **Tenant protections** focus on immediate programs and funding mechanisms to keep existing Mission residents in their homes.
2. **Single Room Occupancy residential hotels** (SROs) are a dwindling housing supply, one that has traditionally housed individuals but is increasingly being used by families. Solutions address the vulnerability of people living in these units and the loss of these units as an affordable housing option.
3. **Preservation of affordable units** focuses on tools to retain affordable housing stock.
4. **Production of affordable housing** is a suite of funding and policy tools to increase construction of housing for low to moderate income households.
5. **Economic development solutions** focus on keeping jobs, businesses, artists, and nonprofits in the neighborhood. Retaining and supporting a diverse range of community-serving businesses will support our corner grocers, panaderias, taquerias, barber shops, and restaurants.
6. **Community planning** focuses on improving community access to and voice in the City's processes for planning housing, transit, and community investments.
7. **Homelessness** focuses on prevention of homelessness and services to stabilize the homeless as they transition into permanent housing.



# MISSION NEIGHBORHOOD MAP



--- Mission Neighborhood Boundary



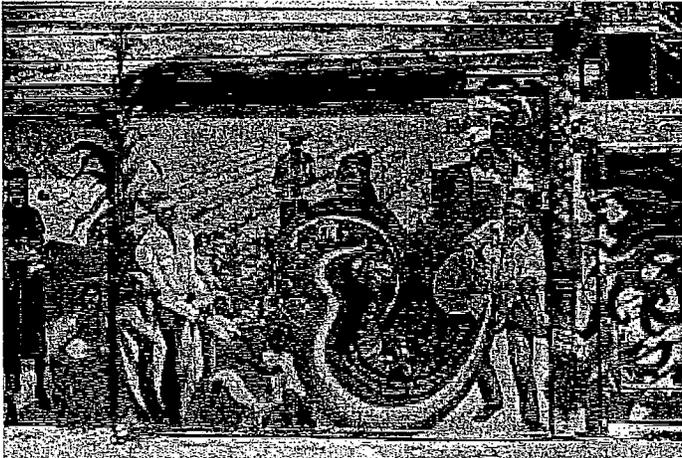


Photo by Pedro Peterson (SF Planning)



Photo by Marisol Quintana (MEDA)

## WHY WE ARE DOING THIS

The Mission District is at a crossroads as a Latino cultural hub and a home for working class families and vulnerable individuals. A rebounding economy following the Great Recession brought vibrancy and dollars to the neighborhood, but an unintended consequence has been the acceleration of displacement of long-time Mission residents and businesses. The changes observed in the Mission are not “natural” demographic shifts resulting from individual households choosing to move elsewhere. These changes have largely been driven by the pace of growth and economic change in the city. These types of rapid changes have been characterized by the San Francisco Department of Public Health as a public health concern.<sup>1</sup>

Following two cycles of dot-com boom, the neighborhood is in the stage of *late gentrification*<sup>2</sup> with low to moderate income families overwhelmingly being replaced by high-income individuals. The median income for the neighborhood increased from \$67,000 in 2000 to \$73,000 in 2013 (adjusted for 2013 dollars). This growth in income is not by and large the result of increased prosperity of long-time (predominantly Latino), Mission residents and the

businesses that served these demographic groups. It is primarily the result of an influx of more affluent newcomers (who are predominantly white). Rents for a two-bedroom apartment jumped from \$3,800 in 2014 to \$4,500 in 2016. To not be burdened by rent today (to spend no more than 30% of income on rent), families need to earn at least \$180,000 for a two-bedroom unit. In 2000, 75% of the neighborhood was low to moderate income households; by 2013 that had dropped to 65%. If this trend continues, it could drop to 57% by 2020. In the same period, high income residents have increased from 25% in 2000 to 34% in 2014; and are projected to be 42% by 2020. These income changes parallel the decrease of the Latino population.

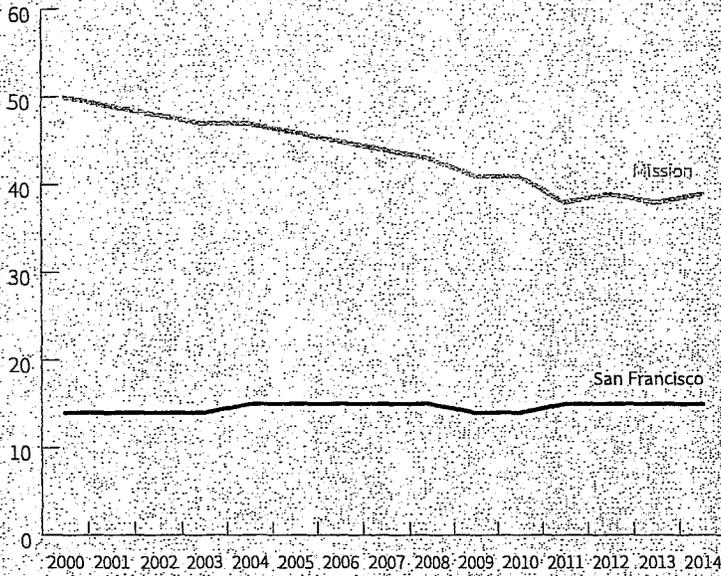
The effects of displacement can be traumatic. They can range from poor school performance by children for lack of a stable home environment, to long commutes back to the Mission for school, work, and community gathering. Young Mission residents who grew up in the neighborhood report feeling uncomfortable and unwelcome by newer residents and feel they are regarded as if they don't belong. Residents of all ages live in constant fear of eviction and feel powerless to stop the loss of their community. The Mission Action Plan 2020 is an important step in planning for the future of the Mission District as a place for all residents.

1 <http://www.sfhealthequity.org/elements/housing41>

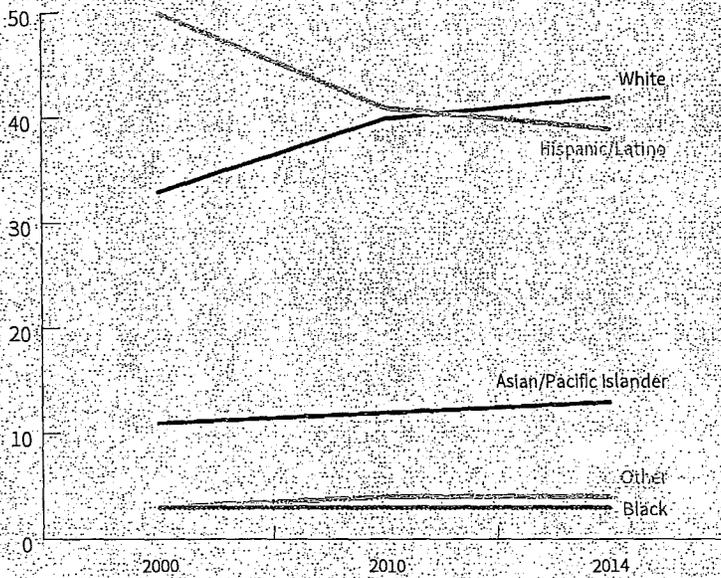
2 UC Berkeley Urban Displacement Project, <http://www.urbandisplacement.org/>

## CHANGING DEMOGRAPHICS IN THE MISSION FROM 2000-2014

Percent of Latino/Hispanic Population in the Mission and San Francisco (2000 to 2014)



Percent of Ethnic Population in the Mission (2000 to 2014)



Percent of Households by Area Median Income in the Mission by Year (2000 to 2014)

Income Category	2000	2001	2002	2003	2004	2005	2014
<30% AMI	19.99%	20.89%	20.65%	20.94%	21.04%	20.78%	21.75%
>30% to ≤ 50% AMI	12.75%	15.95%	15.48%	15.70%	13.73%	14.12%	13.73%
>50% to ≤ 80% AMI	19.70%	16.44%	16.75%	15.62%	16.41%	15.01%	15.30%
>80% to ≤ 100% AMI	12.17%	8.77%	8.58%	8.00%	8.03%	7.73%	7.49%
>100% to ≤ 120% AMI	10.02%	7.64%	7.78%	7.31%	7.63%	7.46%	7.50%
≤ 120% AMI	74.63%	69.70%	69.24%	67.56%	66.83%	65.11%	65.78%
>30% to ≤ 120% AMI	54.64%	48.80%	48.58%	46.62%	45.80%	44.33%	44.03%
>120% to ≤ 150% AMI	8.02%	8.30%	8.50%	8.37%	9.19%	9.10%	9.03%
>150% to ≤ 200% AMI	8.61%	8.52%	8.49%	9.31%	8.47%	8.75%	8.42%
> 200% AMI	8.74%	13.48%	13.77%	14.76%	15.51%	17.03%	16.77%
Total Households	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

\* For the purpose of this analysis, the Mission is defined by census tracts 177, 201, 202, 207, 208, 209, 210, 228.01, 228.02, 228.03, 229.01, 229.02, and 229.03. These tracts are slightly different than the map on page vi (two additional tracts are included here) as there are many different Mission boundaries (but the trend is generally the same).

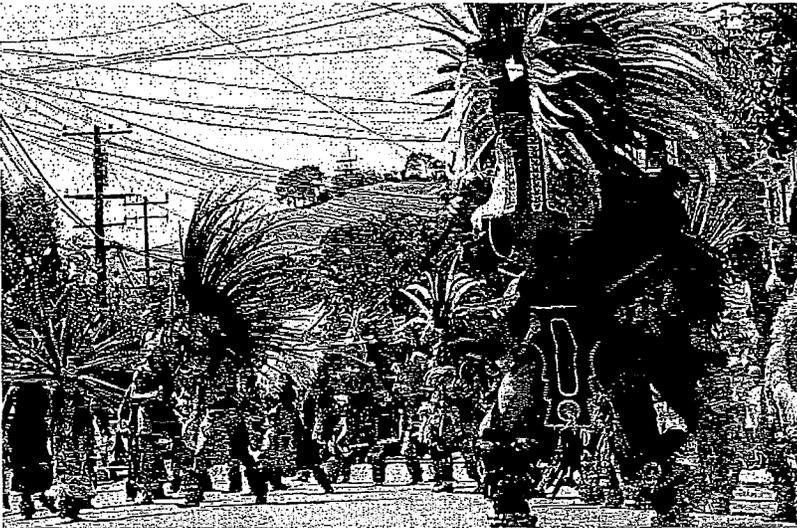
Changes in the Number of Households by Area Median Income from 2000 through 2014 (Mission)

Income Category	HOUSEHOLDS CHANGE 2000 TO 2002		HOUSEHOLDS CHANGE 2000 TO 2014	
	Total Households Change	% Change	Total Households Change	% Change
<30% AMI	696	10.62%	393	3.40%
>30% to ≤ 50% AMI	412	17.90%	-365	-7.97%
>50% to ≤ 80% AMI	-734	-18.90%	-111	-5.04%
>80% to ≤ 100% AMI	905	32.59%	-214	-8.40%
>100% to ≤ 120% AMI	-439	-20.83%	40	1.53%
>120% to ≤ 150% AMI	348	20.73%	246	14.01%
>150% to ≤ 200% AMI	80	8.14%	56	6.74%
> 200% AMI	1,984	107.46%	886	31.36%
Total Households	1,567	6.41%	1,056	3.96%

San Francisco Area Median Family Income by Year (2000 to 2014)

Income Category	2000	2001	2002	2003	2004	2005	2014
30% AMI	\$19,064	\$25,964	\$25,733	\$26,199	\$26,570	\$27,035	\$28,017
50% AMI	\$31,773	\$43,273	\$42,889	\$43,665	\$44,283	\$45,058	\$46,696
80% AMI	\$50,836	\$69,237	\$68,622	\$69,863	\$70,852	\$72,093	\$74,713
100% AMI	\$63,545	\$86,546	\$85,778	\$87,329	\$88,565	\$90,116	\$93,391
120% AMI	\$76,254	\$103,855	\$102,934	\$104,795	\$106,278	\$108,139	\$112,069
150% AMI	\$95,318	\$129,819	\$128,667	\$130,994	\$132,848	\$135,174	\$140,087
200% AMI	\$127,090	\$173,092	\$171,556	\$174,658	\$177,130	\$180,232	\$186,782

Source: U.S. Census Bureau



## RECENT MISSION HISTORY AND MAP2020

Located in east-central San Francisco, for many decades the Mission has had the city's highest concentration of Latinos and immigrants from Latin America. With its rich cultural and political history, the Mission has long been a working class community. Many institutions and businesses form a local support system for low-income and Latino immigrant families in San Francisco. The Mission is rich with nonprofit service providers, cultural institutions, small legacy businesses, and working-class jobs in the PDR sector.

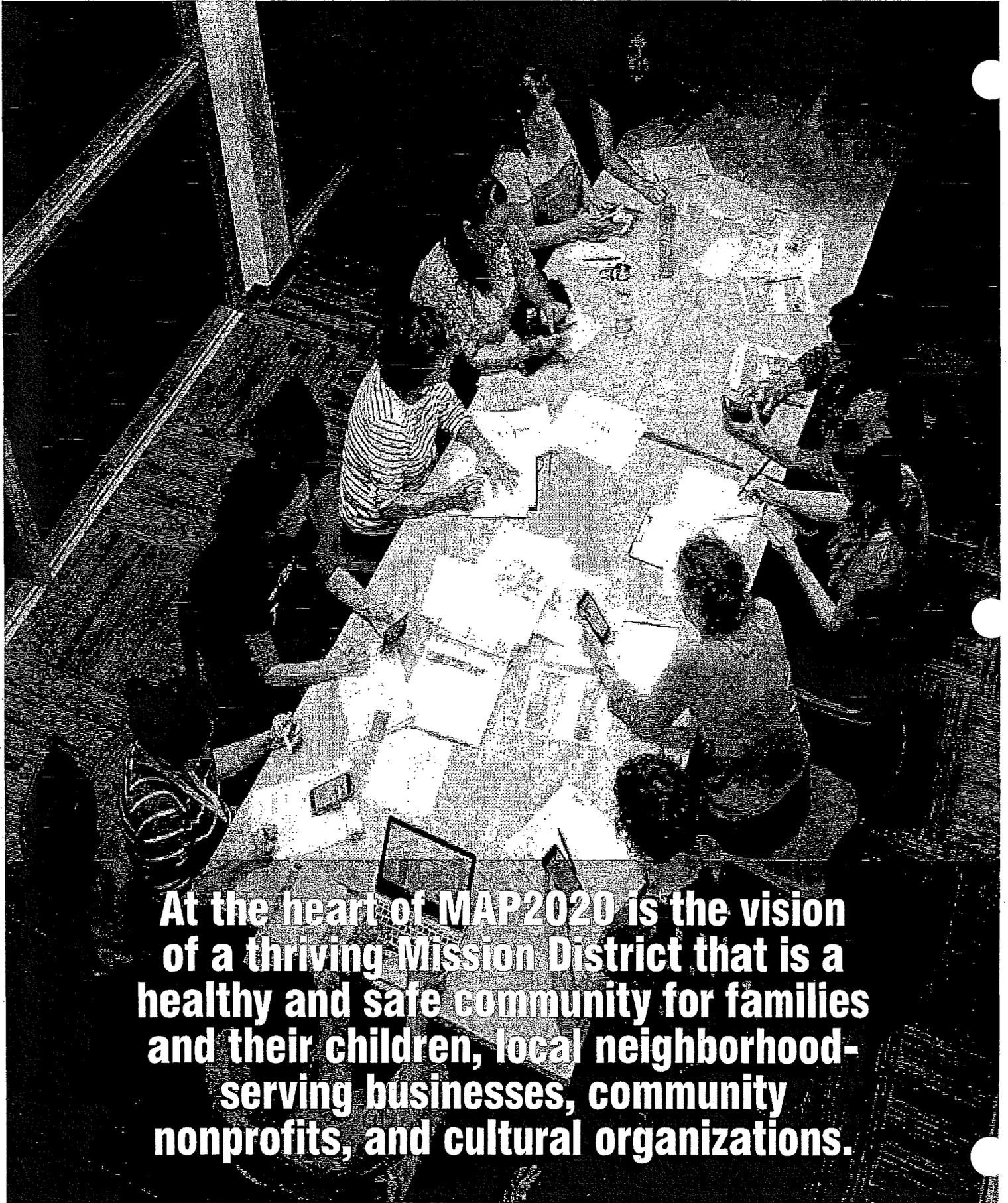
The Mission experienced the first strong wave of displacement during the first dot-com boom in the late 1990s. Then, from 2012 to early 2015—as the Bay Area economy bounced back—the accelerated demand for transit accessible housing and small business spaces forced out many long-time Mission residents and businesses, further tearing at the neighborhood fabric. Activists, advocacy organizations, and coalitions coalesced to protest, rally, and march to advocate on behalf of the many residents and businesses being displaced in the Mission.

Over the past 20 years, since the start of the first

dot-com boom in the late nineties, the City and community have invested heavily in planning for the Mission. City plans include the Mission Area Plan of the Eastern Neighborhoods planning process (2009), the Mission Street Public Life Plan (2015), the Mission District Streetscape Plan (2010), and the Calle 24 Latino Cultural District (established in 2015). In addition, the Mission Anti-Displacement Coalition produced the People's Plan for Jobs, Housing, and Community in 2009. Several research and analytical works have attempted to better understand the factors impacting displacement in the Mission, such as Controller's Office Housing Moratorium report (2015), UC Berkeley's Urban Displacement Project (2016), and the Budget and Legislative Analyst's policy report on displacement in the Mission (2015).

These planning efforts were important in guiding changes to the neighborhood and directing growth near transit. But they did not fully anticipate the acceleration of the affordability crisis in recent years and the pace of growth occurring now and expected to occur in the near future.

In late 2014, the Mission Economic Development Agency (MEDA) met with Mayor Edwin Lee and District 9 Supervisor David Campos to initiate the MAP2020



**At the heart of MAP2020 is the vision of a thriving Mission District that is a healthy and safe community for families and their children, local neighborhood-serving businesses, community nonprofits, and cultural organizations.**

Photo by Marisol Quintana (MEDA)

process. In summer 2015, the Board of Supervisors meeting was inundated with close to 900 Mission residents, business owners, students, and activists who voiced their anger and fear about displacement in the Mission. They rallied at City Hall to push City government to take a proactive role in maintaining the diversity of the neighborhood.

MAP2020 began as a series of planning meetings for community organizations and City staff to discuss regulations and policies implemented by City agencies and their impact in the Mission. A core group of community groups—MEDA, Dolores Street Community Services/Mission SRO Collaborative, SF Tenant Unions, Cultural Action Network— and long-time neighborhood activists from Plaza 16, Pacific Felt Factory, and the Calle 24 Latino Cultural District engaged in the MAP2020 planning process in an effort to impact housing pipeline development, advocate for more affordable housing, and to retain the neighborhood land uses dedicated to working class families and businesses.

### **DIFFERING VIEWS ABOUT THE EFFECTS OF MARKET RATE DEVELOPMENT**

Some community groups believe that there has been a failure to address the impacts of growth in recent years. Some groups attribute part of this failure to a lack of research in some critical areas, such as neighborhood displacement resulting from market rate development, their belief that the city is unwilling to conduct this research, as well as what some community advocates believe to be a flawed methodology in some City studies.

The City believes that new housing production at all income levels is critical to address the housing crisis, and that the crisis has been partially caused by many decades of slow housing production. In the Mission, actual market-rate development from 2009-2014 has been limited (producing close to 500 units, compared

## **The UC Berkeley Urban Displacement Project & Some Key Terms**

The changes experienced by the Mission during the dot-com boom are those typically associated with the traditional conception of gentrification, or the influx of investment and higher-income, usually White, residents to areas with low-income, often minority, residents.

New residents were—and are still—attracted to the amenities provided by higher density, the cultural richness of the neighborhood and to the transit accessibility of the area. Multiple bus lines as well as two BART stations (16th Street and 24th Street Mission Station) service the neighborhood for an easy commute to the financial district. The neighborhood is also close to the freeway and the Caltrain, which provide accessibility to the greater region, including Silicon Valley.

This first wave of gentrification is the main story in the neighborhood's shift from a lower-income Latino area to its present state. Although the bust of the first dot-com bubble caused gentrification pressures to slow, the neighborhood has continued to be a high demand area, seeing an influx of high-income residents once again from the tech sector. However, this current wave of gentrification is taking place in a neighborhood context that has already undergone years of gentrification— not just with new residents who had moved in, but with an ongoing influx of new retail and public investment.

Today's ongoing battle over the Mission is therefore of a different kind with fewer units left to gentrify. Many long-time residents are holding on and benefitting from the neighborhood's new investment and amenities, but there is even more pressure than before on the remaining affordable units.

For more information visit:  
[http://www.urbandisplacement.org/sites/default/files/mission\\_district\\_final.pdf](http://www.urbandisplacement.org/sites/default/files/mission_district_final.pdf)

**Displacement:** Residential displacement occurs when a household is forced to move from its residence or is prevented from moving into a neighborhood that was previously accessible to them due to conditions which:

- 1) are beyond the household's reasonable ability to control or prevent (e.g., rent increases);
- 2) occur despite the household's having met all previously-imposed conditions of occupancy; and
- 3) make continued occupancy by that household impossible, hazardous or unaffordable.

Displacement manifests itself in many forms, from physical (i.e., evictions or service disruption) to economic (i.e., rent increases). Displacement can result from gentrification when neighborhoods become out of reach for people or can occur at earlier stages through disinvestment, increasing vacancies and facilitating demographic turnover. *[Adapted from Grier and Grier (1978) and Marcuse (1986)]*

**Gentrification:** Today, gentrification is generally defined as "the transformation of a working-class or vacant area of the central city into middle-class residential or commercial use". Although the emphasis has traditionally been on the influx of the middle and upper classes, in its origin the term inherently implied the displacement of working class households. While the vast majority of literature and media attention on gentrification focuses on class-based analyses, the deep history of racial residential segregation and income inequality in the United States results in gentrification being a clearly racialized process. Gentrification is often associated with white middle class households moving into low-income and communities of color. A number of scholars have clearly tied gentrification to historical patterns of racial residential segregation and inner city disinvestment and decline. These neighborhoods experience the "double insult - a 'one-two' knock" of disinvestment, neglect and white flight in the 1950s through 1970s and then the forces of gentrification and displacement in the 1980s through today.

A wide range of actors are involved in the gentrification process, including individuals, developers, builders, business improvement districts, lenders, planning consultants, government agencies, insurance firms, news media, and real estate agents, among many others. Local, state, and federal government policy and subsidy for things like mixed income housing, beautification, transit improvements and the like set the conditions for and catalyze gentrification processes by improving neighborhoods and making them attractive for private investment. Often gentrification research and activism focuses either on macro-forces of housing and labor markets or micro-processes of individual preferences.

**Affordable housing:** In San Francisco, affordable housing includes a range of housing programs that each serve a particular income level from extremely low to middle-income. For homeless adults, families, and youth, affordable housing includes transitional housing, supportive housing that has onsite services, and rental assistance. For low and middle income adults and families, affordable housing includes rental units priced at 55% Area Median Income (AMI) and ownership units priced at 85% AMI. **Inclusionary housing** is a specific category of affordable housing that is built within market rate buildings, as compared to 100% affordable housing, where all the units in the building are priced below market rate.

#### **Area Median Income (AMI)**

**Area** = A particular geographical area, e.g., San Francisco

**Median** = Middle point: half of the households earn below the median while the other half earn above

**Income** = Total income of the entire household

In 2014, the San Francisco area median income (AMI) was \$93,391. Half of the households in San Francisco earn below the AMI while the other half of households earn above the City's AMI. AMI is set each year by the US Department of Housing and Urban Development (HUD) and is based on household size and the income households earn in the area. The City uses these annually published income limits to set eligibility for its various housing programs.

The total of all salaries earned by all people living in the same home regardless of relationship equals the household's total annual income. Based on the 2010 American Community Survey conducted by the US Census Bureau, the typical San Francisco household has approximately 2.4 people. Based on the 2016 Unadjusted Area Median Income for HUD Metro-Fair Market Rent Area (HMFA) that contains San Francisco,<sup>2</sup> income levels are:

**Very low-income households<sup>3</sup>:** Earn up to \$53,850 for a family of four (or 50% of the Area Median Income in San Francisco)

**Low-income households:** Earn up to \$86,150 for a family of four (or 80% of the Area Median Income in San Francisco)

**Moderate-income households:** Earn up to \$129,250 for a family of four (or 120% of the Area Median Income in San Francisco)

<sup>2</sup> [http://sfmohcd.org/sites/default/files/Documents/MOH/2016 AMI Income Limits SanFranHMFA.pdf](http://sfmohcd.org/sites/default/files/Documents/MOH/2016%20AMI%20Income%20Limits%20SanFranHMFA.pdf)

<sup>3</sup> For the purposes of this report, we are defining very low-income as those who earn up to 50% AMI to be consistent with the federal definition of very low-income. The Mayor's Office of Housing and Community Development defines very low-income as households earning up to 55% AMI.

<sup>1</sup> <http://www.urbandisplacement.org/resources#section-36>

to 276 units of affordable housing in that same time period).

Phase two of MAP2020 will continue to address questions around the impact of market-rate development and how these projects can continue to contribute to the goals of MAP2020, since the Mission is expected to receive close to 2,000 new units of market rate housing in the next three to five years and close to 1,000 units of affordable and middle income housing.

The City would like to stress a focus on mitigation strategies and leveraging private and public investments to minimize impacts on historically vulnerable populations while increasing access and opportunity so that those populations benefit equitably from neighborhood growth and investment. The City agrees that it is important to have an equitable approach to growth and development, but it also believes that limiting or prohibiting housing development has had, and will continue to have, greater negative impacts on low and moderate income households. MAP2020 is an attempt to manage this change and apply an equitable development lens to future expected growth. The forces of displacement are varied and complex and the key is to deploy strategies and investment now to stabilize the neighborhood for decades to come.

The City also feels research on effects of market rate development will be inconclusive but is nevertheless scoping out a way to further study the nexus between development and displacement to determine what it is, if one exists. The City acknowledges displacement is real but believes the causes of displacement are complex and tied to larger systemic issues beyond development. It also believes it is most important to focus resources on stabilizing and strengthening the neighborhood's resiliency in the face of larger economic pressures, and on ensuring development projects provide benefits to the neighborhood, contribute to the goals of MAP2020, and minimize their impacts.

## **DISPLACEMENT TRENDS IN THE MISSION**

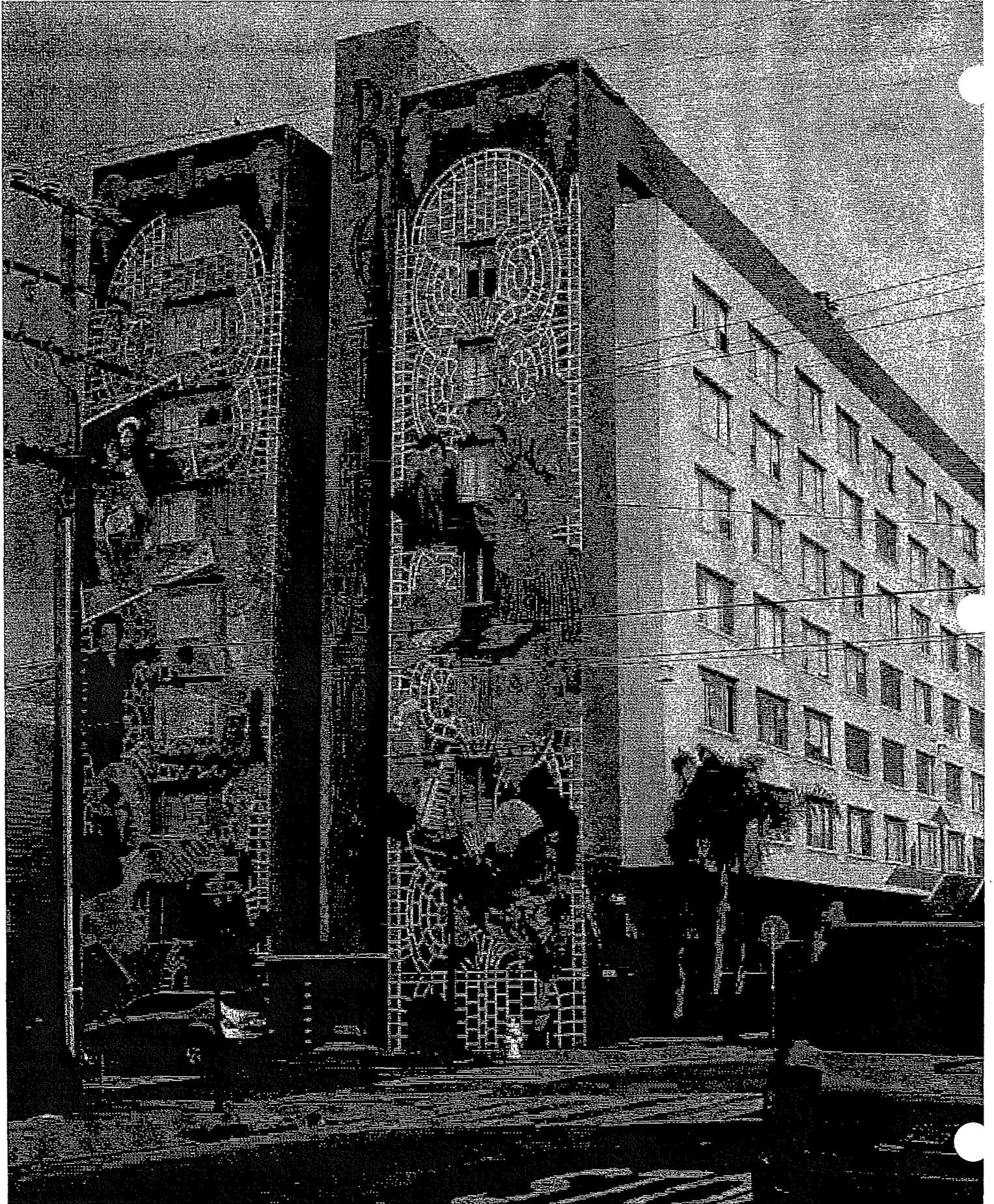
If current trends continue, the rich cultural and economic diversity of the Mission District could become a thing of the past. The Mission is at risk of becoming a neighborhood that is comprised of majority high-income residents. In addition to the challenges facing low and moderate income households, many community-serving businesses, arts, and nonprofits are unable to remain in the neighborhood as rents continue to increase. The stabilization of low to moderate income households is essential to counter these trends.

**Over the last thirty years, the Mission has seen a decrease in the proportion of family households and Latino population that parallels the decrease of very-low, low, and moderate income households.** In 2000 per the US Census, residents who identified as Hispanic/Latino comprised 50% of the population in the Mission District. By 2014, the population of Hispanic/Latino residents decreased to 39% (a 11% decrease).

During the five year period between 2009 and 2014 for which data is available, the percentage of very-low, low-, and moderate- income residents in the Mission District dropped while the percentage of higher income residents increased. During this time, very low-income residents decreased from 37% to 35%, low-income residents from 16% to 15%, and moderate-income residents from 16% to 15%. Meanwhile, households whose income falls in the highest bracket (\$186,782 or more or 200% over AMI) increased from 13% to 17% of the population.

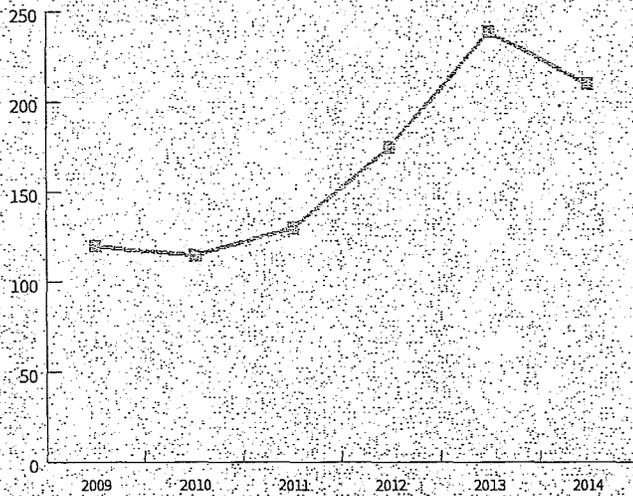
**Despite an increase in income, housing burden has increased in the Mission.**

In the Mission, 72% of families are renters, about 10% more than the citywide percentage. Housing is considered unaffordable if more than 30% of a household's income is paid towards rent or mortgage. Of renters in the Mission, 42% of households pay more

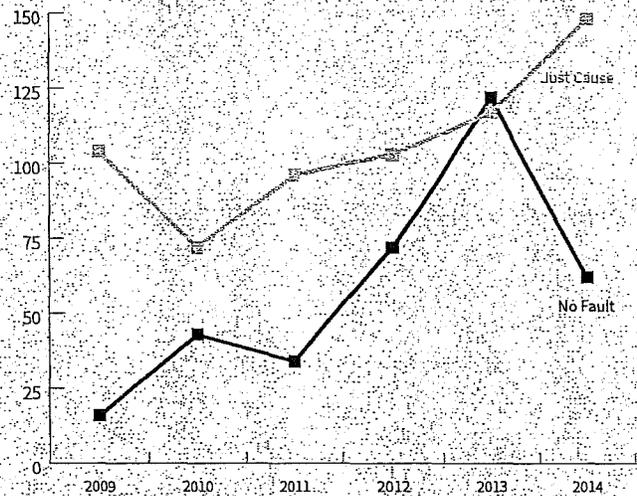


## EVICTIION NOTICES FILED IN THE MISSION 2009-2014

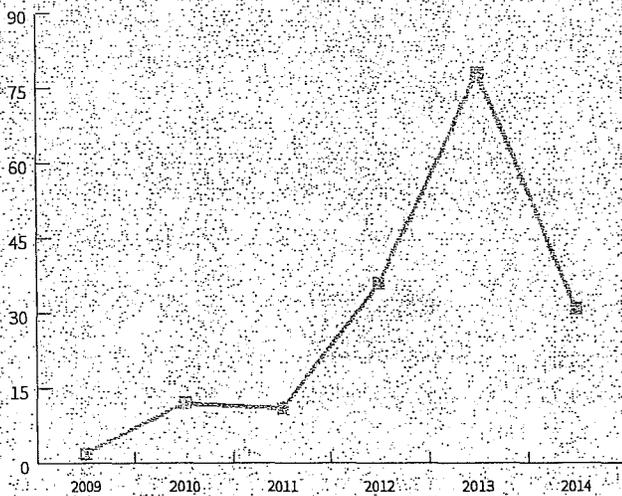
From 2009 to 2013, the number of eviction notices filed for households in the Mission increased by 100%.



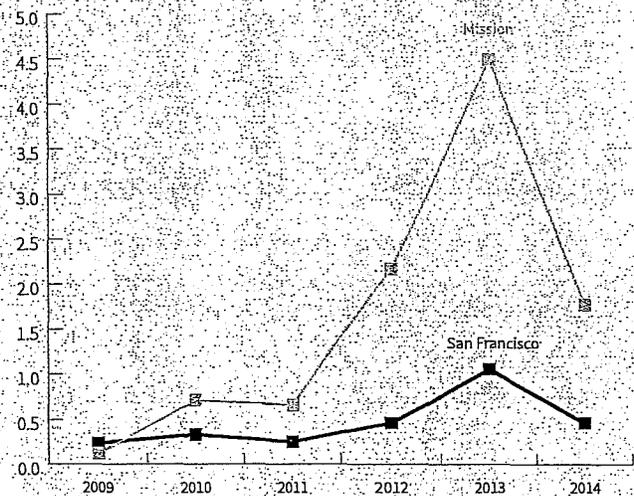
The number of Just Cause and No Fault eviction notices filed in the Mission have increased by 42% and 288%.



Ellis Act eviction notices filed in the Mission have increased by almost 1,500%, peaking to 78 notices filed in 2013.



In 2013, the rate of Ellis Act eviction notices filed for households in the Mission was 4 times greater than for San Francisco.



Source: San Francisco Rent Board

than 30% and 18% pay more than 50%<sup>3</sup>. This is below the citywide average (which may be connected to the loss of low to moderate income households) and ranks below the Tenderloin, Outer Richmond, and Nob Hill neighborhoods also with large numbers of renters. Additionally, 8% of renters live in overcrowded conditions<sup>4</sup> (more than two people per bedroom). This is about 23% greater than citywide, and the Mission ranks fourth in overcrowding after Chinatown, the Tenderloin, and SoMa.

**The Mission continues to see the highest rate of evictions notices in the city and a large portion of the city’s tenant buy-outs.**

In 2015, the Mission had 175 notices of eviction. Between 2011 and 2014, notices of eviction in the Mission doubled. Of these notices, Ellis Act evictions increased 1,450% (from 2 in 2009 to 31 in 2014) and no fault evictions increased 288% (16 in 2009 to 62 in 2014). Just cause evictions increased 42% (from 104 in 2009 to 148 in 2014).

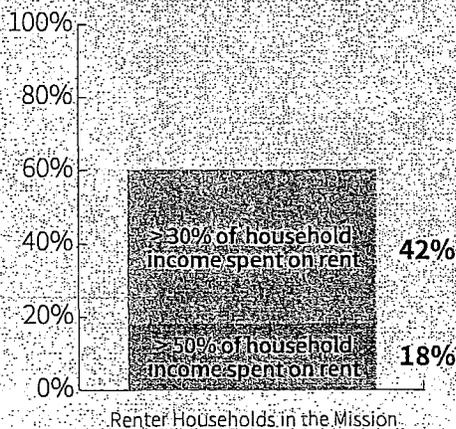
3 U.S. Census Bureau. (2014). Gross Rent as a Percentage of Household Income in the Past 12 Months (B25070). 2013 ACS 5-Year Estimates. Gross rent is the amount of the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.)

4 U.S. Census Bureau. (2014). Tenure By Occupants Per Room (B25014). 2013 ACS 5-Year Estimates.

In addition to evictions, tenant buy-outs are a strategy used by some landlords to incentivize existing tenants to leave their rent-controlled housing. After existing tenants leave, landlords can increase the rent of the property to market rate. Between 2008 and 2014, the Mission District experienced the highest concentration of tenant buy-outs in the city: 165 tenants received buy-outs (28 per year on average) or about 28% of the city’s total<sup>5</sup>.

It is important to note that the City’s evictions data provides only a partial picture of the full extent of tenant displacement. The San Francisco Rent Board only records a tenant move-out as an “eviction” when the full legal process is completed and a judge orders an eviction. The extent to which landlords and prospective buyers are offering “buy-outs” to incentivize tenants to voluntarily move out of their units has only been required to be reported since 2015. In addition, lack of tenant repairs and tenant intimidation, particularly of those who do not know their rights, are undocumented, living in crowded conditions, or do not speak English – that forces people out is not well documented. Therefore, the actual number of rent-control tenants leaving the neighborhood is likely higher than the known number of official evictions.

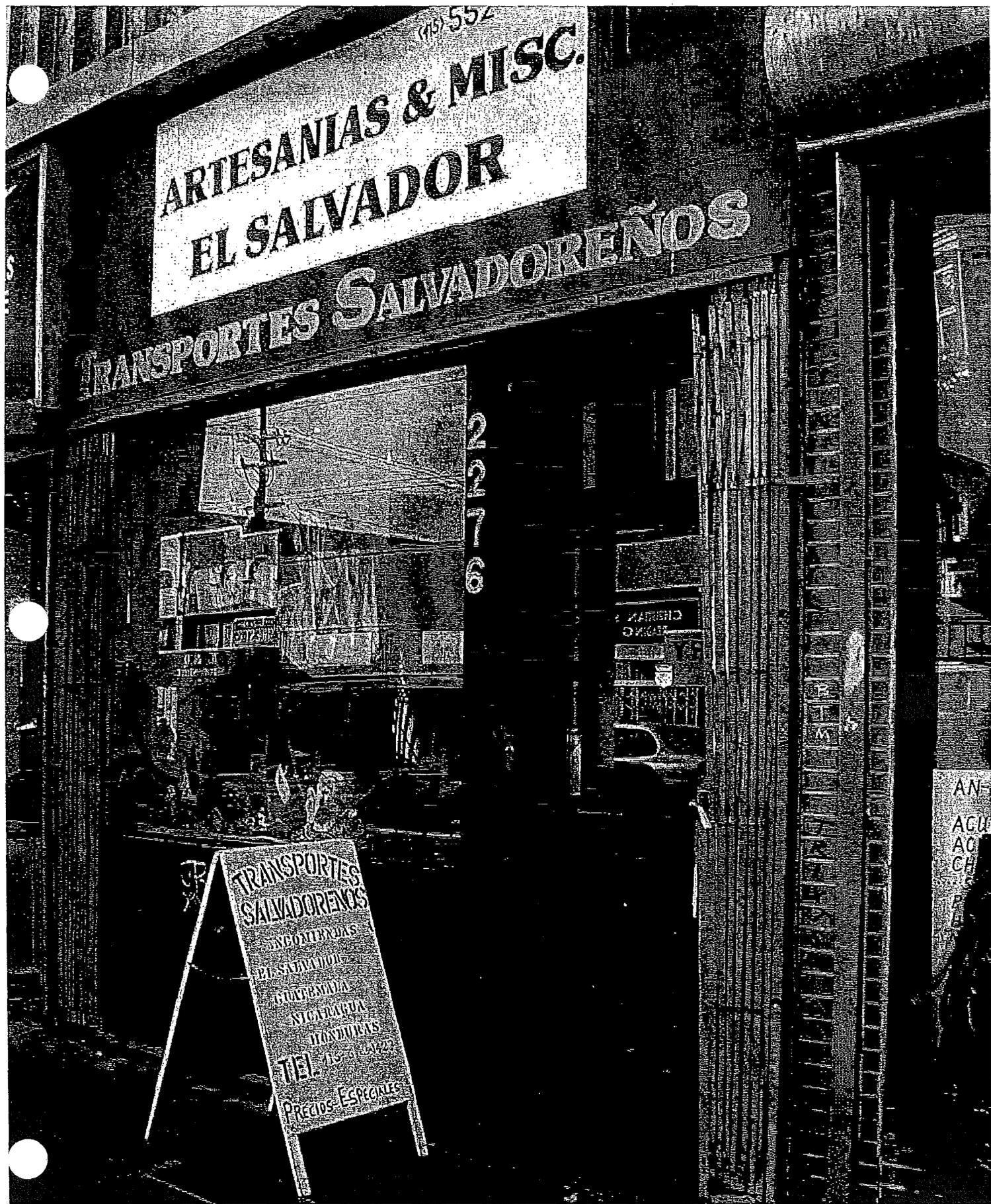
**72% OF MISSION FAMILIES ARE RENTERS, CLOSE TO HALF ARE RENT BURDENED**



Previously affordable housing units are no longer affordable for most residents. Historically, residential hotels (SROs) and other rent control units have been affordable for low income residents in the Mission. All housing units in buildings that are not single-family homes or condominiums and were constructed before June 1979 are subject to rent control, which limits allowable annual rent increases to a certain percentage relative to inflation.

The Mission lost approximately 63 rent-controlled units per year between 2010 and 2014 to Ellis Act evictions

5 Source: SF Budget and Legislative Analyst.



or other means. In addition, there are 47 private SRO buildings in the Mission, located mostly along Mission Street, that include approximately 1,196 rooms. These units are protected by law and are rent controlled for tenants who reside there for more than 30 days. Many landlords are renting for less than 30 days to prevent establishment of tenancies. SRO tenants are also displaced (through eviction or attrition) when hotels are converted into market-rate dormitories targeting high-income residents.

### New affordable housing has not kept up with demand.

With the pressures on existing low income residents, there is high demand for affordable housing in the Mission District. Due to lack of funding to meet all the demand, insufficient affordable housing has been built to meet the need, thereby worsening pressures on existing housing stock. While the percentage of affordable units was about 51% between 2009 and 2014, only a total of 276 100% affordable and inclusionary units were constructed in the mission and approximately 500 market-rate units over the same period. This does not include rent-controlled units lost due to Ellis Act or other conversions (approximately 80 per year). The Housing Element calls for approximately 60% of all new housing to be affordable to households with incomes moderate and below.

It important to note that in response to these trends, in 2015-2016, the city enabled funding for approximately 850 units of affordable housing, the most of any neighborhood in the city. See "Public Investments" on the next page.

### Small businesses, arts organizations, and nonprofits are leaving the Mission.

Small businesses, arts organizations, and nonprofits are closing due to short-term or month-to-month lease renewals, which often double or triple their

## Rent Control Regulations on Evictions

The eviction process can be initiated by citing any of 15 'just-causes' under two broad categories:

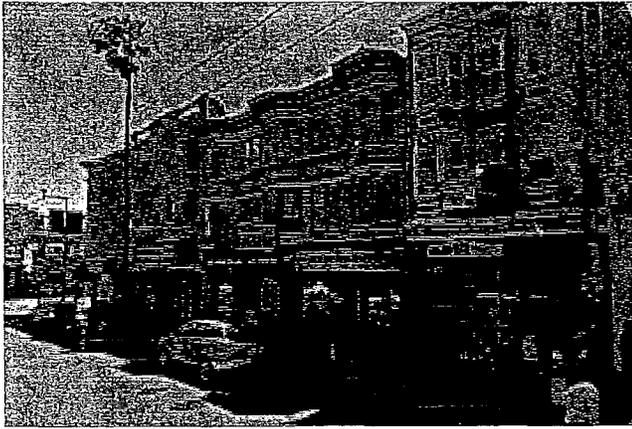
- 'No-fault' evictions allow landlords to retrieve their property from the tenant without any fault of the tenant. The two most common types of evictions under this broad category are the Ellis Act and the Owner Move-In (OMI). The Ellis Act allows the owner to rescind the tenancy by giving tenants a 120-days withdrawal notice and prohibits the unit from being rented for 10 years. The OMI evictions allow owners to evict the tenant in order for owner or their relatives to move into the unit.
- 'Just cause' evictions cite the tenants' actions (such as a breach of lease or creating a nuisance, etc.) as justification for their eviction.

San Francisco has an existing set of local ordinances and policies designed to protect tenants from displacement and prevent loss of affordable rental housing. These policies are the result of more than four decades of community activism, legal advocacy, and political leadership and include:

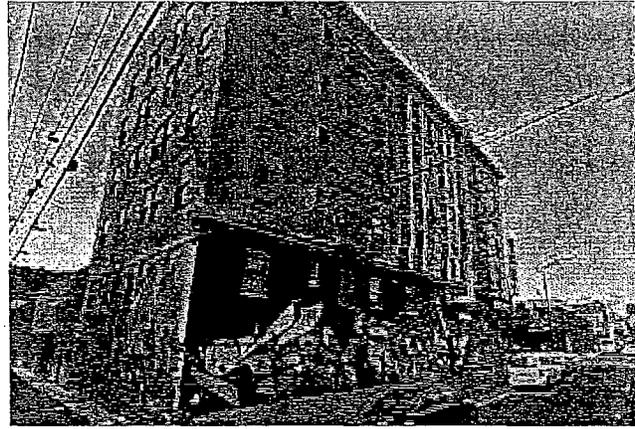
- The Residential Rent Stabilization and Arbitration Ordinance limits rent increases for all rental housing of two or more units built before 1979. It also limits evictions to a specific set of justified causes, and requires relocation assistance for evicted tenants, among other protections.
- The Residential Hotel Unit Conversion and Demolition Ordinance requires replacement of Single Room Occupancy (SRO) Hotel Units when the owner proposes to convert to tourist use and restricts demolition of SRO buildings.

In addition, there are several State laws that impact local rental housing stock:

- The **Costa-Hawkins Rental Housing Act** ("Costa-Hawkins") is a 1995 California state law that prohibits municipal rent increase limitations on certain units, allows rent increases on subtenants following departure by tenants of rent-controlled tenancies, and prohibits "vacancy control"—the regulation of rental rates on units that have been voluntarily vacated by the previous renters at an amount other (presumably lower) than what the open market would bear. The Act was amended in 2001 to close a loophole related to condominium conversion, where owners of apartment buildings obtained certificates for conversion, to avail themselves of the state law exemption for rent control, without actually selling any of the erstwhile apartments as condominiums.
- The **Ellis Act** is a 1985 California state law that gives landlords the unconditional right to evict tenants to "go out of business." For an Ellis eviction, the landlord must remove all of the units in the building from the rental market. Ellis Act evictions generally are used to change the use of the building from rental units to tenancy-in-common or condominiums.



2084 Mission Street – The Frances. Photo by [Google Street View](#).



405 Valencia Street – Hotel Royan. Photo by [Google Street View](#).

rents. From 2004-2013, Mission Street saw more new food/beverage establishments or additional alcohol licenses to existing establishments, as well as an increase in permits to change retail spaces to other uses. During the same time, there was a substantial loss of retail and neighborhood offices. This loss also prompted the City to finding and funding space for non-profits and artists.

**Businesses and light-industrial space that employ blue-collar workers is also diminishing.**

Illegal uses are still encroaching on light-industrial space for businesses (such as car repair, food manufacturing, and printmaking). Meanwhile, demand for light-industrial space has increased. Based on the pipeline, PDR loss outside of protected areas will be about 60% of what was projected by 2021 – about halfway through the life of the Mission Area Plan. Since 2009, the Mission District lost 206,311 square feet or approximately 33% of the light industrial land anticipated in a 25 year timeframe. When adding the pipeline of 360,558 square feet since 2009 this represents 60% by about 2021 if all projects in the pipeline move forward. In sum, this represents a 18% loss of total PDR space in the Mission. Additional PDR-loss projects have continued to enter the pipeline since this analysis was completed, and the 2021 build out may exceed this amount. While the loss of the

space was anticipated in the Mission Area Plan, the pace is higher than anticipated, and the unanticipated demand for new industrial space has exacerbated the concern.

### **PUBLIC INVESTMENT IN MISSION NEIGHBORHOOD STABILIZATION AND IN SAN FRANCISCO'S LATINO, IMMIGRANT, & LOW-INCOME COMMUNITIES**

Partly in response to the community's hard work and organizing the City has made a series of recent investments to stabilize the Mission neighborhood and the Latino community in San Francisco, collectively providing over \$350 million in new investment.

#### **Tenant Protections**

Over the past three years, the City has significantly increased investments in eviction prevention and tenant counseling services focusing on keeping tenants in their homes. In FY 2014-15, MOHCD invested approximately \$3,600,000 in these service areas. In 2015-16, that amount increased to approximately \$4,300,000. As of July 1, 2016, MOHCD has now allocated over \$7,000,000 in funding to support eviction prevention and tenant counseling, with \$250,000 specific to or prioritized for the Mission District. Since 2013, MOHCD has also convened eviction prevention and tenant counseling group on a bi-monthly basis to discuss policy and funding

INVESTMENT IN NEIGHBORHOOD STABILIZATION & IN SAN FRANCISCO'S LATINO, IMMIGRANT & LOW-INCOME COMMUNITIES (CITYWIDE AND MISSION-SPECIFIC, WHERE INFORMATION AVAILABLE)	
INVESTMENT	DESCRIPTION
Tenant Protections	\$7 million citywide with a minimum of \$250,000 for the Mission in FY2016-17 - as of the first half of the fiscal year it is on pace to serve 50% more clients in the Mission than in FY 15-16
Housing Production and Preservation	Approximately 842 units in the Mission, at a cost of \$245 million; developed between FY 15-16 and FY 19-20
Homelessness Prevention and Rental Subsidy Programs	\$21 million in FY 16-17 citywide, plus 52 additional SRO units in the Mission
Fire Prevention & Investigation	\$3.5 million in new funding citywide for FY 16-17 and FY 17-18, plus \$200,000 grant to support culturally competent tenant outreach
Immigration Support	\$3.36 million citywide over two years for immigration programs, legal services and the Day Laborers Program
Support for Families	\$4 million citywide over FY 16-17 and 17-18 for family and youth services, resource centers and undocumented, Spanish-speaking families
Educational Success	\$11.2 million for care and education programs
Violence Prevention	\$1.8 million each for FY 16-17 and 17-18 for Roadmap to Peace
Small Business, Economic Development and the Latino cultural District	\$1.260 million for Calle 24, Mission Street outreach and Community Development Block Grants for Mission providers over 2-3 years.
Cultural Arts	\$1.2 million for Mission Cultural Center for FY 16-17 and FY 17-18, plus \$1 million for the Mexican Museum
Workforce Development	\$12.56 million in FY 15-16 for the Mission
Nonprofit displacement	\$21.5 million for FY 16-17 and FY 17-18 citywide
Health Care & Related-Housing and Workforce Investment	\$50 million in community benefits for the Mission plus the rebuild of St. Luke's Hospital
<b>Total</b>	<b>A minimum of \$350 million benefiting the Mission and San Francisco's Latino and Immigrant Community at large over approximately 2-3 fiscal years</b>

### 100% Affordable Housing Pipeline in the Mission (excluding inclusionary)

SITE	UNITS	VALUE	STATUS
1950 Mission	157	\$42,700,000	In predevelopment
2060 Folsom	127	\$31,550,000	In predevelopment
1296 Shotwell	96	\$19,200,000	In predevelopment
490 S. Van Ness	72	\$36,100,000	RFP Released 5/23/16
3001-3007 24th Street	40	\$9,000,000	Nonprofit owner finalizing development plan
TBD Prop A	up to 200	\$50,000,000	RFP Released 4/18/16
Small Sites	36	\$9,000,000	4 Closed and 2 pending
2070 Bryant	136	\$30,000,000	Seeking entitlements
<b>TOTAL</b>	<b>828-864</b>	<b>\$227,550,000</b>	

Source: SF Planning

issues and improve coordination between the City and community-based organizations.

### **Housing Investments**

As of May 2016, 828 affordable housing units are in the pipeline, representing a \$227,550,000 public investment in the Mission. This pipeline is due in large part to the organizing and advocacy efforts of the community within and outside of MAP2020 and the Mayor's support of a citywide Housing Bond that included a \$50M set aside for the Mission.

### **Homelessness Prevention**

The Department of Homelessness and Supportive housing invested approximately \$21 million in FY 16-17 in homelessness prevention and rental subsidy programs city wide. These programs provide one-time financial assistance to individuals and families at imminent risk of becoming homeless to maintain their housing or find suitable alternative housing. On average these programs help over 2,000 people per year. In the past five fiscal years the City has helped over 9,000 people maintain their housing or move into alternative housing.

The Department of Public Health and the Human Service Agency currently master leases 506 Single Room Occupancy hotel units in the Mission. All of the units are occupied by formerly homeless adults. In 2016, the City will lease 52 more units of housing at another Mission District SRO Hotel for a total of 558 units of housing for formerly homeless adults in the Mission. All of the units will provide housing for formerly homeless adults and Shelter Plus Care recipients.

### **Fire Prevention**

As the tragic spate of recent fires in the Mission underlines, fire prevention is a critical priority for San Francisco. In order to make sure we are doing all

we can on this front, the Mayor's FY 2016-17 and FY 2017-18 budget included \$3.5 million in new funding for fire prevention and investigation. This package also includes \$200,000 in grant funding to support culturally competent tenant outreach in order to educate tenants about fire safety and prevention.

### **Immigration Support**

The Mayor's office provided \$1.8 million in funding to support the legal defense of unaccompanied minors in order to serve the needs of documented and undocumented immigrant communities. This is to provide pro-bono legal representation for unaccompanied minors fighting deportation. Paying for essential legal representation leads to dramatically better outcomes for the unaccompanied minors in court, and ultimately facilitates family reunification and stabilization.

An additional \$300,000 was also added over the two year budget for the Office of Civic Engagement and Immigrant Affairs (OCEIA) to help support Deferred Action for Childhood Arrivals (DACA) program, including fee waivers and other costs. OCEIA also provides over \$1 million to support critical immigration, language access, and immigrant integration programs. This includes support for immigration legal services, including assistance with citizenship and deferred action applications. OCEIA also provides over \$260,000 in annual funds to support the Day Laborers Program located in the Mission, in addition to the Language Access Grants Program which funds several Latino and Mission-based organizations educating the community about language services and rights.

### **Support for Families**

The Fiscal Year (FY) 2016-17 and FY 2017-18 budget includes \$2.1 million in additional funding to improve families' ability to navigate the myriad of children and

youth services offered by the City. This includes the addition of a services navigation specialist within the Our Children Our Families Council and the build-out of an online services inventory. Furthermore, up to 750 families will directly benefit through additional funding for children's services providers to increase their capacity for family engagement activities.

Additionally, the budget provides \$625,000 in additional funding for Family Resource Centers. FRCs operating in San Francisco offer a wide range of essential services including: parent education classes, ongoing support groups, interactive activities and family events; educational and informational workshops, and one-on-one support as identified by individual family need, such as food, housing, employment, child care, and health care.

Furthermore, an additional \$1.3 million through DPH's Mental Health Services Act for a Crisis Response Triage System, is intended to provide services to undocumented and Spanish-speaking families.

#### **Educational Success**

The Mayor's office budget included \$11.2 million to be invested in the care and education of infants and children 0-5 years of age. \$6 million of this new funding is from the Children and Youth Fund and will help childcare facilities serving the City's neediest families provide better quality care and maintain and increase slot availability. The investment will also provide subsidies for families to help offset the high cost of childcare in the City. The remaining \$5.2 million represents increased support for the Preschool for All program.

Included are also \$2.6 million to further expand summer and afterschool programs to keep an additional 2,000 San Francisco children and youth engaged and learning outside of school time. Finally, \$1.4 million is included to improve the capacity of

children's service providers throughout the City. This includes technical assistance and the creation of an opportunity fund that grantees can access to address unbudgeted emergency or capacity-building needs.

#### **Violence Prevention**

The Roadmap to Peace (RTP) initiative is directed by a colectiva that encompasses the following members: community residents, Instituto Familiar de la Raza, Mission Peace Collaborative, CARECEN of San Francisco, Mission Neighborhood Health Center, Mission Neighborhood Centers, Bay Area Community Resources (CHALK), Asian Neighborhood Design, Five Keys Charter School, Mission Peace Collaborative, Horizons, Inc., UCSF Clinical and Translation Science Institute, and SFSU Cesar Chavez Institute. RTP aims to create a coordinated, integrated service network that is designed to create a coordinated and personalized safety net for young people. The mission of the RTP is to increase the economic security, health and safety of San Francisco's 13-25 year old Latina/o youth in the Mission district and citywide. The City's FY 2016-17 and 2017-18 budget provides \$1.8 million each year to institute the Roadmap to Peace program.

#### **Small Business, Economic Development and the Latino Cultural District Investments**

Commercial districts are essential to our City's economy and an integral part of a neighborhood, providing places to gather, purchase goods and services, and find employment. Within the Mission there are several commercial corridors, each with its own distinct character. The three corridors with the highest concentration of businesses are Mission Street, Valencia Street, and 24th Street (Calle 24). These three corridors are home to over 700 ground floor small businesses. The City's Office of Economic and Workforce Development has a neighborhood economic strategy focused on strengthening small businesses and key commercial neighborhood

corridors that contribute to the local fabric of communities and are the backbone of our local economy.

In 2012, Mayor Ed Lee created the Invest In Neighborhoods initiative. In the Mission, this program coordinates with other City and nonprofit programs to provide customized services to local businesses. This initiative allows City staff to tailor their approach to neighborhood issues and concerns. Based on this work and that of our neighborhood partners, new areas of service for existing businesses now include: lease negotiation support, nonprofit displacement and mitigation, ADA compliance, and relocation assistance. While the City has expanded services in these areas, additional interventions and services are being considered to support local businesses as they experience a changing environment.

The demographic shifts that are changing the composition of the Mission are also putting considerable pressure on businesses, nonprofits, and the arts. Long-standing businesses that have provided affordable services and products for many years are losing customers and facing increasing rents that do not allow them to sustain the level of affordability required to sell their products.

Small businesses that traditionally catered to Latino households have been impacted not only by the decrease in the Latino population, but are now competing with larger stores beyond the neighborhood that have increased availability of Latino products to capture that growing market. Large national retail trends reflect what we are seeing in the Mission. A retail study conducted in October 2016, by Strategic Economics, highlights that national and regional retail trends show that demand is increasingly driven by uses that do not compete directly with online sales, such as restaurants, personal services (hair and nail salons), grocery stores, and specialty

retailers. The strongest growth in retail is in expensive and high end goods and services or discount products. In the MAP2020 process, business service providers, consultants, and community stakeholders emphasized the need to retain and protect production, distribution, and repair (PDR) uses, retain businesses that contribute to the Latino character of the neighborhood, keep artists in the Mission, and protect and support community serving businesses, including nonprofits that provide affordable goods and services to neighborhood residents. The solutions contained in this plan reflect these priorities.

The Mayor's Invest In Neighborhoods (IIN) initiative is a neighborhood economic development strategy that focuses on strengthening small businesses and key commercial neighborhood corridors, including those in the Mission. IIN facilitated the creation of the Calle 24 Latino Cultural District by growing the organizational capacity of local businesses and investing in programs and services that serve the area. In FY 2015-16 funding for Calle 24 services totaled \$785,000, some of which will be carried over to FY 2016-17. In order to further support this effort, in FY 2016-17 an additional \$200,000 has been allocated to continue and enhance projects and services.

Other key economic development programs direct significant resources to the Mission District. OEWD's Community Development Block Grant budget for FY 15-16 included \$1.3 million allocated to citywide small business service providers that served 1,306 clients, 29% of which were Latino. OEWD's CDBG allocation for Mission service providers totals \$225,000 annually over a period of three years. An additional \$50,000 from the general fund for business outreach along Mission Street will be allocated for FY 16-17.

#### Cultural Arts

In response to the impact of the City's affordability challenges on our artists and arts organizations, a

\$7 million shared prosperity for the arts package was included in the FY 15-16 and FY 16-17 budget. The budget increase represented a 14 percent growth over previous budgets and included a \$2 million enhancement (50% increase) to the City's groundbreaking Cultural Equity Endowment Fund and \$1 million to Grants for the Arts to support small and mid-sized arts nonprofits, individual artists and historically underserved communities. A significant portion of these arts resources are directed to the Latino community—grants to Latino Artists or Latino Serving Arts organizations for FY 2015-16 surpassed \$300,000.

In recognition of the myriad benefits that arts and culture provide to our neighborhoods and to our City, significant funding in FY 2016-17 and FY2017-18 is included to support the Mission Cultural Center for Latino Arts. In addition to the annual grant of \$550,000 allocated for capital and maintenance funding of \$670,000 in FY 2016-17 and \$1,380,000 in FY 2017-18. This is the Arts Commission's entire capital allocation for all four cultural centers; for the next two fiscal years, all capital funding is going to this center.

Lastly, \$1 million in FY 2017-18 is budgeted to fund capital improvements at the Mexican Museum, which, while not located in the Mission, is an important resource for Latino culture in our City.

### **Workforce Development Investments**

Multiple City departments currently fund workforce services in the Mission, including the Office of Economic and Workforce Development (OEWD), the Human Services Agency (HSA) and the Department of Children, Youth, and their Families (DCYF). The total investment to Mission service providers totaled more than \$12.6 million in FY 2015-2016.

For example, HSA allocated more than \$7 million to Mission workforce service providers, including Arriba

Juntos, MEDA, and Mission Hiring Hall. DCYF invested more than \$1.8 million in services in the Mission. This included \$835,000 for programs at John O'Connell High School, whose student population is more than 50% Latino. OEWD provided more than \$3.8 million to Mission workforce service providers who provide services to Latino individuals and families.

Workforce development is also an economic priority for the Mission. Three City departments provide these services: Office of Economic and Workforce Development (OEWD), Human Services Agencies (HSA), and Department of Children, Youth, and Families (DCYF).

San Francisco's sector based workforce development strategy is rooted in detailed economic analysis and forecasting performed by both the San Francisco Office of Economic Analysis (OEA) and the California Employment Development Department (EDD). Using data published from these sources, industry trends are followed and used to develop programs and services.

Accordingly, San Francisco has established "sector academies" that provide postsecondary training in the following fields: technology, health care, hospitality, and construction. These sector academies braid vocational training in a growing field with supportive services and, ultimately, employment services and post-placement support. San Francisco's sector academy approach lets participants sequence credentials within a field. For example, the health care academy offers training from personal caregiver and certified home health aide to certified nursing assistant.

### **Addressing Nonprofit and Small Business Displacement**

To stem the tide of displacement of local small businesses and community-serving nonprofit organizations, the FY 2016-17 and FY 2017-18 Mayor's budget included funding for a number of critical

new programs, including a \$6 million allocation to stem nonprofit displacement by helping nonprofits acquire longer leases, form strategic partnerships, and acquire their own spaces. \$2.5 million was budgeted to support legacy small businesses with grants, technical assistance, and incentives for landlords to offer longer leases. And in recognition of the growing cost of doing business in San Francisco, \$13 million was budgeted in Cost of Doing Business Increases for our essential community based organizations, reflecting a 2.5% increase for FY 16-17.

In the context of MAP 2020, this is an area that requires more analysis to thoughtfully address concerns and recommend strategies. There is a commitment to conduct this analysis in the upcoming months and deliver proposed strategies. This is included in the Workforce Development solutions.

#### **Healthcare and Related Housing and Workforce Investment**

Through its Development Agreement with the City enabling the reconstruction of St. Luke's hospital, California Pacific Medical Center (CPMC) provides substantial payments for affordable housing, healthcare, and workforce training of close to 50 million. These funds will be used to support programs that benefit Mission District residents through affordable housing initiatives in the Mission and through provision of healthcare services at St. Luke's Hospital campus at Cesar Chavez and Valencia Streets. In addition, the Development Agreement requires CPMC and its contractors to meet hiring goals for both construction workers and operational staff through City hiring programs that target residents of the Mission, as well as other low-income neighborhoods. Many of these jobs are or will be located at St. Luke's Hospital.

#### **COORDINATION WITH PARALLEL EFFORTS**

It is important to call out parallel efforts to MAP2020 that inform or are related to this process. The Calle 24 Latino Council has been working for over two years on crafting commercial protection measures within the Latino Cultural District, which includes 24th Street. That effort has been coordinated with MAP2020 to avoid duplication as well as ensure that the tenant and housing protection issues are addressed through MAP2020.

The San Francisco Latino Parity and Equity Coalition is a broad based coalition working to ensure Latinos who live or work in San Francisco are being justly represented and provided with the resources they need to reach their full potential. Members from the coalition met with Mayor Lee on April 4th and July 1st in 2016 to address issues affecting the Latino community from a direct social service provider framework in the areas of policy development, family support, educational success and civic engagement. Their efforts, which align with MAP2020 but are broader, support the enhancement of direct social services as a strategy to combat displacement and reduce inequities, focusing on health, homelessness, undocumented populations, culture and arts preservation, and other relevant topics.

## THE MAP2020 PROCESS

In early 2015, community organizations and City staff began to meet regularly to identify the universe of complex challenges facing the Mission and undertake the process of determining solutions. A core group of community groups—MEDA, Dolores Street Community Services/Mission SRO Collaborative, Cultural Action Network, SF Tenants Union, Calle 24, Pacific Felt Factory, and representatives from the Plaza 16 Coalition—and long-time neighborhood activists regularly participated in monthly meetings with City staff. The goal was to collectively tackle displacement and gentrification in the neighborhood.

As this process unfolded, the group was faced with several challenges. One was the tension between the urgency of “adopting” immediate strategies to implement quickly, versus taking the time needed to develop more detailed solutions. Another point of discussion was the possibility of phasing 2,000 market-rate units currently in the development pipeline with the construction of affordable housing. Proposition C, approved by voters in June 2016, will increase the inclusionary affordable housing requirements required by new housing projects citywide, but most existing pipeline projects will be “grandfathered” at lower rates. Further, community participants were hesitant of an approval or adoption action on the Mission Action Plan in that it could be interpreted as their tacit community approval of pipeline projects. Community participants want to clarify that any action on the plan does not mean acceptance on the pipeline as is and believe the pipeline will need significant mitigation through this and another means in order to achieve the goals of MAP2020. The City believes that market rate housing is a critical part of the solution to the housing crisis and must proceed, with appropriate levels of affordable housing and mitigations.

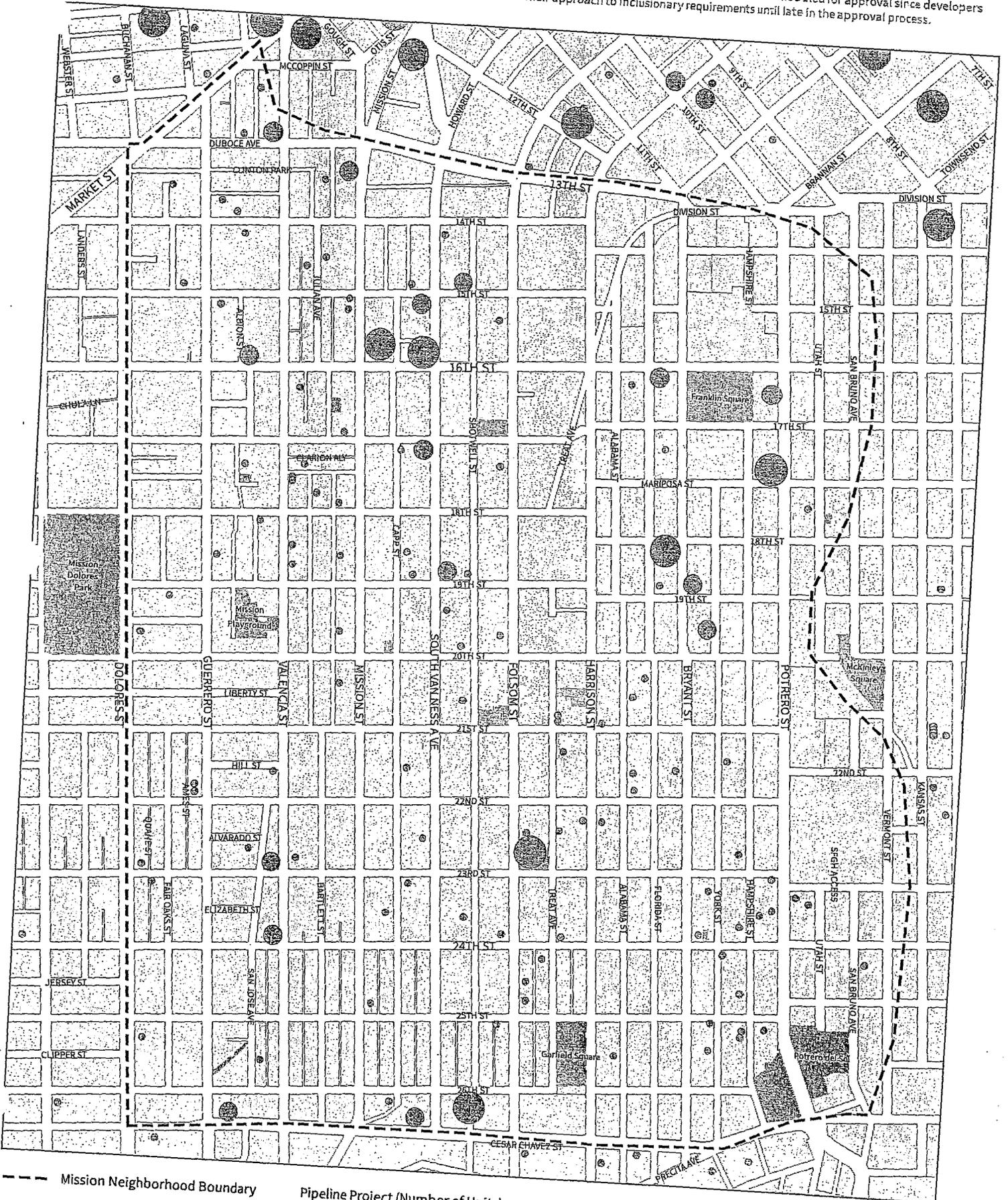
While understanding the area of disagreement on the pipeline, community and city participants have agreed to proceed with solutions designed to address the larger issues related to tenant protections. As a result, MAP2020 is moving forward in overlapping phases to address these more robust challenges while continuing and in some cases increasing the publicly funded services that protect tenants, community nonprofits, and businesses. Therefore, what follows is not a definitive and final plan but a status report with comprehensive lists of the solutions that the process has been able to produce through consensus up to this point. This report is a milestone intended to move forward a suite of tools that can be completed more immediately and in the near future to help preserve a vibrant, diverse community. The Mission is deep into this current wave of gentrification and displacement, and the need for action is urgent.

### What is the Development Pipeline?

The development pipeline includes all the real estate development projects, both new and rehabs, that have submitted applications (e.g., environmental, site permit, variance) to the City. The actual number of units in a project, as well as the bedroom count in those units, usually changes as projects go through their review process. The pipeline includes projects ready to break ground as well as projects several years out from possible construction.

# MISSION PIPELINE MAP

The map below illustrates proposed projects in the Mission, including both market rate and affordable units. It is not yet possible to determine the number of affordable units until projects are scheduled for approval since developers are not required to declare their approach to inclusionary requirements until late in the approval process.



## NEXT STEPS

### IMPLEMENTATION AND MONITORING OF PHASE I

Each solution in this Phase I status report includes next steps and identifies the responsible party. Some solutions were included and approved through the FY16-17 budgeting process, and request for proposals (RFPs) to implement short-term, urgent tenant and business protection programs in the community are being issued in fall and winter 2016. City staff and policymakers are already moving forward with drafting recommended legislation, such as zoning changes for the Latino Cultural District and other efforts.

To ensure cohesion and interface of the portfolio of solutions, an implementation working group comprised of City staff and community organizations will meet as needed to focus on the progress of specific MAP2020 solutions, identify the feasible queue of next steps, and monitor progress towards targets. This working group will meet quarterly with the larger group of MAP2020 participants to provide status updates and recommend any midcourse adjustments that might be needed. They will also produce an annual report on targets. Additional meetings will take place with key stakeholders that have not participated on a regular basis.

The City will also continue to seek additional resources for as many affordable units as possible, including:

- Future City-issued bond funds
- Federal funds
- State funds, such as Affordable Housing and Sustainable Communities (AHSC) and any other monies that become available
- Private sources, such as the Housing Accelerator Fund and philanthropic dollars
- Continued allocations of Small Sites funds

The City will also continue to seek additional resources for programs. Most of the solutions in this status report are funded for one to two years, but funding for successful programs should be ongoing.

### MOVING ON TO PHASE II

As we implement the solutions identified in this Phase I report, the City and community are simultaneously moving on to the next phase of MAP2020 work. There are several topics that City and community participants continue to either find challenging to resolve or disagree over how to approach. These are big issues, ripe for discord and influenced by a larger and constantly shifting landscape of politics and economics. It is important to participants to document the issues here as they continue to work towards resolution. The outstanding Phase II issues are:

1. Addressing the role of the current market-rate housing pipeline in the affordability crisis; the pace of market-rate development relative to the pace of development of affordable housing; the percentage of inclusionary units produced in tandem with market-rate units; and the dearth of analysis conclusively demonstrating block-by-block impacts. Some progress has been made on this topic as of publication date and is embedded in the targets section.
2. Addressing Area Median Income (AMI) target levels for affordable housing, which are currently 60% for most 100% affordable housing projects, 55% for inclusionary rental units, and 90% for inclusionary ownership. These affordability levels are too low for most teachers, nurses, or service workers to qualify for but too high for some very low income households. Current AMI levels are set in order to qualify for federal funding. A shift in AMI levels could limit the availability of federal funding for housing development.

# MAP2020, CALLE 24 & MISSION DEVELOPMENT TIMELINE

**2016**

		September	October	November	December
<b>PLANNING &amp; IMPLEMENTATION</b>	Plan Process		MAP2020 Phase II Work		
	Zoning/ Legislation			Calle 24 SUD Community Meeting	
	Programs	New and enhanced key tenant and business protection and retention programs (Fall 2016)			
<b>DEVELOPMENT COMPLETION ESTIMATES <sup>1, 2, 3</sup></b>	Affordable Units		17th & Folsom St (101 Units); 1296 Shotwell St (96 Units); Casa de la Mision (40 Units)	490 South Van Ness Ave (72 Units)	
			SMALL SITE ACQUISITIONS (36 UNITS)		
			INCLUSIONARY BMR UNITS		
	Market-Rate Units	1450 15th St (23 Units); 3420 18th St (16 Units); 1050 Valencia St (15 Units)			
		346 Potrero Ave (70 Units)			
		2000-2070 Bryant St; 1515 S. Van Ness Ave; 2675 Folsom St; 480 Potrero Ave; 1801-1863 Mission St; 2435-2445 16th St; 1198 Valencia St; 1726-1730 Mission St; 198 Valencia St; 600 S. Van Ness Ave; 3620 Cesar Chavez St; 2600 Harrison St; 1924 Mission St			

 Total units in 2016: 36

- 1 Projects change between filing and entitlements, unit totals are estimates.
- 2 Completion estimates are from entitlement to opening, Market-rate projects take about 3-5 from acquisition to opening; affordable projects take 5-7 from acquisition to opening due to additional procurement process.
- 3 Projects will be tracked more precisely as they are entitled and complete.

**2017**

**2018**

**2019**

**2020**

Plan Endorsement Date  
2016 MAP2020  
Monitoring Report  
(July 2017)

2017 MAP2020  
Monitoring Report  
(July 2018)

2018 MAP2020  
Monitoring Report  
(July 2019)

2019 MAP2020  
Monitoring Report  
(July 2020)

Alle 24 Special Use District  
(Adoption)

Short-Term Legislation  
(Approved)

Medium- and Long-Term Legislation  
(Initiation & Adoption)

Additional arts, nonprofit, business  
protection and housing access programs  
(all in 2017/early 2018)

COMPLETE IN 2018

COMPLETE IN 2019

1950 Mission St (157 Units); 2070 Bryant St (136 Units); Prop A (200 Units)

COMPLETE IN 2020

Additional units from additional citywide funding round (40 to 80 Units)

COMPLETE IN TBD

7 Units in 2017

11 Units in 2018

129 Units in 2019

90 Units in 2020



Total units  
in 2017:  
7



Total units  
in 2018:  
83



Total units  
in 2019:  
366



Total units  
in 2020:  
583  
+ TBD 40-80 Units

COMPLETE IN 2017

COMPLETE IN 2018

COMPLETE IN 2019

1979 Mission St (351 Units); 793 S. Van Ness Ave (73 Units); 2750 19th St (60 Units); 2918 Mission St (55 Units);  
3314 Cesar Chavez St (50 Units); 1463 Stevenson St (45 Units); 1278-1298 Valencia St (35 Units); 2100 Mission St  
(29 Units); 606 Capp St (20 Units)

COMPLETE IN 2020



Total units  
in 2017:  
54



Total units  
in 2018:  
70



Total units  
in 2019:  
865



Total units  
in 2020:  
718

1042

3. Planning for **long-term solutions** for affordable housing.
4. Improving the public's **access to and voice in the city's processes** for planning for housing, transportation, or other public investments; and for expanding public discourse in the development review process. This includes amending the materials presented by City staff to decision makers, and providing timely access to critical information such as hearing dates and revised project information. This also includes making the MAP2020 process more inclusive to a broader segment of the community. The City is already taking initial steps towards these changes.
5. Analyzing **effects of transit projects on at-risk communities** and gentrification. The goals of this effort ensure that mitigations are put into place and that investments benefit traditionally disenfranchised communities. For example, the community has raised concerns about the recently installed bus-only lanes on Mission Street about impacts on businesses, the future of this street as a Latino cultural corridor, and potential increased displacement of existing working-class residents. This specific project and the SFMTA will be brought into the MAP2020 conversations to ensure that the transit project aligns with the business stabilization efforts of the MAP2020 Economic Development working group.
6. Discussing the **lasting power or relevance of earlier Plans or technical analyses**, particularly the Eastern Neighborhoods EIR, which some Mission groups believe is outdated and does not provide a reliable foundation for development decisions during this growth period and the unanticipated changes that

have accompanied the intensification of the affordability crisis after the recession. While the City agrees Plans should be updated to reflect changes and sees MAP2020 as a vehicle to do that for the Mission Area Plan, based on the City's tracking of projects and state law, the ENEIR remains a valid analysis and document. Based on cumulative impact discussions, some community members believe on the other hand that market rate development should be suspended while further analysis is conducted.

## PRELIMINARY MAP2020 TARGETS

Targets have been at the heart of MAP2020 discussions since this work began. To the community, they represent the goals that San Francisco must reach to recreate a stable low to moderate income population and prevent wholesale displacement in the Mission. Targets have been and continue to be contentious because they represent our aspirations, perceptions, and constraints especially with regard to public funding for affordable housing. Details are key—especially here. What we offer here is a preliminary effort at parsing out the details of the targets.

### Housing production target

The community identified a target of 2,400 permanent, new affordable housing units by 2020. This is the community's calculation of the number of units needed to replace the low to moderate income population lost in the neighborhood in recent years and to stabilize those households in the Mission.

The City acknowledges this is a community goal and understands the loss the 2,400 represents. Based on the City's calculation of population trends of ingress and egress comprised of data related to buyouts, evictions, production gap, and production targets vs. population alone, it estimates that given uncertainties about precise causes of neighborhood changes and funding uncertainties, a range of replacement units is more appropriate. The City believes that range to be 1,700-2,400 units. The timeline for new units depends on the housing type (acquisition vs. new construction) as new construction takes longer from purchase to opening. Notwithstanding the different methodologies both the City and community agree that producing as much affordable housing as possible for the neighborhood is the primary goal.

Given funding constraints and the resource needs of other city neighborhoods, additional resources

beyond the City's funds for affordable housing projects will have to be leveraged. Also, land to build these units would have to become available.

For illustration purposes, to build 2,400 new units in the form of 100% affordable housing projects, it would take:

- approximately \$1.3 to \$1.7 billion<sup>6</sup> in capital to acquire land and construct 2,400 units in today's market
- around 32 sites available and large enough to build a minimum of 75 units (the minimum number of units needed to make an 100% affordable project economically viable)
- 15-25 years to build, given financing constraints, construction timelines, and market fluctuations; it takes 3-5 years from start to move-in to build a new market rate building and the complexity of financing 100% affordable projects makes the timeline 5-7 years

Of the 1,700-2,400 target range, more than 1,000 affordable units are in the pipeline, comprised of the following.

1. Approximately 828 units of MOHCD-funded, 100% affordable housing projects are in the pipeline, at a total investment of approximately \$218 million.
2. 36 units of threatened existing housing that is being purchased through the City's Small Sites acquisition program and maintained as affordable in perpetuity. This initial investment of \$9 million will be augmented with an additional \$100 million (citywide) that will soon become available for additional Small Sites units.

<sup>6</sup> In today's market, it costs \$550,000-\$700,000 to build a new unit in San Francisco, including land and construction costs. (MOHCD)

3. 250-300 affordable inclusionary units, assuming that the 2,000 new market rate units in the pipeline meet the minimum 12% inclusionary requirement. This target is the most volatile, as the production of inclusionary units are often negotiated project by project. In addition, Prop C, passed by voters in June 2016, will change the inclusionary requirements for new market rate projects (but not for most pipeline projects) going forward. The community would like to set a goal of market-rate projects collectively (not individually as the feasibility depends on project size) contributing 33%-50% inclusionary for the neighborhood. This would bump this target to 660-1,000 units of inclusionary. However, this is a point of contention as some members of the community would like to see 50% inclusionary at a minimum per project.

The City understands the desire to increase affordability levels for inclusionary units. The process for determining these levels is currently underway with analysis being conducted by the city's controller's office.

This leaves a gap of 586-1,286 additional affordable units to meet the targets. Formulating a strategy or "road map" for how to meet this remaining goal and by when will be the primary focus of the next phase of MAP2020 work.

#### Housing Stabilization Target

Tenant protections helped stabilize over 800 clients in the Mission who received at least one kind of service from eviction prevention and tenant counseling groups in the FY15-16 grant year. In FY16-17, approximately \$1 million of additional citywide funds were added for full scope legal representation, which should serve an additional 100 clients. The City is also investing \$388,000 in citywide outreach and education activities which should further increase the number of

Mission residents served. Based on the numbers, the preliminary target is 900 clients served annually.

#### PDR targets

In the Mission, 915,000 square feet of PDR were approved for removal through the Eastern Neighborhoods rezoning in 2009. Given the amount of PDR already removed under the plan, if the entire current pipeline moves forward, approximately 360,598 square feet will be removed in the next five to ten years as approved under the plan.

The earlier iteration of the Urban Mixed Use (UMU) zoning had a PDR requirement on the ground floor. Applying that calculation to the current pipeline produces roughly 100,000 to 151,000 square feet as PDR that would have been required if that version of the UMU had been adopted. This is a preliminary target of PDR that can be retained in the UMU zones and can be achieved through acquisition and provision of some onsite PDR in new projects. Some pipeline projects approved recently have already provided on-site PDR, some at below market rents.

#### Affordable Housing Pipeline

AFFORDABLE HOUSING PIPELINE	UNITS
100% affordable housing	828
2060 Folsom (127 units)	
490 South Van Ness (approximately 72 units)	
1296 Shotwell (96 units)	
Casa de la Mision (approximately 40 units)	
1950 Mission (157 units)	
2070 Bryant (approximately 136 units)	
Prop A project (up to 200 units)	
Inclusionary	250 minimum
Small sites acquisition	36
<b>TOTAL</b>	<b>1,114</b>

In 2015, the Planning Department received 20 complaints of PDR conversion in the Mission Plan Area. Of these cases, six were found to not be in violation of the Planning Code, eleven are under or pending review, and three were found to be in violation. The square footage of the three in violation is 203,252. These cases were already abated as of the end of 2015. Stepped up enforcement is one of the key strategies in MAP2020. PDR targets are another element of this strategy, in light of ongoing violations.

The preliminary PDR targets encompass space for arts since it is a subset of PDR. This will be the starting point for arts targets but we will refine this target after completing an inventory of actual number of arts groups and spaces.

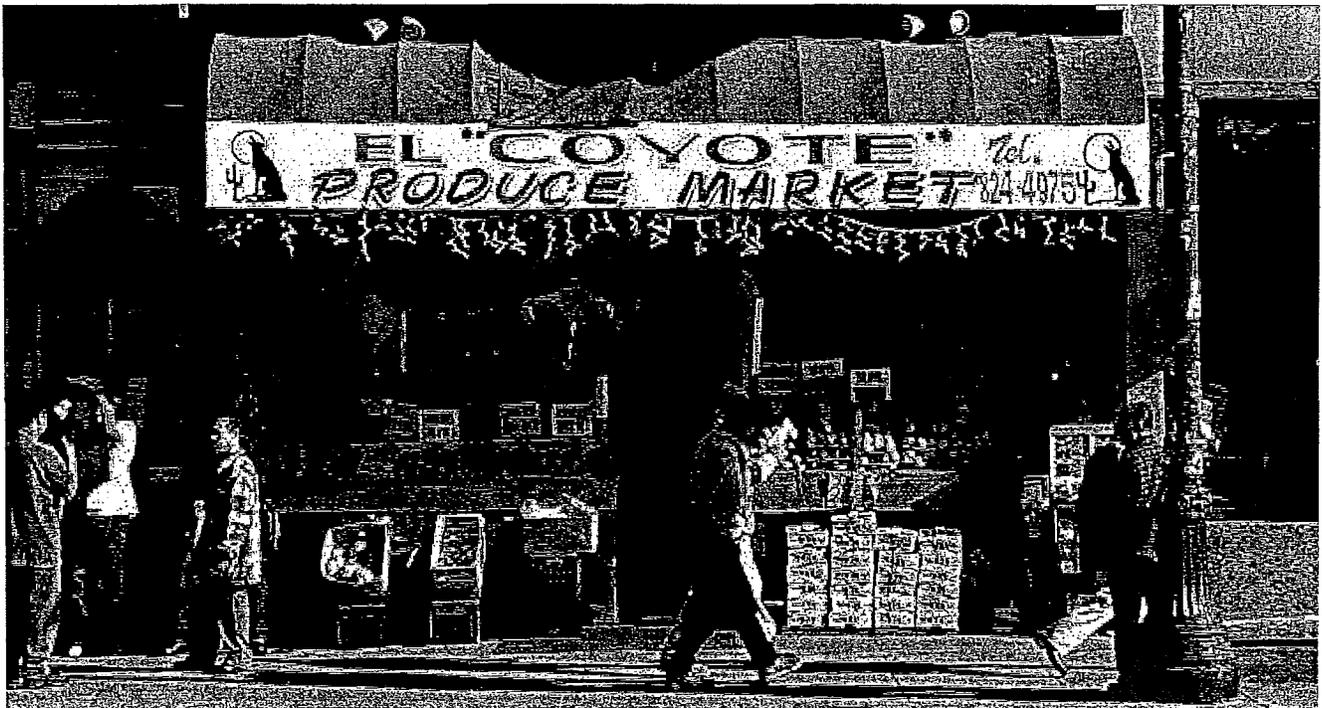
#### Small Business Targets

This target will be set by looking at the number of businesses in the Mission that have requested assistance from OEWD's retention program on a monthly basis. Additional analysis will refine this target with data on business services.

#### Nonprofits and Community Organizations

In 2015, OEWD provided direct assistance to many nonprofits serving primarily low-income communities citywide or in a few target neighborhoods. There is a smaller number of nonprofits exclusively serving residents of one neighborhood. The following are possible targets for nonprofits and community organizations.

- Provide real estate and capacity-building assistance to a minimum of 48 nonprofits annually that serve low- and moderate-income residents in neighborhoods that include the Mission, or in the Mission exclusively.
- Utilizing funds from the Displacement Mitigation Fund and the Mayor's Nonprofit Sustainability Initiative, assist eligible nonprofits in acquiring a minimum of 20,000 square feet of permanent below-market space serving Mission residents (e.g. childcare, arts, and social services).



Source: SF Planning



Source: SF Planning, Gene Stroman

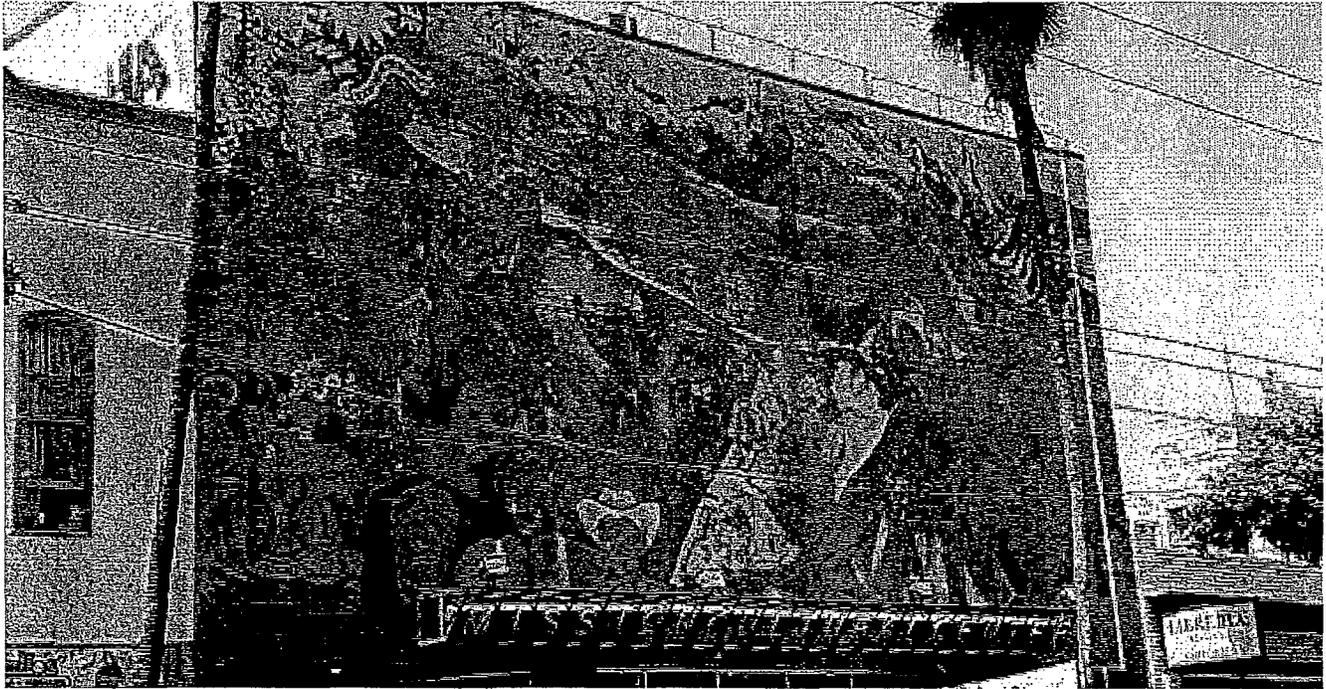
## SOLUTIONS

Over the course of more than a year, MAP2020 efforts identified solutions that fall into seven broad categories. Given the complexity of housing markets and the forces of gentrification, many of these solutions rely on and influence one another regardless of category; these categories merely provide a structure to organize actions.

There isn't a single "solution" or set of solutions to what is essentially a larger, systemic issue. The market forces and historic inequities that have resulted in these disruptive and "unnatural" demographic shifts are part of global trends that a single neighborhood or city cannot resolve. Relying solely on market forces or simply building more market-rate housing alone will not produce equitable outcomes. We cannot simply build our way out. Conversely, building little or no market rate housing will also not address and potentially exacerbate the large socio-economic forces at play. These solutions are a package of tools to help mitigate displacement, address impacts on historically

disadvantaged populations, and to leverage resources to achieve community resiliency and stability in the face of displacement pressures and result in more equitable outcomes and access to opportunity and investment.

1. **Tenant protections** focus on immediate programs and funding mechanisms to keep existing Mission residents in their homes.
2. **Single Room Occupancy residential hotels (SROs)** solutions address this dwindling housing supply, one that has traditionally housed individuals but is increasingly being used by families.
3. **Preservation of affordable units** focuses on tools to retain affordable housing stock.
4. **Production of affordable housing** are funding and policy tools to increase construction of housing for low to moderate income households.



Source: SF Planning, Marfa De Alva

- 5. **Economic development** tools focus on keeping jobs, businesses, artists, and nonprofits in the neighborhood. Retaining and supporting a diverse range of community-serving businesses. These are our corner grocers, panaderias, taquerias, barber shops, and restaurants.
- 6. **Community planning** focuses on ongoing community engagement and participation in planning and the City's processes.
- 7. **Homelessness** focuses on prevention of homelessness and services to stabilize the homeless pre-housing.

Short-term (6-12 month) items are prioritized for implementation starting at the beginning of fiscal year 2016 (July 1, 2016). These are solutions primarily related to tenant protections, businesses, and nonprofit retention and relocation programs and therefore critically important for the immediate retention of residents and stabilization of the neighborhood.

All of the solutions identified below will need funding. The allocation of public dollars happens through many mechanisms: the City's annual budgeting process, local ballot propositions and bond measures, and the dedication of impact fees are just a few. Many of the programmatic services identified have been and will be funded through the City's annual budgeting process (the fiscal year is July 1-June 30). Acquisition and construction of new housing is far costlier and will depend on funding mechanisms such as housing bonds, federal and state funds, tax credit programs, and/or contributions from foundation and philanthropic sources.

<b>Cost key (program/unit per year):</b>		
\$: \$50,000-\$1 million		
\$\$: \$1-\$50 million		
\$\$\$: > \$50 million		
<b>Timing Key:</b>		
<b>Short:</b> 6-9 months	<b>Medium:</b> 9-18 months	<b>Long:</b> > 18 months

## SOLUTIONS COMPLETED

During the time that the MAP 2020 process has been underway, a number of solutions were implemented through this or related processes.

### Tenant Protections

#### A. Pass Eviction Protections 2.0

The Board of Supervisors passed Ordinance 171-15 on September 29, 2015, often referred to as Eviction Protections 2.0. This ordinance provided additional protections to tenants, including allowing additional roommates if reasonable, even if in excess of the number of occupants or with subletting restrictions on rental agreement; and mandating eviction notices in the primary language of the tenant if it is Chinese, English, Russian, Spanish, Tagalog, or Vietnamese, must inform the tenant of a need for a timely response to avoid eviction and the availability of advice from the Rent Board. However, when describing occupancy requirements, this legislation provides a more restrictive definition to the Rent Ordinance than a similar definition utilized by DBI. It should be further amended to be the greater of, not lesser of. Review occupancy requirements with DBI for possible expansion to reduce cause for eviction.

#### B. Limit low-fault evictions

Included within Eviction Protection 2.0 were provisions that significantly limited “low-fault evictions”, including evictions based on nuisance, living in units that are not considered legal, and allowing additional roommates within the guidelines described above.

### Housing Production

#### C. Establish a neighborhood preference and enhanced outreach

Neighborhood Preference legislation was adopted by the Board of Supervisors in November 2015 (Ordinance 204-15, File 150612). This legislation gives preference to applicants for affordable housing units sold or

rented at below-market prices through a city lottery who live within a half mile of where the units are being built or in the supervisorial district. This legislation gives priority to those in the neighborhood who are seeking affordable housing in the neighborhood. In August 2016, the federal Department of Housing and Urban Development found this policy in violation of the Fair Housing Act. While an exception was subsequently made for one project in a different neighborhood, HUD’s overall position has not yet been revised. Nonetheless, although the application of this policy for federally-funded projects may be uncertain; the City will still be able to apply the legislation to locally-funded projects.

### Funding

#### D. Housing Bond and Housing Bond dedication

In November 2015, voters passed Proposition A, a bond for \$310 million for affordable housing preservation and production in San Francisco. 75% of the bond is dedicated to neighborhoods with highest eviction and displacement of low- to moderate-income households. Rather than dedication, prioritization is preferred as it allows funds to be responsive to availability of sites and prices. \$50 million of the Bond was dedicated specifically to the Mission.

### Economic Development

#### Arts

#### E. Improve City art grant application and compliance process

The San Francisco Arts Commission awards annual grants to arts organization. The Arts Commission has a process in place to review its grant making strategy and process after each grant cycle. Arts Commission continuously reviews existing arts grant process, makes modifications to make it more accessible and ensures that their awards process reflects the needs of arts groups.

#### F. Nonprofit Stabilization Programs

These include Nonprofit Displacement Mitigation Program to assist nonprofits at risk of displacement, and the Nonprofit Space Investment Fund, which helps nonprofits find affordable permanent space. A City website (<http://oewd.org/nonprofits-0>) has streamlined information for nonprofit organizations. Here nonprofits and individual artists can access to available resources and services at one location.

#### G. Nonprofit Sustainability Initiative

The Mayor and Board of Supervisors recently invested \$6m in nonprofit stabilization programs to be administered by OEWD including: the Nonprofit Space Investment Fund to help nonprofits secure permanent affordable space, the Nonprofit Space Stabilization Program to help nonprofits secure leases, expand and explore co-location, and the Nonprofit Impact Accelerator to provide technical assistance for the exploration of programmatic and administrative partnerships. These investments will include \$4,994,900 in direct financial assistance.

#### H. Extend resources and services to support individual artists, so they can remain in the Mission

The Arts Commission has issued an RFP seeking a nonprofit to provide technical assistance for artists seeking affordable housing. In addition, the Arts Commission will be developing a robust learning institute over the next year to provide a range of technical assistance and cohort learning opportunities for artists, including building the business acumen of artists.

#### I. Create an artist registry that helps to define and identify artists in San Francisco.

The Arts Commission has a research intern studying the creation of a registry, its functionality, and potential impact. Funding for the registry will be requested in the next budget cycle (FY17-18).

#### J. Increase the amount of accessible spaces for artists.

The Arts Commission recently granted ArtSpan \$50,000 to further develop its capacity to master lease space on behalf of individual artists.

#### *Small Business*

#### K. Strengthen business

The City's Office of Economic and Workforce Development has developed various programs to strengthen existing businesses and contribute to their sustainability. These programs provide technical assistance for existing businesses, so that they are sustainable, profitable and thrive.

#### L. Incentivize retention of legacy businesses

The Legacy Business Historic Preservation Fund, which San Francisco voters passed in November 2015, is making grants available to legacy businesses on the City's registry. \$1M in financial assistance grants are now available to small business and property owners who sign a 10-year lease with the business.

#### M. Provide technical assistance for displacement and relocation

Both OEWD and MOHCD provide technical assistance for businesses, PDR, and nonprofits planning for potential relocation, lease negotiation, eviction defense, and finding new space. These services are currently provided separately for businesses, PDR, and nonprofits.

#### N. Enhance outreach to businesses and improve services and delivery.

Local community partner capacity to conduct proactive outreach in the field is limited and many small businesses remain unaware of available services and resources. OEWD is allocating funding for part-time business outreach staff who can proactively reach out and develop relationships with businesses.

## SOLUTIONS PLANNED AND UNDERWAY

### 1. TENANT PROTECTIONS

Tenant protections solutions fall into two categories: direct services/programs and policy changes. Generally, the first type is funded by Mayor's Office of Housing and Community Development and the Human Services Agency and implemented by grantees and organizations that specialize in these services. The latter type is typically the responsibility of legislative bodies and representatives to implement. For all solutions that require additional funding, the amounts are determined in the City's annual budgeting process. The City's fiscal year begins July 1.

Over the past three years, the City has increased significantly its investments in eviction prevention and tenant counseling services focusing on keeping tenants in their homes. In FY 2014-15, MOHCD invested approximately \$3,600,000 in these service areas. In 2015-16, that amount increased to approximately \$4,300,000. As of July 1, 2016, MOHCD has now allocated over \$7,000,000 in funding to support eviction prevention and tenant counseling.

Since 2013, MOHCD has also convened eviction prevention and tenant counseling group on a bi-monthly basis to discuss policy and funding issues and improve coordination between the City and community-based organizations.

### Programmatic Solutions

1T. Expand existing services that help residents gain access to housing.

**Description:** Additional public funding to expand available housing support services to more people will be made available to nonprofit community agencies through an RFP process. The agencies, funded by public and philanthropic dollars, provide outreach, relocation and placement support, education about affordable housing opportunities, assistance with applications for affordable and BMR units, and assistance with the eligibility process to receive applicable neighborhood preference, Certificate of Preference for individuals displaced by former Redevelopment Agency actions, and preference for tenants displaced by Ellis Act evictions or owner move-in evictions.

**Benefit:** Support for individuals seeking access to affordable housing opportunities.

**Challenge:** San Francisco's diverse population makes it challenging to provide comprehensive outreach to inform residents about access to housing.

**Next steps:** \$450,000 has been awarded to six organizations which will provide expanded citywide access to housing in FY 16-17. These groups include Veteran's Equity Center, HomeownershipSF, Homeless Prenatal Program, the Arc, San Francisco Housing Development Corporation and Bayview Senior Services. Services will begin in October, 2016. An additional \$250,000 for access to housing services will be awarded by November, 2016.

**Underway:** Yes

**Responsible party:** MOHCD

**Timing:** Short

**Cost:** \$

2T. Expand culturally responsive tenant counseling programs.

**Description:** Additional public funding to counsel tenants in the Mission and throughout the city, and provide culturally competent services, including interpreting/translation, will be made available to nonprofit community agencies through an RFP process. Community based organizations will expand their efforts to provide early intervention services as soon as harassment begins by landlords and/or master tenants. Tenants in buildings identified as vulnerable to multiple evictions will be connected as soon as possible to tenant counseling.

**Benefit:** Support for current tenants at risk of eviction.

**Challenge:** Many Mission and other citywide residents are low-income and have limited English proficiency, and may have disabilities, and may not feel comfortable reaching out for assistance without community support.

**Next steps:** In FY 15-16 MOHCD awarded and additional \$250,000 to Causa Justa for Mission-specific tenant counseling, expanding their previous grant of \$147,897. In FY 2016-17, MOHCD awarded another \$190,000 to Causa Justa in partnership with Housing Rights Committee and Chinese Community Development Center for additional citywide tenant counseling, including tenant education, outreach, organizing, and early intervention. In addition, MOHCD awarded an additional \$688,000 to a number of diverse CBOs, including the Justice and Diversity Center, Housing Rights Committee, Filipino-American Development Foundation/SOMCAN, Hamilton Families, and Eviction Defense Collaborative/Justice and Diversity Center for a variety of other tenant counseling programs including outreach to educators, rental assistance to formerly homeless families, outreach to the Filipino community, outreach to public housing residents, and outreach to residents in the City's Richmond District.

**Underway:** Yes  
**Responsible party:** MOHCD  
**Timing:** Short  
**Cost:** \$

3T. Create/expand community education campaign for residents at risk of eviction.

**Description:** Additional public funding to expand the general community education program/campaign targeting tenants before specific harassment or eviction procedures are initiated will be made available to nonprofit community agencies through an RFP process.

**Benefit:** Support for tenants at risk of displacement.

**Challenge:** Information about tenant rights and protections needs to be more readily available to at-risk tenants, many of whom are reluctant to raise issues with their landlords for fear of retaliation.

**Next steps:** MOHCD has awarded \$190,000 to the Housing Rights Committee to create a general citywide community education campaign to expand knowledge of tenant rights and protections through mass media, coordinating infrastructure around anti-displacement work, and developing a community-informed marketing campaign.

**Underway:** Yes  
**Responsible party:** MOHCD  
**Timing:** Short  
**Cost:** \$

4T. Increase legal representation for tenants who face unlawful detainer lawsuits filed to remove the tenant from the rental unit, as well as other legal actions that may lead to eviction.

**Description:** Additional public funding to expand culturally competent full scope legal representation for Mission residents will be made available to nonprofit community agencies through an RFP process. This solution will also be coordinated with other relevant efforts identified in this Plan, such as connecting vulnerable buildings to efforts under the Housing Preservation strategies. Funding will also support improved tenant access to legal service providers.

**Benefit:** Support for tenants facing possible eviction.

**Challenge:** In 2014-15, MOHCD awarded \$1,000,000 to Eviction Defense Collaborative/AIDS Legal Referral Panel, Bay Area Legal Aid/Justice and Diversity Center/Legal Assistance to the Elderly, and Asian Pacific Islander Legal Outreach/La Raza Centro Legal/Asian Law Caucus, to expand the ability to provide free full-scope legal representation to low-income individuals facing eviction who would not otherwise be able to afford such representation. However, capacity limits of those programs result in a number of individuals who are still unable to afford representation.

**Next steps:** MOHCD has awarded an additional \$1,000,000 to Eviction Defense Collaborative/AIDS Legal Referral Panel, Bay Area Legal Aid/Justice and Diversity Center/Legal Assistance to the Elderly, Asian Law Caucus, and Asian Pacific Islander Outreach to provide additional full-scope representation in order to ensure that the remainder of low-income individuals in unlawful detainer cases can access free legal representation if they so desire. In 2016-17, MOHCD projects over 3,823 cases citywide will receive full scope legal representation through the City's \$2M investment, of which 2,935 cases are anticipated to receive some kind of favorable outcome.

**Underway:** Yes

**Responsible party:** MOHCD

**Timing:** Short

**Cost:** \$-\$\$

5T. Minimize evictions from affordable housing.

**Description:** Additional public funding to support a mediation process between affordable housing providers and affordable housing tenants will be made available to nonprofit community agencies through an RFP process. These mediation services offered by an outside agency would be an alternative to the traditional unlawful detainer processes. In addition, policymakers could consider requiring that publicly-subsidized housing include mandatory mediation in its tenant leases and other measures to strengthen existing affordable housing grievance procedures. Tenants in affordable units may face eviction due to behavioral and emotional issues, often caused by pre-existing trauma. To address this, the City needs to maximize access to short-term intensive services provided by an agency other than the property manager.

**Benefit:** Preventing eviction from affordable housing almost always prevents someone from becoming homeless. Ideally additional supports can help the tenant resolve the issues that were leading them to violate their lease

**Challenge:** The possible negative effects of outside, professionalized property management companies and outside legal counsel may include lack of cultural competency and possible resistance to cooperative resolution.

**Next steps:** MOHCD has awarded \$210,450 to the Bar Association of San Francisco to launch a pilot program to provide a mediation program to for the first time attempt to create opportunities to provide mutually beneficial remedies to complicated tenant/landlord situations in affordable housing.

**Underway:** Yes

**Responsible party:** MOHCD, HSA, DPH

**Timing:** Short

**Cost:** \$

## Policy & Structural Solutions

6T. Create City enforcement mechanism to monitor/enforce compliance with eviction ordinances and temporary relocation due to repair, construction, or fire.

**Description:** The City will convene a conversation to determine additional steps to improve the monitoring and enforcement of compliance with eviction ordinances, relocation, and rental subsidies. This may be a publicly available registration system that requires landlords to document progress of construction, with penalties for landlords who fail to comply with registration or with protocols to request extension of time for capital improvements. The Department of Building Inspection (DBI) will assess their ability to check construction progress and make systemic improvements where needed. City agencies, including DBI, the City Attorney's Office, and the District Attorney's Office, will also examine the current government code section that relates to "red tagging" a building for possible enforcement/penalties, which is currently used by the DA instead of DBI. To ensure tenants right to return to their units after construction is completed, policymakers will explore legislation to expand rights related to relocation of tenants during construction and/or repair of units. Policymakers will also explore strengthening the ability to enforce requirements for truthful notice from landlord, explore methods to reduce intimidation, monitor fair warning before evictions, and monitor inappropriate use of three strikes legislation.

**Benefit:** Support for tenants who have been relocated due to repair, construction, or fire.

**Challenge:** Cities agencies responsible for enforcing these requirements have limited staffing resources. The work will require extensive coordination between staff and disconnected department databases.

**Next steps:** Convene the appropriate City departments to determine capacity and strategies for monitoring and enforcement.

**Underway:** Yes

**Responsible party:** DBI, City Attorney's Office, District Attorney's Office

**Timing:** Medium

**Cost:** \$

7T. Identify mechanism to improve enforcement of restrictions on short-term rentals and mechanisms to achieve compliance and enforcement.

**Description:** In 2015, San Francisco began to require registration of short-term rentals and created an Office of Short Term Rentals to oversee registration and enforcement; but enforcement is challenging. Currently, units that were the subject of an Ellis Act within the past 5 years, starting on November 1, 2014, are prohibited from being used as a short-term rental. To reign in short term rental abuse, legislation introduced in October 2016 would give nonprofit groups, whose mission is housing preservation, the legal standing to directly sue short-term rental violators. In addition, the City will: (1) consider including OMI, not only Ellis Act, in the short-term rental legislation; and, (2) continue to provide public education to landlords.

**Benefit:** Expands protections to a broader base of tenants; allows for community organizations to have standing in cases where tenants may be reluctant to bring suit.

**Challenge:** Creating consensus as to strategies regarding short-term rentals and enforcement regarding these rentals may be difficult.

**Next steps:** The Office of Short-Term Rentals will bring together stakeholders to identify the appropriate means to move forward with this legislation.

**Underway:** Yes

**Responsible party:** BOS and Mayor, with support from the Office of Short-Term Rentals

**Timing:** Medium

**Cost:** \$

8T. Explore the practical feasibility of imposing restrictions on non-primary residences (NPRs).

**Description:** Many community members are concerned about the perceived number of units that seem to be vacant on a long-term basis. Policymakers will explore the possibility of legally defensible vacancy control measures, such as a pied-a-terre tax.

**Benefit:** A possible pied-a-terre tax would generate additional revenue or incentivize owners to seek tenants for empty units to avoid the tax.

**Challenge:** We lack good data on the number and types of vacancies in San Francisco. American cities have found it difficult to draft and pass legislation on vacancy control measures that can withstand legal scrutiny.

**Next steps:** Examine other jurisdictions to determine any model practices that might be replicated in San Francisco.

**Underway:** No

**Responsible party:** MOHCD and Planning

**Timing:** Medium

**Cost:** \$

9T. Encourage and support efforts to amend the Ellis Act to exempt San Francisco from certain provisions.

**Description:** The Ellis Act is a state law enacted in 1985 that allows landlords to evict tenants so that they can cease to be in the business of being a landlord. To address the rising number of Ellis Act evictions, local housing advocates will lobby for limiting the application of the Ellis Act in San Francisco. As State legislation, any modification to the Act must occur at the state level.

**Benefit:** Depending on the exemption, tenants could have increased protection from Ellis Act evictions.

**Challenge:** It is difficult to get local exceptions to statewide legislation.

**Next steps:** Local Mission community organizations will work with the office of California District 11 State Senator to identify possible legal exemptions to the Ellis Act for San Francisco.

**Underway:** Yes

**Responsible party:** Community organizations

**Timing:** Ongoing

**Cost:** \$

10T. Expand analysis of eviction data.

**Description:** Although the Rent Board tracks the number of eviction notices filed with the Board, this does not capture negligence by the landlord that drives tenants out. Although the recent buy-out ordinance mandates that all buy-outs be filed with the Rent Board, the filings themselves do not provide information about what is leading the parties to conduct negotiations. A deeper analysis of data collected by the Rent Board and the Department of Building Inspection may help to identify eviction cases or patterns of evictions that warrant more careful review by the Rent Board and other City agencies. Funding will also support new ways to share information about where tenants are being evicted in order to organize community support for tenants.

**Benefit:** With more complete data the City and community organizations will better understand where to target resources to prevent evictions.

**Challenge:** Rent Board data is limited to cases that are self-reported by either tenant or landlord. The Rent Board has no data on buy-outs and it is unknown how many evictions go unreported because either landlords or tenants are unaware of reporting requirements.

**Next steps:** MOHCD has awarded a grant of \$100,000 to HomeBase, a community based organization which will analyze existing Rent Board and other data to examine eviction trends, early detection systems, and propose system improvements. This program will begin in October, 2016.

**Underway:** Yes

**Responsible party:** MOHCD, Rent Board, Mayor

**Timing:** Short

**Cost:** \$

11T. Maximize acceptance of rental subsidies.

**Description:** Landlords occasionally refuse to accept federal Section 8 subsidies from tenants. The City will educate landlords on the benefit of Section 8, including the consistent and ongoing nature of the subsidy.

**Benefit:** Additional opportunities for affordable housing for tenants holding Section 8 subsidies.

**Challenge:** It may be difficult to create an education campaign that will effectively reach the breadth of landlords in the City. The Rent Board can be a resource, but landlords do not come to them with vacant units, so it may be difficult to identify the appropriate City agency to oversee this work.

**Next steps:** Bring together stakeholders to discuss possible benefits and incentives.

**Underway:** No

**Responsible party:** Rent Board, Housing Authority, Local Homeless Coordinating Board, other agencies  
TBD

**Timing:** Medium

**Cost:** \$

12T. Explore strategies to address long term relocation of residents as a result of fire.

**Description:** The Mission has seen 2,788 fires since 2005.<sup>7</sup> Regardless of cause, the frequency of fires magnifies the insecurity of residents and distrust of landlords. Tenants who lose rent controlled units and do not have renters insurance have no safety net to replace lost items or to afford a deposit on a new place, and must compete for market-rate housing. Even when fire damage is minor, the time it takes for the property owner's insurance company to investigate and for DBI and insurance companies to agree on the extent of the necessary repairs leaves tenants little hope of returning to their units. Supervisor Campos introduced legislation in April 2016 to improve fire prevention in the City's aging house stock and provide better information to tenants displaced by fire. In April 2016, the Board of Supervisors passed legislation (Board file #151085) introduced by Supervisor Wiener designed to improve the City's code enforcement process, strengthen its ability to crack down on serial code violators, and help code violators who want to correct their violations but cannot afford to do so.

**Benefit:** Support for tenants who have had their units damaged or destroyed by fire.

**Challenge:** Delays caused by insurance companies are beyond the control of the City. It will also be difficult to maintain contact information for displaced tenants over protracted periods of time.

**Next steps:** Staff at MOHCD and DBI are exploring possible legislation that can ensure better supports for residents displaced by fire.

**Underway:** Yes

**Responsible party:** MOHCD, BOS/Mayor, San Francisco Fire Department

**Timing:** Medium

**Cost:** \$

<sup>7</sup> <http://www.anti-eviction-mapping-project.net/fires.html>

13T. Review occupancy requirements to create greater flexibility for tenants.

**Description:** The passage of Eviction Protection 2.0 by the Board of Supervisors in September 2015 created a difference in language regarding occupancy between the Rent Ordinance and language used by DBI. The new legislation can be interpreted as more restrictive. The legislation should be further amended to be the greater of, not lesser of, the occupancy allowance. A review of occupancy requirements with DBI would identify possible expansion to reduce cause for eviction.

**Benefit:** Additional support for residents who have need flexibility with the occupancy requirements of their unit.

**Challenge:** Reconciling two different administrative sections with different requirements can be difficult.

**Next steps:** DBI Staff, Rent Board staff, and policymakers should review the relevant code sections and determine the appropriate legislation to reconcile the sections.

**Underway:** No

**Responsible party:** Rent Board, DBI, BOS/Mayor

**Timing:** Medium

**Cost:** \$

## 2. SROS

The Mission is one of the few neighborhoods in San Francisco with residential hotels. SROs are also concentrated in the Tenderloin, Chinatown, and Civic Center areas. Single Room Occupancy (SRO) or residential hotels tend to be longer term housing unlike tourist hotels. Their original intent was to serve as transitional housing, but in reality many residents including families with children, end up residing in these hotels long term. In addition to the Planning and Building Codes, these hotels and rooms are defined and regulated in the Residential Hotel Unit Conversion and Demolition Ordinance, Chapter 41I of the San Francisco Administrative Code, which minimizes the adverse impact on the housing supply and on displaced low income, elderly and disabled persons resulting from the loss of SRO units through their conversion and demolition by regulating SROs. Tenants have full tenant rights if they have established tenancy (defined as residing in the hotels for a month or more). But residential hotels are not supposed to rent for less than seven days, creating a gap of tenant rights between seven days and one month.

1S. Strengthen the definition of tenancy as it pertains to SROs or modify the Hotel Ordinance to protect tenants.

**Description:** The existing Hotel Conversion Ordinance does not allow SRO hotels to rent for less than seven days. Changing that to require that residential hotels rent for more than 30 days minimum or strengthening the definition of tenancy as it pertains to SRO tenants to be more than seven days instead of 30 days, would increase protections for tenants.

**Benefit:** Strengthens tenant protections and benefits most SRO tenants.

**Challenge:** There is limited enforcement capacity to go after residential operators avoiding the establishment of tenancies.

**Next steps:** In Spring 2016, Supervisor Peskin introduced legislation to modify the SRO Hotel ordinance to strengthen the definition of tenancy in the Hotel Conversion Ordinance, City staff will track the legislation as it is moves forward.

**Underway:** Yes

**Responsible party:** Supervisor Peskin and DBI

**Timing:** Short

**Cost:** \$

2S. Identify opportunities to master lease privately owned and managed SRO Buildings.

**Description:** A number of San Francisco's SRO buildings are not owned or managed by public or nonprofit agencies, making them especially vulnerable to conversion to market rate. A master lease allows the City or nonprofit to hold the lease for the entire building and sublease rooms to tenants, rather than each tenant holding a lease with the property owner. Mission-based organizations may be priority master leaseholders.

**Benefit:** Master leasing is far less expensive than purchasing property, but provides similar stability and improved living conditions for tenants. This arrangement provides stable income to the property owner and ensures SROs are affordable and maintained.

**Challenge:** Master leases are currently held by various City agencies and nonprofits. Identifying properties and the appropriate master leaseholder will take time. As of spring 2016, the Department of Public Health is not master leasing more buildings. In addition, smaller hotels are more expensive and more challenging to master lease due to their size and fixed costs. It may be more efficient and effective to deploy more supportive services to these smaller SROs.

**Next steps:** The City's new Department of Homelessness and Supportive Services may be an opportunity to centralize a master leasing effort. HSA may also be able to take on additional master leases. Prioritize those SROs or tenants most likely to be displaced and investigate whether it is possible and advisable to do master leasing with option to purchase.

**Underway:** No

**Responsible party:** To be determined

**Timing:** Medium - Long

**Cost:** \$\$-\$\$\$

3S. Increase supportive services to SRO tenants living in private SROs not managed or master leased by the City or nonprofits.

**Description:** Certain smaller SRO buildings are difficult to master lease or acquire given their size. However, the residents of these buildings may benefit from supportive services to ensure they are not at risk of displacement or homelessness. The Mission SRO Collaborative (comprised of Dolores Street Community Services, Causa Justa, the Mission Neighborhood Resource Center and the Women's Community Clinic) already does extensive outreach in Mission-based SROs, including providing or linking residents to services and education about their rights as tenants.

**Benefit:** A case manager can assess and deliver the services SRO tenants need to ensure they are not displaced.

**Challenge:** Having access to and reaching tenants in the smaller SRO hotels is a challenge.

**Next steps:** In the shorter-term, HSA or a designated nonprofit will assess and inventory how many rooms and hotels are not under city or nonprofit management, determine needs and priorities, and increase supportive services and outreach to those private SROs to stabilize and prevent tenants from becoming homeless and to address unmet needs.

**Responsible party:** TBD, possibly HSA and Dolores Street Community Services Mission SRO Collaborative

**Timing:** Short - Medium

**Cost:** \$\$

4S. Identify opportunities to acquire privately owned and managed SRO Buildings.

**Description:** San Francisco's SRO buildings that are not owned or managed by public or nonprofit agencies are especially vulnerable to conversion to market rate. If the City or a nonprofit can purchase at-risk properties, they can be maintained as affordable in perpetuity, and conditions can be improved.

**Benefit:** Purchased properties become permanently affordable. The benefits are small and incremental, and long-term impact depends on the number of units stabilized.

**Challenge:** Acquisition in the current real estate market can be extremely expensive on a per-room basis. Given limited funds for the affordable housing, SRO acquisition is not always a priority compared to constructing family units. Setting aside funds specifically for SRO acquisition removes those funds from a more flexible pool of community funds. Purchased buildings also must be brought up to code, which can be costly and can displace tenants.

**Next steps:** The Small Sites program and accelerator fund could be used to purchase SROs. Do an assessment of what is feasible to acquire given the above challenges and, if there is an acquisition opportunity, prioritize those SROs or tenants most likely to be displaced. Board of Supervisors to help identify potential funding.

**Responsible party:** nonprofit housing developers

**Timing:** Medium - Long

**Cost:** \$\$-\$\$\$

5S. Improve Code Enforcement in SROs.

**Description:** The City's limited code enforcement capacity is fragmented among the Department of Building Inspection and the Rent Board. Enforcement is driven by complaints, making action arbitrary based on what gets reported. Improvements to enforcement policy would clarify which City agencies are responsible for SRO enforcement and provide adequate staffing for proactive enforcement. Of particular concern is enforcement of SRO vacancies and "cooking the books" (when hotel owners report more tourist rooms than they truly have). SRO collaboratives are eager to support this work, but currently lack access to the hotels and/or the ability to directly sue landlords.

**Benefit:** SRO tenants would benefit from streamlined enforcement.

**Challenge:** Coordinating City agencies with enforcement oversight can take time, and the City's hiring process is lengthy. To enable SRO collaboratives to inspect hotels or directly sue landlords, owners and landlords must be required to allow nonprofits access to tenants, even for specific purposes such as allowing caseworkers on a regular basis or allowing collaboratives to inform tenants of outreach events and activities.

**Next steps:** City and nonprofits will work together to identify policy and programmatic changes that can ensure SRO collaboratives' access to SRO hotels. The City has committed funding to this effort.

**Responsible party:** Board of Supervisors, Department of Building Inspection, and SRO nonprofits (in the Mission: Dolores Street Community Services/ Mission SRO Collaborative).

**Timing:** Short to medium

**Cost:** \$

6S. Implement guidelines to prioritize moving families from SROs into affordable family units.

**Description:** With the skyrocketing cost of housing, more and more families are moving into SROs. HSA and MOHCD will assess the extent of this issue and develop a plan to help families move from SROs into affordable family housing.

**Benefit:** Families living in overcrowded conditions would gain access to better living conditions.

**Challenge:** A trade-off to consider is that adding an additional preference for affordable units reduces the overall pool of units available to the general population, but that may be an acceptable tradeoff if those families are low income.

**Next steps:** City agencies will review existing affordable housing preferences for families and how those units are accessed to determine what changes can be made, including legislative and funding options to support this.

**Responsible party:** HSA and MOHCD

**Timing:** Medium

**Cost:** \$

### 3. PRESERVATION OF AFFORDABLE UNITS

#### 1P. Explore Tenant's First Right to Purchase legislation.

**Description:** Tenant's right of first refusal stipulates if an owner sells a tenant occupied property (apartment, condo, single family home, etc.), the owner must notify tenants prior to placing the property on the market. This notification process facilitates tenant purchase of the property. Supervisor David Chiu introduced Tenant Right to First Refusal legislation to the Board in spring 2014, however there were many open questions. A revised and revived draft of the legislation would be crafted to target rent-controlled apartments and tenants operating childcare programs in their units.

**Benefit:** There are two significant benefits—stabilizing the existing residential diversity in our neighborhoods, and creating long-term, affordable, workforce homeownership or rental housing. The benefits for tenants would be small scale and incremental and depend largely on the number of units ultimately purchased by tenants. But the notification process can also give tenants more time to relocate when buildings are sold. The policy can support long-term affordability, City or nonprofit purchase, no displacement of tenant, and permanent leases.

**Challenge:** Washington DC's Tenant Opportunity to Purchase Act (TOPA) has had limited success because the program went largely unused due to regulatory hurdles and the inability for low income households to afford the asking price even with the first right to purchase. The Paris model was more successful, primarily because it was funded with \$1 billion for historic preservation. There is a risk for potential buyers of a tenant occupied home, as there's more than one opportunity for the process to fall through. Numerous tactics can be used by the seller and potential buyer to avoid compliance with such

legislation. For example, the "95/5 loophole" transfers 95% of building ownership but does not legally qualify as a sale under the TOPA law, so tenants are never given the opportunity to purchase. How "fair price" and "owner" are defined can also be very subjective.

**Next steps:** Community organizations will further explore this option and present a proposal to MOHCD. Any proposed legislation will be reviewed by MOHCD to ensure that there are no conflicts with existing Small Sites and other acquisition and rehabilitation programs. It will also be written to give nonprofits and tenants some time to negotiate with landlords.

**Responsible party:** Community organizations and MOHCD

**Timing:** Medium

**Cost:** \$

2P. Replenish funds for Small Sites program.

**Description:** In 2014, the City created a Small Sites program to purchase existing buildings with five to 25 units. To date, 54 units have been preserved as permanently affordable at an average cost of \$491,000 per unit. Replenishing these funds will continue to support an important tool in affordable housing preservation.

**Benefit:** The program prevents tenants from losing their affordable housing if an owner intends to sell and there is a substantial threat of Ellis Act or OMI eviction due to transfer of ownership. Funds can also be used for SRO acquisition.

**Challenge:** Small site acquisitions must pay market rate for the properties. At an average City subsidy \$345,400/unit, it is more expensive on a subsidy per unit level than constructing new affordable units. In addition, limited funding is available and it can be difficult to find small sites that are financially feasible.

**Next steps:** Analyze how many potential buildings and units could be purchased given various funding scenarios, annual sales, per unit costs by building size, etc.

**Responsible party:** MOHCD

**Timing:** on-going

**Cost:** \$\$-\$\$\$ / building

3P. Replenish funds for Acquisition and Rehabilitation program.

**Description:** Since 2014, the Mayor's Office of Housing and Community Development has overseen a program to purchase existing buildings with at least 50 units to scale for funding.

**Benefit:** The benefits are small and incremental for existing tenants. Long term impact depends on number of units acquired.

**Challenge:** Funding and finding sites.

**Next steps:** Additional research is needed to understand how many potential buildings in this category could be affected and how much funding would be needed.

**Responsible party:** MOHCD

**Timing:** on-going

**Cost:** \$\$-\$\$\$ / building

4P. Explore a City's first right of refusal.

**Description:** In 2008, Washington DC passed the District Opportunity to Purchase Act (DOPA) in conjunction with the amended Tenant Opportunity to Purchase Act (TOPA) (see 3A). The DOPA requires that rental property owners give the District of Columbia the opportunity to purchase housing accommodations consisting of five or more rental units, provided that twenty-five percent (25%) or more of the rental units are "Affordable Units". DOPA offers of sale should be submitted concurrently with, but are subordinate to, a tenant's right to purchase under TOPA. Similar legislation in San Francisco could be limited to transit-oriented areas, low-income tenants, or building typology (such as SROs).

**Benefit:** The benefits for existing tenants would be small and incremental, and would depend on number of units ultimately acquired.

**Challenge:** As of 2015, DC has only used the DOPA once because there was no dedicated funding associated with the legislation. This needs significant resources to be successful. In San Francisco, additional challenges might include landlord opposition, and unintended consequences of providing an advantage to tenants who are not low income the first right to purchase. Legal challenges also need to be explored.

**Next steps:** Community organizations will work with MOHCD to explore potential funding sources.

**Responsible party:** Community organizations and MOHCD  
**Timing:** Medium  
**Cost:** \$

5P. Preserve rent-control units when major rehabilitation occurs.

**Description:** When property owners undertake significant capital improvements to a property, either required for code compliance or to make voluntary upgrades, tenants often have to move out. Some tenants are unaware of their right to return and some rehabilitation is potentially undertaken to force the tenants out for many months which complicates their ability to return without having to evict them. Legislation could be crafted to limit evictions disguised as rehabs. The City will also explore the feasibility of a deed-restriction that would require the rehabilitated unit to be subject to price restrictions similar to rent control. [Note: this issue was also discussed under Tenant Protections working group.]

**Benefit:** Existing tenants

**Challenge:** Enforcement requires funding and staffing.

**Next steps:** City staff will work with the Rent Board to determine what constitutes a rehab, what is being done, and what needs improvement. Additional research needed.

**Responsible party:** Rent Board  
**Timing:** Short-medium  
**Cost:** \$

#### 4. HOUSING PRODUCTION

Affordable housing production is a long-term, capital intensive investment. These solutions tend to be longer term and follow the shorter term rehab, protections and other immediate neighborhood stabilization measures.

1H. Examine and develop zoning strategies to produce more affordable housing.

**Description:** The Planning Department will look into feasible zoning changes (e.g., height limits on key sites, density limits, etc.) to produce more affordable housing, both greater inclusionary and 100% affordable. This work began in Summer 2016 and is expected to conclude in Spring 2017, with any legislative changes requiring environmental review taking longer to come into effect.

**Benefit:** Zoning changes would produce capacity and incentives for more affordable housing in the neighborhood, especially for units not financed by City funds.

**Challenge:** Depends on the specific zoning change that is proposed and available funding for affordable housing.

**Next steps:** The Planning Department will complete a soft site analysis and financial feasibility study (modeling specific and prototype sited) before proposing zoning changes before the Planning Commission.

**Responsible party:** Planning

**Timing:** Medium (environmental review could be required)

**Cost:** \$

2H. Continue site acquisition (public, nonprofit, private) to build 100% affordable housing.

**Description:** The Mayor's Office of Housing and Community Development will continue to identify potential sites for acquisition. MOHCD will work with other City agencies and nonprofits to assess the potential for land swaps and land dedication, potential air-rights development, and partnerships for joint development.

**Benefit:** Secures land for 100% affordable housing, which is scarce in the Mission.

**Challenge:** Viable sites need to be able to accommodate 75 units to be financially feasible, so there are only a handful of realistic acquisition prospects in the Mission. Purchase also depends on a willing seller and buyer.

**Next steps:** MOHCD will continue its process of identifying sites.

**Responsible party:** MOHCD

**Timing:** Ongoing/long

**Cost:** \$\$-\$\$\$ / building (from site to completion)

3H. Produce more family-sized affordable units.

**Description:** Currently, the City requires that 40% of all new buildings must have two or more bedrooms. Supervisor Yee recently introduced legislation that would potentially encourage the construction of more three bedroom units. Possible changes to zoning and/or incentives could encourage more family-sized affordable units (defined as two or more bedrooms). The Planning Department recently completed a briefing to better define family-friendly housing and discuss goals and strategies for achieving more family-friendly housing.

**Benefit:** New family sized affordable units would house low to moderate income families (families earning up to 55% of the area median income). MOHCD's lottery and application process ensures

**Challenge:** Construction of new units depends on many factors—global real estate markets, local economy, political and community support for new construction, and available funding/financing. Even with policy requirements and incentives in place, it does not guarantee that construction will happen.

**Next steps:** MOCHD and Planning will review current guidelines and code requirements affecting family-sized affordable units to determine if projects in the Eastern Neighborhoods are meeting their bedroom-mix requirement by making most below market-rate (BMRs) family-sized.

**Responsible party:** MOHCD and Planning

**Timing:** Short

**Cost:** \$

#### 4H. Incentivize childcare-friendly units.

**Description:** There are 27 licensed family childcare providers in the Mission operating out of private homes. This is a significant decline from 53 providers in 2006 and speaks to the real estate pressures in the neighborhood. These provide care for infants through preschoolers, with most homes serving 8-10 children. Roughly, these home-based operations serve about 250 children. There are also a handful of larger public and nonprofit childcare centers. However, the Mission has a population of 3,570 children under the age of five. MAP2020 notes the importance of family-sized units as well as family-friendly services such as childcare. To incent and encourage more childcare facilities, the Planning Department and MOHCD will explore possible zoning changes, guidelines, and/or requirements for childcare units. These changes could be included in relevant BMR design guidelines. In addition, Planning's City Design Group will continue their review of design guidelines to determine if there are additional ways to compel family-friendly and/or childcare-friendly units through the urban form or design code.

**Benefit:** Everyone benefits when safe and supportive childcare options are available. Parents are able to participate in the workforce and children gain the social-emotional support that is the foundation for success in elementary school. Children that are in a formal or licensed setting are more likely to have an educationally stimulating environment that encourages healthy development and school readiness. Data from First 5 Preschool-For-All shows that children who enter a setting scoring low on their development assessments (DRDP) make huge gains by the end of their first year. The Children's Council works with licensed providers to recruit them into the high quality provider network to support them in increasing their quality, this has a direct impact on the quality of care for children.

**Challenge:** The hurdles to increasing child care facilities in the Mission are numerous and complex, and include licensing, start-up costs, business operations, and state laws. Zoning changes would be need to be coordinated with existing City and State-funded programs to assist childcare providers financially and technically in establishing or relocating their business. According to the Children's Council "establishing new childcare sites (and expansion of existing) continues to be a struggle due to space shortages and rising housing/rent costs." The City, the Office of Early Care and Education, and the Low Income Investment Fund continue to explore options.

**Next steps:** Planning and MOHCD will meet with the Children's Council, which oversees child care licensing, to identify possible policy and programmatic changes under their purview that can increase the number of childcare spots in the Mission. MOHCD will review their BMR guidelines language to identify possible improvements. The Planning Department will look into possible zoning and Code changes, as well as continue the review of design guidelines. They may develop Mission-appropriate childcare guidelines with Mission Promise Neighborhood Early Childhood Working Group, a group specifically interested in increasing infant-toddler capacity.

**Responsible party:** MOHCD, Planning, Children's Council

**Timing:** Short

**Cost:** \$-\$\$

5H. Consider allowing affordable housing on a limited number of underutilized Production, Distribution, and Repair (PDR) parcels with a ground floor requirement for PDR.

**Description:** In the Eastern Neighborhoods planning process that concluded in 2008, the northeastern portion of the Mission retained its zoning for PDR (production, distribution, and repair). Within these PDR areas, there may be parking lots or other underutilized sites, or a corridor, that could make sense for 100% affordable housing with a ground floor requirement for PDR. This change would be granted through an exemption, not a rezoning on a site-specific basis. Mosaica, a 151-unit housing development on Florida and Alabama at 18th Street operated by TNDC, is a successful example of this affordable housing-PDR hybrid.

**Benefit:** Providing additional affordable housing sites for low to moderate income households as well as active PDR; a specific number will be determined in the next phase of MAP2020 work.

**Challenge:** The trade-offs are that the City would lose exclusively PDR sites and would lose businesses during construction, but would gain permanently affordable housing. PDR and residential uses have traditionally been separated because of conflicts arising from noise, chemical exposure, and differing design needs (e.g., loading docks), but light industrial and residential, like in the Mosaica project, can be compatible with good design.

**Next steps:** The Planning Department will conduct a site analysis.

**Responsible party:** Planning

**Timing:** Medium (depends on environmental review)

**Cost:** \$

6H. Allow and incentivize affordable units via legislation for “in-law” units and the soft-story retrofit program.

**Description:** In-law units, or granny flats, are usually small first floor units. Because of their size, they are naturally less expensive. Construction of new in-law units has for many years not been allowed in San Francisco. In 2014, legislation permitted in-laws in D3 and D8 . New legislation for District 9 would allow the construction of new in-law units, including units constructed as part of soft-story retrofits. Similar legislation in other districts requires that these new units be subject to rent control.

**Benefit:** low to moderate income households (if BMR units). Potential impact: small to medium - depends on the number of affordable units created

**Challenge:** The construction and pricing of these new units depends on private property owners. Protections for renters, such as requiring that in-laws be subject to rent control, can also deter potential landlords. The City may have few options to incentivize the construction of low-to-moderately priced in-laws rentals.

**Next steps:** Supervisor Peskin’s office has initiated conversations around possible citywide legislation to expand in-laws. Planning Department staff and community groups will brainstorm work with the City Attorney to assess possible incentives and the legality of mandating BMR in-law units.

**Responsible party:** Board of Supervisors, community groups, Planning

**Timing:** Medium

**Cost:** \$

7H. Create incentives for new 100% affordable housing, such as fee deferrals.

**Description:** There are a number of incentives granted to developers of 100% affordable housing projects, including variances, and expedited process. Fee deferrals for affordable housing developments allow developers to pay fees due to the City at a later time. This can help developers secure financing for a project. A fee deferral could be granted to those providing a certain level of affordable housing.

**Benefit:** Fee deferrals and transfer development rights would give affordable housing developers additional tools to bring more affordable units to the market.

**Challenge:** Will be determined depending on specific proposal.

**Next steps:** The City will propose a fee deferral legislation.

**Responsible party:** Planning/MOHCD

**Timing:** Short

**Cost:** \$

8H. Consider placing a bond in the regular bond cycle.

**Description:** The City has a General Obligation bond cycle (debt instrument) to help fund City infrastructure. Housing bonds are not part of the regular cycle.

**Benefit:** Including the housing bond in the cycle would help provide a regular stream of funding.

**Challenge:** The City's various infrastructure needs have to be balanced. Housing infrastructure tends to be in the most expensive category. It's debt financing.

**Next steps:** Mayor's Budget Office will study the feasibility and trade offs.

**Responsible party:** Mayor's Budget Office

**Timing:** Medium

**Cost:** \$\$

## 5. ECONOMIC DEVELOPMENT

Economic development solutions focus on strengthening neighborhood-serving small businesses, neighborhood-serving organizations, and ensuring access to jobs. Solutions were organized into five categories based on stakeholder areas of concern and community input: arts, small businesses, PDR, nonprofit and workforce.

### Arts

1E. Increase the amount of accessible spaces for artists.

**Description:** Retain and create opportunities for additional spaces for artists.

- Extend free or low cost lease negotiation services to individual artists and assist with artist space search.
- Encourage supply of artist spaces in new development projects and protect PDR, to support arts incubators, art studio spaces/galleries, and rental spaces.
- Explore current housing options and studio options available or being built for artists.

**Benefit:** Individual artists, the potential impact depends on the amount of space secured.

**Challenge:** Lack of affordable and available real estate

**Next steps:** Identify nonprofit partners and funding to support this work.

**Responsible party:** Arts Commission and nonprofit partners

**Timing:** Short-Long

**Cost:** \$-\$\$

2E. Explore policies to retain or increase spaces for artists.

**Description:** Explore use of private funds, tax breaks, and subsidies to retain and add artist spaces.

**Benefit:** Private funds would support the capital needs of neighborhood arts nonprofits. The impact would be small and incremental, depending on amount of space and numbers served.

**Challenge:**

**Next steps:** Explore funding sources and mechanisms to retain or increase spaces for artists.

**Responsible party:** Planning, OEWD, and Arts Commission

**Timing:** Medium-Long

**Cost:** \$-\$\$

3E. Catalogue existing art spaces and resources.

**Description:** There is no existing inventory of art spaces and resources in the Mission. The Community Arts Stabilization Trust (CAST) is currently conducting a cultural space study that could be expanded upon.

**Benefit:** The potential impact is large for the broader arts community

**Challenge:** While the survey may capture some existing art resources, it will not include artist live/work spaces.

**Next steps:** Review cultural space study to use as a baseline to catalogue Mission art and cultural spaces.

**Responsible party:** Arts Commission

**Timing:** Short/Medium

**Cost:** \$

4E. Explore creation of a Mission arts district.

**Description:** Explore if and how a Mission arts district could help protect or incentivize the creation of artist spaces.

**Benefit:** To be determined

**Challenge:** Unclear if this is a good strategy to meet goals of retaining artists in the district and how it might interact with other zoning regulations or districts.

**Next steps:** Study the benefits of formulating an artist district and how it relates or would interact with other defined zones within the Mission.

**Responsible party:** Planning, OEWD, and Arts Commission

**Timing:** Medium-long

**Cost:** \$

**Small Businesses**

5E. Promote and encourage businesses to be community serving.

**Description:** A guide outlining neighborhood priorities and promoting neighborhood serving activities can provide clarity and communicate neighborhood desires and needs. Many small businesses are unaware of neighborhood priorities and the range of things they can do to contribute back to the community.

**Benefit:** Mission community at large.

**Challenge:** Including neighborhood priorities into a business model would be voluntary.

**Next steps:** Must define what community serving means.

**Responsible party:**

**Timing:** Short-medium

**Cost:** \$

**6E. Support commercial business ownership.**

**Description:** Small businesses are vulnerable to increasing rents when their lease is up for renewal. Remove this risk by supporting ownership. Options to explore include:

- Provide access to funding in the form of either loans or down payment assistance to support business owners in purchasing properties.
- The small site acquisition program and other available programs could be used to fill the gap in acquiring properties at a 65% loan to value ratio.
- Promoting the conversion of commercial space from rental to ownership through condoizing/TIC.

**Benefit:** Both funding assistance and conversion of business space to condo/TIC serve small businesses. The potential impact is small and incremental.

**Challenge:** Limiting funding is available to support businesses in a real estate market that continues to be extremely expensive. Subdividing a mixed use lot to create ownership opportunities for businesses may have legal complications.

**Next steps:** OEWD will research various small business ownership models for feasibility and support required.

**Responsible party:** OEWD

**Timing:** Short-medium

**Cost:** \$

**7E. Increase commercial space and promote community serving uses in new developments**

**Description:** Prioritize ground floor in new development which is 10,000 square feet or greater, for community serving uses through zoning or developer agreements. Community serving uses may include business incubator spaces, childcare, PDR, nonprofits, and space for artists. There is also a possible shared space model, which would locate multiple businesses and/or nonprofits in one space.

**Benefit:** Serves small businesses, community, and the general public. The potential impact is small and incremental.

**Challenge:** Must define community serving uses. The Planning Department is conducting a study to test feasibility of affordable housing prototypes including desirable ground floor uses.

**Next steps:** Planning and OEWD will facilitate discussion with the community around priority community serving uses. These departments will also research requirements for inclusionary or community benefit agreements.

**Responsible party:** OEWD and Planning

**Timing:** Medium-long

**Cost:** \$

8E. Attract community serving businesses.

**Description:** To maintain a rich mix of businesses in the community, a business attraction strategy would be needed to recruit new businesses, develop relationships with property owners, and fill vacancies with community serving business. Currently, some neighborhood organizations work to fill vacancies with a desired business by reaching out to property owners.

**Benefit:** Serves small businesses and the community.

**Challenge:** This involves negotiating with multiple parties and acquiring a reasonably priced lease.

**Next steps:** OEWD will study the character and composition of each Mission commercial corridor, identify the desired community uses, and work with community to determine appropriate interventions.

**Responsible party:** OEWD and neighborhood partners

**Timing:** Short-medium

**Cost:** \$

9E. Support alternative business models including coops

**Description:** Provide support to businesses who want to build worker owned business models and coops, such as the Arizmendi Association, a community serving business.

**Benefit:** Serves small businesses and the community.

**Challenge:** Interest of small business entrepreneurs is unknown.

**Next steps:** Host workshops and connect businesses to coop resources.

**Responsible party:** OEWD and neighborhood partners

**Timing:** Short/medium

**Cost:** \$

10E. Develop interventions and or controls to incentivize and/or protect community serving uses, including for the Calle 24 Latino Cultural District.

**Description:** The City will develop tools to retain affordable and diverse commercial spaces that can provide affordable goods, jobs, and services in the neighborhood. Possible land use controls could retain affordable spaces and diverse commercial storefronts (e.g., a prohibition on small storefront mergers greater than 799 square feet within the Calle 24 Latino Cultural District). A Special Use District for commercial properties could retain the diversity existing mix of businesses.

**Benefit:** Serves community/general public.

**Challenge:** The City cannot impose controls on commercial leases or rents.

**Next steps:** OEWD will study the character and composition of each Mission commercial corridor, identify the desired community uses, and work with community to determine appropriate interventions.

**Responsible party:** Planning and OEWD

**Timing:** Medium

**Cost:** \$-\$\$

### **Production, Distribution, and Repair (PDR)**

11E. Enforce existing regulations to retain and protect PDR space

**Description:** Production, distribution and repair uses provide important jobs for skilled workers and spaces for this use are limited. Given the demand for office space there is concern that PDR spaces are being occupied by non-permitted uses. The Planning department has increased staff capacity to investigate potential illegal occupation of PDR spaces. In addition when reviewing permits for improvements within PDR spaces total cost of improvements is used as an indicator of potential illegal conversion.

**Benefit:** Serves PDR businesses and their workforce.

**Challenge:** It can be difficult to prove that the space is not being used for the permitted use.

**Next steps:** Additional staff has been approved in budget for enforcement of existing regulations.

**Responsible party:** Planning and OEWD

**Timing:** Ongoing

**Cost:** \$

12E. Retain, promote, and attract PDR businesses.

**Description:** Modify existing zoning regulations to protect PDR in PDR, UMU and NCT zones

**Benefit:** Serves small PDR businesses, the community, and the general public.

**Challenge:** It takes a long time to implement changes.

**Next steps:** Review existing PDR zoning regulations and define potential zoning changes.

**Responsible party:** Planning

**Timing:** Existing and short/medium

**Cost:** \$

## Workforce

13E. Assess and improve the accessibility of existing workforce services.

**Description:** OEWD currently invests \$1 million annually in Mission-based workforce services, including neighborhood Access Points and Sector Academies for Mission residents. An average of 350 residents in the 94110 zip code (which also includes Bernal Heights) access these services every year. There is capacity with existing resources to serve 500 residents. This is in addition to workforce services provided by other City agencies (DCYF, HSA, and others). The programs can increase individual economic security by helping unemployed residents get jobs and/or help low-wage workers climb career ladders into middle income jobs.

**Benefit:** Serves the community and the general public.

**Challenge:** There are multiple funders and partners.

**Next steps:** OEWD is surveying departments to assess existing services and define areas of opportunity and improvement.

**Responsible party:** OEWD, DCYF, HSA

**Timing:** Short/medium

**Cost:** \$

## 6. COMMUNITY PLANNING

The following solutions include programs, activities, process improvements, and ongoing engagement of community members to increase the understanding of City processes and have meaningful community participation in the planning process.

1C. Create an ongoing community and city staff education and engagement program.

**Description:** The MAP2020 process of meeting face-to-face and having some very difficult conversations highlighted both the barriers to effective City-community partnership and the benefits of a new model of collaborative planning. The process broke down political barriers and brought clarity to those things which City and community may never agree on. To continue these conversations, the City and community groups will establish a permanent “two-way” education and engagement program to facilitate a “two-way exchange” in Planning issues, community needs, as well as larger legislative and city processes between community groups and city-staff. The program will include a youth component to foster civic engagement among low-income youth interested in advocacy and public sector work.

**Benefit:** Support community and the general public. The potential impact is large.

**Challenge:** None anticipated.

**Next steps:** The Planning Department is hiring additional staff in fall 2016 to implement this work.

**Responsible party:** Planning Department and community groups

**Timing:** Short

**Cost:** \$

2C. Improve Pre-App community review of proposed development projects.

**Next steps:** Hiring of a staff to attend Pre-App meetings is underway. Funding is already committed.

**Description:** Section 311 of the Planning Code, adopted by the Commission in 2004, requires a Pre-Application (Pre-App) for certain alterations proposed in all RH and RM Districts. The intent of the process is to: (1) initiate neighbor communication to identify issues and concerns early on; (2) give the project sponsor the opportunity to address neighbor concerns prior to submitting their building permit application; and (3) reduce the number of Discretionary Reviews (DRs) that would result in a public hearing before the Planning Commission.

**Responsible party:** Planning

**Timing:** Short

**Cost:** \$

Despite this requirement, conflicts between City, developers, and community groups are exacerbated by fragmented information and poor engagement. Many community groups and residents would like to engage as early as possible in the review of proposed development projects and would like Planning staff to attend meetings after the pre-application meeting but before a Commission hearing so that developers are aware of community issues early on. Potential changes or improvement to the review process of significant (threshold to be determined) projects might include: 1) planner attendance at meetings before commission hearings but after Pre-App meetings and more outreach before a project is on the calendar, and, 2) neutral facilitators to guide Pre-App meetings

**Benefit:** Medium to large - depends on the numbers of projects and significance.

**Challenge:** Such changes to process would be applied citywide. Given the hundreds of projects in the City each year, Planning staff could not attend all Pre-App meetings. Planning and community groups would need to agree on criteria for projects that would require Planning attendance at Pre-App meetings.

3C. Improve representation of community concerns in Commission presentations for proposed development projects.

**Description:** Presentations from Planning staff to the Planning Commission on proposed development projects often focus on technical and design aspects of that singular project. The community would like Planning staff to integrate detailed discussion of community concerns into these presentations, as well as into Priority Policies of the General Plan in staff reports to the Commission. In addition, they would like more community engagement before Planning Commission hearings and better coordination with the Planning policy team on policy intent before implementation.

**Benefit:** Medium to large, depending on the number of projects and significance.

**Challenge:** none identified

**Next steps:** The Planning Department is making revisions to case reports to better reflect all perspectives. The Planning Department is also hiring staff for additional community engagement in fall 2016.

**Responsible party:** Planning

**Timing:** Short

**Cost:** \$

## 7. HOMELESSNESS

Homelessness in the Mission is becoming increasingly visible. In the past year, encampments have been concentrated in the northeast area of the neighborhood along 13th, Folsom, Harrison, and other streets. These solutions intend to prevent the further growth of homelessness due to the affordability crisis and to reduce homelessness as much as possible.

10. Increase supportive services to homeless.

**Description:** Many homeless individuals need other services for stabilization before they can even be housed, including legal documentation to access services, employment and meaningful activities, language, and culturally-appropriate assistance so they can access services, etc.

**Benefit:** Serves homeless individuals. Medium to large impact depending on number of individuals reached.

**Challenge:** Many clients refuse assistance and are hard to locate consistently given their homelessness.

**Next steps:** The Planning Department will coordinate with the City's new Department of Homelessness and Supportive Housing when it is fully operational.

**Responsible party:** Department of Homelessness and Supportive Housing (HSH)

**Timing:** Short - medium

**Cost:** \$-\$\$

20. Explore acquiring or master leasing one SRO or similar building to house homeless individuals.

**Description:** Over the last year, homelessness seems to be more prevalent in the Mission in the northeast part of the neighborhood (13th Street, Folsom, etc.) To address this, one solution could be the acquisition of a SRO exclusively to house homeless.

**Benefit:** It is preferable to find a vacant or partially vacant property as acquisition requires bringing buildings up to Code, which could displace tenants. For master leasing, buildings with more units are preferable given the cost. Casa Quezada and DAH/Star Hotel are models that serves homeless individuals. The impact would be small and incremental, depending on number of units/people housed.

**Challenge:** Small hotels are challenging and more expensive to master lease. Acquisition can displace tenants.

**Next steps:** HSH requested funding in the FY16-17 City budget, upon approval the next steps will be determined.

**Responsible party:** HSH  
**Timing:** Medium - long  
**Cost:** \$\$-\$\$\$

30. Explore the feasibility of including more housing for homeless in new affordable developments (mixed-housing).

**Description:** Virtually all MOHCD-sponsored affordable projects require 20% of their units to be reserved for homeless households. Given the homeless encampments in the Mission the percentage should be higher than 20% in the Mission – up to 30% for mixed-income projects. New supportive housing projects with 100% of the units designated for homeless households should be considered in future funding cycles.

**Benefit:** Serves homeless individuals; offers a small and incremental impact depending on the number of units/people housed.

**Challenge:** An increase in the number of units dedicated to homeless populations could decrease the number of units available for the general low to moderate income population.

**Next steps:** Phase II of MAP2020 will include additional conversations to determine the right balance.

**Responsible party:** MOHCD and HSH  
**Timing:** Medium - long  
**Cost:** \$\$-\$\$\$

## OTHER SOLUTIONS CONSIDERED

The solutions below are currently "on hold" or not moving forward during this phase due to legal, political, or financial constraints. These solutions are documented here in the event that something changes in the future that could make these solutions reasonable.

- A. Legislate vacancy control and rent-increase limits to preserve low-income SRO rooms when tenants vacate.

**Description:** Residential hotels are governed by specific laws that protect their affordability. When residential hotels are converted to tourist hotels, we need stricter requirements to replace residential units with affordable units for low-income tenants to avoid loss of units. Vacancy control legislation would ensure that SROs remain affordable and prevent landlords from holding rooms vacant and turning rooms, and eventually buildings, into tourist/commercial use for higher rent. This change from SRO to tourist hotel occurred at the Sierra Hotel on Mission at 20th Street. The building was vacant for 20 years before becoming the 20Mission in 2012, with rooms renting at \$1,400. Landlords have also been found to provide false information on the required DBI Unit Report to show that they are meeting residential requirements when there are in fact tourist rooms.

**Benefit:** Currently, SROs are too vulnerable to becoming tourist hotels or market rate cooperative living centers. Additional conversion controls will preserve the City's limited SRO stock.

**Challenge:** There may be legal challenges to implementing additional controls if they conflict with State or Federal laws. Any proposed legislation restricting vacancies in SROs (by room not building) would need to be fully vetted by the City Attorney.

B. Explore use of social impact bonds (Public-Private Partnership).

**Description:** Social Impact Bonds are an emerging model. Private investors invest capital and manage public projects, usually aimed at improving social outcomes for at-risk individuals, with the goal of reducing government spending in the long-term. Denver recently passed a \$7 million SIB to address homeless. Implementing this model in San Francisco would require additional research to gauge the feasibility in San Francisco, for which resources are currently not available.

**Benefit:** Serves community/general public.

**Challenge:** These bonds still need to be repaid, so they are not a good source for capital investments.

C. Incentivize preserving existing neighborhood businesses by waiving the transfer tax.

**Description:** When a building is bought or sold, the City can incentivize keeping the existing commercial tenants by waiving the transfer tax.

**Benefit:** Serves small businesses.

**Challenge:** Prop W on the November 2016 ballot proposes increasing the transfer tax on properties of at least \$5,000,000, which may have the unintended impact of incentivizing the eviction of commercial tenants. Waiving the transfer tax would require further study to understand the feasibility and possible impact.

D. Advocate for commercial rent control.

**Description:** Community to advocate for state to change legislation to implement commercial rent control for the Mission.

**Benefit:** Serves small businesses and could stabilize commercial rents.

**Challenge:** Commercial rent control is currently illegal in the state of California. Changing that would require a statewide effort.



**A MODEL FOR AN EQUITABLE APPROACH TO PLANNING, GROWTH, AND NEIGHBORHOOD CHANGE**

Regardless of where MAP2020 participants reached consensus and where they diverged on solutions included in this plan, all participants are committed to moving forward and addressing gentrification and displacement. These are complex and layered issues with multiple causes and need resources, attention, and an acknowledgment of their impact on primarily low-income communities of color. The deliberate application of a social equity lens to investments, programs, and policies can help achieve neighborhood stability and give access to opportunity for these groups. Understanding historic trends and current conditions so that quality of life outcomes are equitably distributed and the needs of marginalized populations are met is critical.

MAP2020 is a deliberate and committed step towards equitable outcomes for historically disenfranchised communities. By addressing impacts on and leveraging resources for these groups, MAP2020 could be a model for an equity approach to policymaking and growth for other San Francisco communities and other cities grappling with similar challenges and trends.

# APPENDICES

# APPENDIX A

		1. Maintain the socio-economic diversity of the neighborhood	2. Protect tenants at risk of eviction	3. Increase the proportion of affordable units	4. Stem the loss of and promote community businesses, cultural resources, and social services	5. Retain and promote light-industrial space	6. Increase economic security
		POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE
Solutions Completed	Pass eviction Protections 2.0						
	Limiting low-fault evictions				●		●
	Establish neighborhood preference and enhanced outreach						
	Housing Bond and Housing Bond dedication						
	Improve City art grant application and compliance process						
	Establish nonprofit resource portal						
	Extend resources and services to support individual artists, so they can remain in the Mission						
	Create an artist registry that helps to define and identify artists in San Francisco						
	Increase the amount of accessible spaces for artists						
	Business strengthening						
	Incentivize retention of legacy businesses						
	Technical assistance for displacement and relocation						
	Enhance outreach to businesses and improve services and delivery						
I. Tenant Protections	1T Expand existing services that help residents gain access to housing	●	●		●		
	2T Expand culturally responsive tenant counseling programs	●	●		●		
	3T Create/expand community education campaign for residents at risk of eviction	●	●		●		
	4T Increase legal representation for tenants who face unlawful detainer lawsuits filed to remove the tenant from the rental unit, as well as other legal actions that may lead to eviction		●		●		
	5T Minimize evictions from affordable housing	●	●				
	6T Create city enforcement mechanism to monitor/enforce compliance with eviction ordinances and temporary relocation due to repair, construction, or fire	●	●				
	7T Identify mechanism to improve enforcement of restrictions on short-term rentals and mechanisms to achieve compliance and enforcement		●				
	8T Explore the practical feasibility of imposing restrictions on non-primary residences (NPRs)	●	●	●			
	9T Encourage and support policy efforts to amend the Ellis Act to exempt San Francisco from certain provisions		●				
	10T Expand analysis of eviction data		●				
	11T Maximize acceptance of rental subsidies	●	●	●			
	12T Explore strategies to address long term relocation of residents as a result of fire	●	●				
	13T Review occupancy requirements to create greater flexibility for tenants						



**APPENDIX A**

		1. Maintain the socio-economic diversity of the neighborhood	2. Protect tenants at risk of eviction	3. Increase the proportion of affordable units	4. Stem the loss of and promote community businesses, cultural resources, and social services	5. Retain and promote light-industrial space	6. Increase economic security
		NEGATIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE
2. SRO	1S	Strengthen the definition of tenancy as it pertains to SROs or modify Hotel Conversion Ordinance to protect tenants	●	●			
	2S	Identify opportunities to master lease privately owned and managed SRO Buildings	●	●	●	●	
	3S	Increase supportive services to SRO tenants living in private SROs not managed or master leased by the City or nonprofits.	●			●	●
	4S	Identify opportunities to acquire privately owned and managed SRO buildings	●	●	●	●	
	5S	Improve code enforcement in SROs		●	●		
	6S	Implement guidelines for prioritizing moving families from SROs into affordable family units.	●				
3. Preservation of Affordable Units	1P	Explore Tenant's First Right to Purchase legislation	●			●	●
	2P	Replenish funds for Small Sites program	●	●	●	●	●
	3P	Replenish funds for Acquisition and Rehabilitation program	●	●	●	●	●
	4P	Explore a City's first right of refusal	●	●	●		
	5P	Preserve rent-control units when major rehabilitations occur	●	●			
4. Housing Production	1H	Examine and develop zoning strategies to produce more affordable housing	●		●		
	2H	Continue site acquisition (public, nonprofit, private) to build 100% affordable housing	●		●		
	3H	Produce more family-sized affordable units	●		●		
	4H	Incentivize childcare-friendly units	●		●	●	
	5H	Consider allowing affordable housing on a limited number of underutilized Production, Distribution, and Repair (PDR) parcels with a ground floor requirement for PDR	●		●		
	6H	Allow and incentivize units via legislation for "in-law" units and the soft story retrofit program	●		●		
	7H	Create incentives for new 100% affordable housing, such as fee deferrals.	●		●		
	8H	Consider placing a housing bond in the regular bond cycle	●	●	●	●	●

	LEAD	TIMING	COST	IMPLEMENTED?
	Sup. Peskin and DBI	Short	\$	✓
	Affordable Housing Developers	Medium - Long	\$\$-\$\$\$	
	HSA	Medium	\$-\$\$	✓
	HSA	Medium - Long	\$\$-\$\$\$	
	Sup. Peskin, DBI & SRO nonprofits	Short to Medium	\$	✓
	HSA & MOHCD	Medium	\$	
	Community Organizations & BOS	Medium	\$	
	MOHCD	Ongoing	\$\$-\$\$\$ / building	✓
	MOHCD	Ongoing	\$\$-\$\$\$ / building	✓
	Community & BOS	Medium	\$	
	Rent Board	Short - medium	\$	
	Planning	Medium	\$	✓
	MOHCD	Long	\$\$-\$\$\$	✓
	MOHCD & Planning	Short	\$	✓
	MOHCD & Planning	Short	\$	
	Planning	Medium	\$	
	Sup. Peskin, community groups, Planning	Medium	\$	✓
	Planning	Short	\$	
	MOHCD /Budget Office	Medium	\$	✓

**APPENDIX A**

		1. Maintain the socio-economic diversity of the neighborhood	2. Protect tenants at risk of eviction	3. Increase the proportion of affordable units	4. Stem the loss of and promote community businesses, cultural resources, and social services	5. Retain and promote light-industrial space	6. Increase economic security
		GOALS	POLICIES				
5. Economic Development	1E	Increase the amount of accessible space for artists				●	
	2E	Explore policies to retain or increase spaces for artists				●	
	3E	Catalogue existing art spaces and resources				●	
	4E	Explore creation of a Mission arts district				●	
	5E	Promote and encourage businesses to be community serving				●	
	6E	Support commercial business ownership				●	●
	7E	Increase commercial space and promote community serving uses in new developments				●	
	8E	Attract community serving businesses				●	
	9E	Support alternative business models including coops				●	●
	10E	Develop interventions or controls to incentivize and/or protect community serving uses, including for the Calle 24 Latino Cultural District				●	
	11E	Enforce existing regulations to retain and protect PDR space					●
	12E	Retain, promote, and attract PDR businesses				●	● ●
	13E	Assess and improve the accessibility of existing workforce services					●
6. Community Planning	1C	Create an ongoing community and city staff education and engagement program	●		●	●	●
	2C	Improve Pre-App community review of proposed development projects	●		●	●	●
	3C	Improve representation of community concerns in Commission presentations for proposed development projects.	●				
7. Homelessness	1O	Increase supportive services to homeless	●				
	2O	Explore acquiring or master leasing one SRO or similar building to house homeless individuals	●		●	●	
	3O	Explore the feasibility of including more housing for homeless in new affordable developments (mixed-housing)	●		●	●	

## APPENDIX B

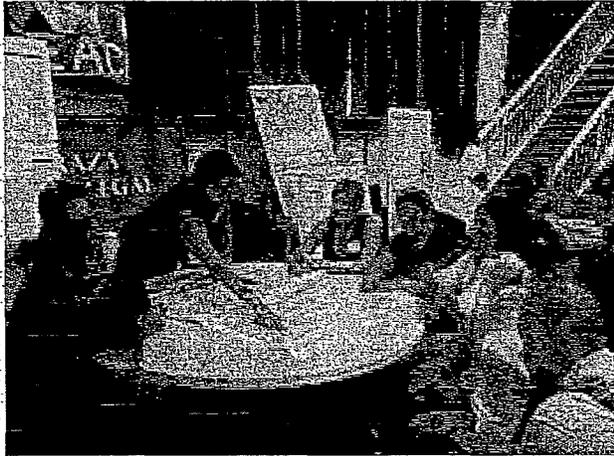


Photo by Marisol Quintana (MEDA)

### MAP2020 PROCESS DETAILED

In the traditional Planning model used by many cities, including San Francisco, the city is the expert, convener, agenda setter, and arbitrator. The city retains control and the community's role is to advocate. This model may work in some situations, but does not work well where there is a significant power imbalance or history of distrust between city and community. The groups that tend to participate in the decision-making process have the most power and resources, and are the most comfortable working with authority.

MAP2020 needed a different model since it was initiated by community groups. Community stakeholders had to have significant control over the process and outcomes, meaning that the city would need to shift from its role as expert to a new role as co-convener and co-participant.

The Mission is a large, diverse neighborhood—56,000 people live in the Mission, there are two dozen schools, almost 50 churches, and more than 700 small businesses. There is neither a single “Mission Community” nor a single voice or entity that speaks for the future of the neighborhood. Unlike City agencies, community groups do not have an established hierarchy and decision making process,

so the process also had to value the range of community perspectives.

In early 2015, City staff and community organizations began to meet regularly to identify the universe of complex challenges facing the Mission and undertake the laborious process of determining feasible actions. The process and product goals were to:

1. Engage the Mission District, and especially those most affected by gentrification and housing disparities (low-income and working-class residents; SRO tenants; Spanish-speaking tenants; local school families; school workers; and small business owners), to develop popular support and advocacy for the changes necessary to protect their right to remain in their neighborhood.
2. Develop an inspiring framework that makes housing equity, in terms of housing preservation and production, and preservation of community resources, a central planning principle for all decisions by local activists and through advocacy, to be incorporated by city staff and elected officials.



3. Combat the loss of families in the Mission District, through a housing preservation strategy that combines tenant protections, regulations to encourage tenants and nonprofits to purchase vulnerable multi-unit buildings and the sufficient resources dedicated to the neighborhood for that purpose.
4. Achieve a percent of low-income housing that keeps pace with market-rate development, including funding for new construction and identification of publicly and privately owned sites to be purchased by the city, and tools for neighborhood residents to access this new housing.
5. Preserve vital community resources, including small businesses, legacy businesses and cultural/community resources.
6. Increase job pathways for low-income residents into growing sectors of the economy.

The City and community participants made significant investments in the process through time

and resources (both volunteer time, staff time, consultants, and a grant).

It was clear in the beginning that significant trust would have to be built between City staff and community representatives in order to improve working relationships and tackle the challenging issues at hand. Given the level of urgency and rapid changes being experienced, frustrations were elevated and there was real tension and disagreements around what could be done. Distrust stemmed from past city policy decisions and disagreements around development projects, including the level of community engagement in these decisions. Consequently, the monthly MAP2020 meetings spent a fair amount of time building relationships through discussion and acknowledging disagreements.

The City contracted with outside facilitators from Community Boards, a nonprofit group based in San Francisco that helps to facilitate conversation and resolve conflict. It was important to have an outside group running the meeting so the City didn't have to have the dual role as a participant and facilitator of the process. The group also decided to form working groups co-led by a community and city lead to carry out the work and convene meetings focused on specific topics.

A core group of community groups—MEDA, Dolores Street Community Services Mission-SRO Collaborative, Cultural Action Network—and long-time neighborhood activists met monthly with staff from the Planning Department, the Office of Economic and Workforce Development and the Mayor's Office of Housing and Community Development, the Mayor's Office, and the Supervisor's Office. Working groups met more frequently to focus on specific issues, including, but not limited to, SROs, small businesses, community

engagement, funding strategies, and homelessness. Each of these teams identified potential projects or solutions.

There was a clear evolution in the process. Although meeting agreements were discussed and posted at every monthly meeting, the initial meetings were rarely smooth and participants were often frustrated. As the process continued, and everyone felt more ownership and control, some issues were resolved but others arose. There was still a tendency for dynamics to be uneven. Over time, the tone of the meetings improved and both parties understood that they might not agree on everything, but they see each other as well-meaning individuals with similar goals on social equity, affordability, and community stabilization even if they differ on how to achieve them.

Another important positive outcome of the monthly meetings was as a source of information. It is naturally difficult to disseminate information among so many different groups, so during each meeting, community participants and city staff had the opportunity to make announcements, ask questions, and publicize upcoming hearings or meetings.

While progress has been made and some disagreements stemming from misunderstanding, precedent, or rumors have been cleared up with candid conversations, challenges persist about process, data, analysis, solutions, and who to include. In addition, disagreement and polarization persists around some very large and fundamental topics.

Throughout the MAP2020 process this discord was often perceived as political gambit or leverage; it sometimes drove the agenda and sometimes stalled the process. As long as displacement pressures continue to impact the Mission, differing ideas about

the causes, the solutions, and the political strategy will persist.

MAP2020 held two large public meetings, the first in April 2015 to hear concerns and identify potential solutions. The second meeting, held in March 2016, allowed the community to add, delete, or edit strategies, and to start to prioritize. In addition to the formal public meetings, the working group members met with community organizations, held focus groups and held other activities as part of its outreach strategy.

It is hard to reach consensus on everything and moving forward both parties will likely pursue strategies outside of the formal MAP2020 planning process. MAP2020 is not an attempt by the City to stop community from their traditional advocacy and organizing efforts and the community does not see MAP2020 as its only avenue for change. MAP2020 participants expect to find areas of further challenge in the future, but there is a better foundation between City and community from which to have an open and honest conversation about issues of wealth disparity, class, race, decision-making power, displacement, and gentrification and the impacts and benefits on different groups.

### Lessons Learned

- It takes time to overcome decades of distrust
- Relationship building is critical
- Outside, neutral facilitation helps
- Be careful not to slip back into traditional roles, with the city as expert and with more airtime
- In addition to plan outcomes, the dialogue and the process are equally important
- A lot depends on personality, you need someone who really does care, who will listen and is respectful

- Participation of leadership in neighborhoods in crisis is key
- Balancing short-term urgency, long-term process, and policy change is key
- Acknowledging inequities and neighborhood trauma is important
- Honest dialogue about trade-offs must not be lost
- Government staff that is representative of the community and culturally competent is critical



**MISSION ACTION  
PLAN 2020**



# SAN FRANCISCO PLANNING DEPARTMENT

## Mission 2016 Interim Zoning Controls Planning Commission Resolution No. \_\_\_\_\_

MARCH 2, 2017

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*Project Name:* EXTENSION AND MODIFICATION OF COMMISSION-SPONSORED MISSION 2016 INTERIM CONTROLS RELATED TO THE MISSION ACTION PLAN (MAP) 2020

*Case Number:* 2015-000988CWP

*Initiated by:* Planning Commission

*Staff Contact:* Claudia Flores, Sr. Community Development Specialist  
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EXTENDING FOR NINE MONTHS AND MODIFYING PLANNING COMMISSION-SPONSORED MISSION 2016 INTERIM CONTROLS RELATED TO THE MISSION ACTION PLAN (MAP) 2020 TO ALLOW ADDITIONAL TIME FOR ANALYSIS OF AFFORDABLE HOUSING NEEDS AND POTENTIAL DEVELOPMENT OF AFFORDABLE HOUSING PRODUCTION; TO PRESERVE EXISTING INCOME PROTECTED UNITS WHILE MAINTAINING PRODUCTION, DISTRIBUTION, AND REPAIR (PDR) CAPACITY IN PDR ZONED LANDS AND VITAL COMMUNITY RESOURCES; TO REQUIRE A LARGE PROJECT AUTHORIZATION OR CONDITIONAL USE AUTHORIZATION IN THE MISSION STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT (MISSION NCT) AND THE PROPOSED CALLE 24 SPECIAL USE DISTRICT FOR PROJECTS THAT PROPOSE THE FOLLOWING: 1) THE LOSS OF ONE OR MORE RENT-CONTROLLED DWELLING UNITS; 2) THE ADDITION OF MORE THAN 25,000 SQUARE FEET OF CERTAIN NON-RESIDENTIAL USES FOR NON-RESIDENTIAL OR MIXED-USE PROJECTS; 3) THE ADDITION OF 25 OR MORE RESIDENTIAL UNITS; OR 4) THE CHANGE OF USE TO A RESTAURANT USE FROM ANOTHER USE. THE AREA PROPOSED FOR INTERIM CONTROLS IS MODIFIED FROM THE ORIGINAL CONTROLS TO ENCOMPASS THE MISSION STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT (NCT) INCLUDING ALL OF MISSION STREET FROM DUBOCE/13TH STREET TO CESAR CHAVEZ STREET AND THE PROPOSED CALLE 24 SPECIAL USE DISTRICT WITH BORDERS AS DEFINED BY THE PROPOSED ORDINANCE FOUND IN BOARD OF SUPERVISORS FILE NO. 170028.

### PREAMBLE

WHEREAS, The same conditions observed in the Mission District over 15 years ago that justified enacting interim land use controls to reduce the displacement of PDR uses while rezoning some industrial land for housing production at higher affordable levels persist today; and

WHEREAS, The Planning Commission is obligated to continue to seek solutions, including new interim controls; and

WHEREAS, Since 1994, the City has recognized the effect of market forces and changing land use patterns upon the viability of light industrial activity and residential affordability in the Mission District. For example the Planning Commission and/or Board of Supervisors found the following:

1995 Planning Commission Resolution Number 13794:

- Proposals for housing and live/work developments, both new construction and conversion of former industrial buildings are increasingly being proposed in industrially zoned districts.
- There are other strategies that could be explored to promote both appropriate housing locations and industrial stability and the opportunity for economic development, such as the "swapping" of opportunity sites.

1999 Planning Commission Resolution 14861:

- Interim controls [are required] to temporarily eliminate the threat to the supply of industrially zoned land and building space available to PDR businesses, while providing adequate space and direction for the location of residential and live/work development.

2001 Planning Commission Resolution 16202:

- Office and live/work housing uses began to compete with PDR uses for land and building space in large part because market pressures favored this type of development.
- As a result of this, the supply of industrially zoned land and building space available to PDR uses was expected to continue to diminish in the future unless protected.

2001 Board of Supervisors Resolution 518-01

- Construction of housing has not occurred in the North East Mission Industrial Zone because it is less favored than "artist live/work" use, skewing the production of new housing to upper-income, non-family, non-affordable housing in an area where low-income, family housing predominates.
- There was a 41% increase in average commercial lease rates in the Mission District between 1997-1999.
- It is necessary to create a "community service" use category, which allows nonprofits, arts activities and community-serving small businesses to be located where commercial uses, which do not provide direct services to Mission District residents, may be inappropriate.
- In recent years, construction of lower-income housing in the Mission District has fallen considerably short of demand.
- The largest amount of new housing in the Mission District has been in live/work units, which are not affordable, do not provide family housing, and occupy land that will never be available for affordable housing.

2002 Board of Supervisors Resolution 500-02:

- Construction of lower-income housing in the Mission District has fallen considerably short of demand.
- Lower-income households in the Mission District have become even more overcrowded, face ever escalating rents, and are being forced to leave the City.

2004 Planning Commission Resolution 16727:

- There is a constant need for new housing and new housing opportunity sites.

- The General Plan calls for a balanced economy in which good-paying jobs are available for the widest breadth of the San Francisco labor force.
- Arts activities—a thriving element of San Francisco that contributes to tourism and attracting new businesses and new industries to this city—are also in need of attention/protection.

WHEREAS, In response to these findings, the Commission authorized the launching of the Eastern Neighborhoods Plans (EN Plan) in 2001 through Resolution Number 16201; and

WHEREAS, The EN Plan, a large scale community planning effort encompassing four neighborhoods including the Mission District, sought to balance the growth of residential and office development with the need to preserve land for PDR activities; and

WHEREAS, Six years after the adoption of the EN Plan many of the same conditions observed in the past persist, without any indication of their easing. This situation compels new action on the part of the City. A fine grained analysis of opportunity sites for PDR use and affordable housing in the Mission District is required. This analysis should focus on preserving the land capacity for PDR uses as determined through the EN process while exploring whether increased affordable housing capacity is possible; and

WHEREAS, There are a number of sites where PDR activities could be preserved through changes in land use regulation or through mixed use projects containing both housing and PDR; and

WHEREAS, The preface to the Housing Element of the General Plan states, "San Francisco's share of the regional housing need for 2015 through 2022 has been pegged at 28,870 new units, with almost 60% to be affordable." Meaning, the need for housing production is high and the need for this housing to be affordable is severe; and

WHEREAS, The City should explore where new affordable housing could be developed at an economically feasible scale; and

WHEREAS, The average annual decline of low-income and moderate-income households (those earning 30%-120% Area Median Income) in the Mission from 2009-2013 was 150 household per year and decline could accelerate to 180 households/year; and

WHEREAS, Approximately 900 low- and moderate-income households left the Mission District from 2010-2015; if this trend continues unabated about 900 additional low- and moderate-income households could be lost from 2016-2020; and

WHEREAS, Within the Mission, an average of 160 evictions notices have been filed per year since 2009, of which about 50% were Ellis and No Fault evictions; and

WHEREAS, Small businesses are facing lease expirations and substantial rent increases that often double or triple their rents; and

WHEREAS, The Planning Code Section 306.7 authorizes the Planning Commission to impose interim controls temporarily heightening the scrutiny applied to projects to enable Planning Department study of the impacts and to propose permanent changes to the San Francisco Municipal Code; and

WHEREAS, Planning Code Section 306.7 authorizes the Planning Commission to impose such interim controls for an initial period of no more than 18 months and to extend the controls for a total period not to exceed 24 months; and

WHEREAS, Planning Department and other City staff are currently working with the community on the Mission Action Plan (MAP) 2020; and

WHEREAS, Mission Action Plan (MAP) 2020 is collaboration, initiated by the community, between community organizations and the City of San Francisco to create more housing and economic stability in the Mission; and

WHEREAS, The purpose of the MAP 2020 Plan is to retain low to moderate income residents and community-serving businesses and nonprofits in order to preserve the socioeconomic diversity of the Mission neighborhood; and

WHEREAS, On August 6, 2015, the Planning Commission adopted Resolution Number 19428, which formalized the Commission Policy for development during the time that the City is developing the Mission Action Plan 2020; and

WHEREAS, The Commission adopted the Mission 2015 Interim Controls on January 14, 2016, to apply for a period of fifteen months, expiring on April 14, 2017; and

WHEREAS, The 2016 Mission Interim Controls requires projects subject to the controls to provide additional information associated with each threshold that the project triggers as part of a Large Project Authorization (LPA) or Conditional Use (CU) authorization, depending on the size or type of project adds a new requirement for an LPA if the project is a medium size project (between 25-75 units or 25,000-75,000 gross square feet), unless the project is already subject to a Conditional Use Authorization, or CU if the project is a large project (more than 75 units or than 75,000 gross square feet); and

WHEREAS, Additional time is needed to finalize and legislate the permanent controls to balance affordable housing needs and potential development affordable housing production and preserve existing income protected units while maintaining production, distribution, and repair (PDR) capacity in PDR zoned lands and vital community resources; and

WHEREAS, the proposed modification and extension of the controls are not defined as a project under the California Environmental Quality Act Sections 15378 and 15060(c)(2) because they do not result in a physical change in the environment; and

WHEREAS, the Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

WHEREAS, the Commission has reviewed the proposed revised Interim Controls at a duly-noticed hearing on March 2, 2017.

RESOLVED, that pursuant to Planning Code Section 306.3, the Planning Commission adopts the following findings and modifies the Interim Controls, approved as to form by the City Attorney, as set forth below and extends them until January 14, 2018, or until permanent controls are adopted, whichever comes first.

**FINDINGS**

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

- 1. **General Plan Compliance.** This Resolution is consistent with the following Objectives and Policies of the General Plan:

**I. HOUSING ELEMENT**

**OBJECTIVE 1**

IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

**POLICY 1.1**

Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

**POLICY 1.3**

Work proactively to identify and secure opportunity sites for permanently affordable housing.

**POLICY 1.4**

Ensure community based planning processes are used to generate changes to land use controls.

**POLICY 1.7**

Consider public health objectives when designating and promoting housing development sites.

**POLICY 1.9**

Require new commercial developments and higher educational institutions to meet the housing demand they generate, particularly the need for affordable housing for lower income workers and students.

**POLICY 2.1**

Discourage the demolition of sound existing housing, unless the demolition results in a net increase in affordable housing.

**POLICY 3.1**

Preserve rental units, especially rent controlled units, to meet the City's affordable housing needs.

**POLICY 3.2**

Promote voluntary housing acquisition and rehabilitation to protect affordability for existing

occupants.

**POLICY 3.5**

Retain permanently affordable residential hotels and single room occupancy (SRO) units.

**POLICY 3.4**

Preserve "naturally affordable" housing types, such as smaller and older ownership units.

**POLICY 4.4**

Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.

**POLICY 4.5**

Ensure that new permanently affordable housing is located in all of the city's neighborhoods, and encourage integrated neighborhoods, with a diversity of unit types provided at a range of income levels.

**POLICY 4.6**

Encourage an equitable distribution of growth according to infrastructure and site capacity.

**POLICY 4.7**

Consider environmental justice issues when planning for new housing, especially affordable housing.

**POLICY 5.5**

Minimize the hardships of displacement by providing essential relocation services.

**POLICY 5.6**

Offer displaced households the right of first refusal to occupy replacement housing units that are comparable in size, location, cost, and rent control protection.

**POLICY 6.1**

Prioritize permanent housing and service-enriched solutions while pursuing both short- and long-term strategies to eliminate homelessness.

**POLICY 6.2**

Prioritize the highest incidences of homelessness, as well as those most in need, including families and immigrants.

**OBJECTIVE 7**

SECURE FUNDING AND RESOURCES FOR PERMANENTLY AFFORDABLE HOUSING, INCLUDING INNOVATIVE PROGRAMS THAT ARE NOT SOLELY RELIANT ON TRADITIONAL MECHANISMS OR CAPITAL.

**POLICY 7.1**

Expand the financial resources available for permanently affordable housing, especially permanent sources.

**POLICY 7.4**

Facilitate affordable housing development through land subsidy programs, such as land trusts and land dedication.

**POLICY 7.5**

Encourage the production of affordable housing through process and zoning accommodations, and prioritize affordable housing in the review and approval processes.

**OBJECTIVE 8**

**BUILD PUBLIC AND PRIVATE SECTOR CAPACITY TO SUPPORT, FACILITATE, PROVIDE AND MAINTAIN AFFORDABLE HOUSING.**

**POLICY 8.1**

Support the production and management of permanently affordable housing.

**POLICY 8.2**

Encourage employers located within San Francisco to work together to develop and advocate for housing appropriate for employees.

**POLICY 10.1**

Create certainty in the development entitlement process, by providing clear community parameters for development and consistent application of these regulations.

**POLICY 10.2**

Implement planning process improvements to both reduce undue project delays and provide clear information to support community review.

**OBJECTIVE 11**

**SUPPORT AND RESPECT THE DIVERSE AND DISTINCT CHARACTER OF SAN FRANCISCO'S NEIGHBORHOODS.**

**POLICY 11.3**

Ensure growth is accommodated without substantially and adversely impacting existing residential neighborhood character.

**POLICY 11.9**

Foster development that strengthens local culture sense of place and history.

**POLICY 12.2**

Consider the proximity of quality of life elements, such as open space, child care, and neighborhood services, when developing new housing units.

**II. COMMERCE AND INDUSTRY ELEMENT**

**POLICY 1.1**

Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences that cannot be mitigated.

**OBJECTIVE 2**

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

**POLICY 2.1**

Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

**OBJECTIVE 3**

PROVIDE EXPANDED EMPLOYMENT OPPORTUNITIES FOR CITY RESIDENTS, PARTICULARLY THE UNEMPLOYED AND ECONOMICALLY DISADVANTAGED.

**POLICY 3.1**

Promote the attraction, retention and expansion of commercial and industrial firms which provide employment improvement opportunities for unskilled and semi-skilled workers.

**POLICY 3.3**

Emphasize job training and retraining programs that will impart skills necessary for participation in the San Francisco labor market.

**OBJECTIVE 4**

IMPROVE THE VIABILITY OF EXISTING INDUSTRY IN THE CITY AND THE ATTRACTIVENESS OF THE CITY AS A LOCATION FOR NEW INDUSTRY.

**POLICY 4.3**

Carefully consider public actions that displace existing viable industrial firms.

**POLICY 4.4**

When displacement does occur, attempt to relocate desired firms within the city.

**POLICY 4.5**

Control encroachment of incompatible land uses on viable industrial activity.

**OBJECTIVE 6**

MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.

**POLICY 6.1**

Ensure and encourage the retention and provision of neighborhood-serving goods and services in the city's neighborhood commercial districts, while recognizing and encouraging diversity among the districts.

### III. COMMUNITY FACILITIES ELEMENT

#### OBJECTIVE 3

ASSURE THAT NEIGHBORHOOD RESIDENTS HAVE ACCESS TO NEEDED SERVICES AND A FOCUS FOR NEIGHBORHOOD ACTIVITIES.

2. The Planning Commission finds from the facts presented that the impact on the public health, safety, peace and general welfare as set forth in Section 306.7(a) require the proposed Interim Controls.
3. This Resolution is consistent with the eight General Plan priority policies set forth in Section 101.1 in that:
  - A) The existing neighborhood-serving retail uses will be preserved and enhanced and future opportunities for resident employment and ownership of such businesses will be enhanced.
  - B) The existing housing and neighborhood character will be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.
  - C) The City's supply of affordable housing will be preserved and enhanced.
  - D) The commuter traffic will not impede MUNI transit service or overburden our streets or neighborhood parking.
  - E) A diverse economic base will be maintained by protecting our industrial and service sectors from displacement due to commercial office development. And future opportunities for resident employment and ownership in these sectors will be enhanced.
  - F) The City will achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.
  - G) That landmark and historic buildings will be preserved.
  - H) Parks and open space and their access to sunlight and vistas will be protected from development.

4. The Planning Commission adopts the following modifications to the Mission 2016 Interim Zoning Controls and extends their application until January 14, 2018 or until permanent controls are adopted, whichever comes first.

#### MISSION 2016 INTERIM ZONING CONTROLS

- I. **BOUNDARIES.** The area proposed for interim controls is generally defined by the following boundaries: The Mission Street Neighborhood Commercial Transit District (Mission NCT), as shown on San Francisco Zoning Maps ZN07 and ZN08, including all of Mission Street parcels

from Duboce/13th Street to Cesar Chavez Street with a property line on Mission between Cesar Chavez and Duboce Avenue/13th Street, and the Calle 24 Special Use District, as defined in the Ordinance entitled "Planning Code, Zoning Map – Calle 24 Special Use District," found in Board of Supervisors File No. 170028. See map attached hereto as Exhibit E.

**II. MODIFICATION AND DURATION.** The interim controls shall be modified as set forth herein effective immediately and shall be additionally extended for nine (9) months from April 14, 2017, expiring on January 14, 2018 or until such date as permanent controls are adopted, whichever comes first.

**III. EXEMPTIONS:**

The following types of project are exempt from these interim controls, even if such project would otherwise be subject to them under the requirements of subsection (b) below:

1. Residential and mixed use projects that (A) provide at least 33% or more of the residential units as affordable for Households of Low and Moderate Income, all as defined in Planning Code Section 401; or (B) provide a dedication of land to the Mayor's Office of Housing and Community, in an amount equal to the equivalent of 33% units or greater as described in Table 419.5 under Planning Code Section 419.5 or 419.6.
2. Production, distribution, and repair uses if exclusively PDR or that are mixed-use and include PDR uses and meet the criteria above.

**IV. CONTROLS.**

**A. Loss of Rent-Controlled Units.** Any project that would result in the loss of one or more rent-controlled residential units as set forth in Planning Code Section 317 shall require Conditional Use Authorization under Planning Code Section 303(c) or a Large Project Authorization under Planning Code Section 329. In addition, any such project shall require the following:

**1. Application.** As part of the Conditional Use Permit or Large Project Authorization application, the applicant shall include, either in the application materials or in a supplement to the application, information regarding:

- (a) whether any of the new units in the Proposed Project:
  - (i) would be subject to the residential rent-control provisions of the San Francisco Rent Stabilization and Arbitration Ordinance, San Francisco Administrative Code Section 37;
  - (ii) are qualified replacement units to be occupied by households of low or very low income, under the Government Code section 65915(c)(3) (the State Density Bonus Law); and;
  - (iii) are designated BMR units for the purposes of meeting the City's Inclusionary Housing requirements under Section 415 of the Planning Code; or

(b) Describe how the Project addresses the loss of the rent-controlled units, including but not limited to whether the project proposes to construct new rental units.

**2. Findings.** The Commission shall find in making a determination to approve the project that the project meets the majority of the following criteria:

- (i) the property is free of a history of serious, continuing Code violations;
- (ii) the housing has been maintained in a decent, safe, and sanitary condition;
- (iii) that the project does not convert rental housing to other forms of tenure or occupancy.
- (iv) the project conserves existing housing to preserve cultural and economic neighborhood diversity;

- (v) the project conserves neighborhood character to preserve neighborhood cultural and economic diversity;
- (vi) the project protects the relative affordability of existing housing;
- (vii) the project increases the number of permanently affordable units as governed by Section 415;
- (viii) the project increases the number of family-sized units on-site;

**B. Medium Projects.** Any project that is between 25,000 and 75,000 gross square feet of non-residential use or has between 25-75 residential units shall require a Large Project Authorization under Planning Code Section 329, unless the project is already required to obtain a Conditional Use Authorization under Planning Code Section 303, in which case the additional required information shall be considered by the Planning Commission in its deliberation on the Conditional Use Authorization.

1. **Application Information:** The applicant shall include in its application for a Large Project or Conditional Use Authorization materials or in a supplement to its application information related to the following topics:

(a) **Total Housing Production:** i) The maximum allowable dwelling unit density the site could accommodate, ii) the density of the proposed project, and iii) an evaluation of the approximate number of future residents the proposed project would house – add or change the net supply of housing for all income levels and types of texture.

(b) **Affordable Housing Production:** Discuss whether additional affordable housing could be provided on the site, through the availability of public financing or financial incentives, or through use of the State Density Bonus Law, Government Code Section 65915 or other applicable affordable housing incentive program, to provide an economic incentive or financial support for additional affordable units on the site.

(c) **Housing Preservation:** Existing housing on the project site that will be retained or demolished in terms of occupancy types, relative affordability, adaptability, rent-control and other tenant-features.

(d) **Tenant Displacement:** Whether the Rent Board has recorded a history of evictions or buyouts on the property and information on Ellis Act and Owner Move-In (OMI) evictions within a quarter mile from the project.

(e) **Nearby Development:** Proposed and recent development in the project's vicinity, to be defined as within 1/4 mile radius of the project site. For the purposes of this review, past development projects shall include anything under construction or built within the last five (5) years and proposed development shall include any proposed project that has submitted an application or a preliminary project assessment (PPA) to the Planning Department.

2. **Additional Information for Displacement, Demolition or Conversion of Certain Uses.** If the non-PDR project would displace, demolish or convert Assembly, Recreation,

Arts and Entertainment, Light Manufacturing, Auto Repair, Trade Shops or Institutional uses<sup>1</sup> in any zoning district, the application shall include the following information:

(a) **Relocation assistance in non-PDR zoning districts:** In zoning districts other than PDR districts, discuss the existing or last-known Assembly, Recreation, Entertainment, PDR or Institutional tenants, for the last-known tenants the information required would be limited to uses that have been operating within three (3) years prior to the entitlement date of the project, and disclose whether the tenant has relocated or relocation benefits have been or will be provided.

(b) **Findings for Businesses and Community Building-Uses:** If the existing Assembly, Recreation, Entertainment, PDR or Institutional tenants have not been relocated or offered relocation benefits then the applicant shall provide the Planning Commission with additional information regarding potential impacts to the community and benefits of the project, including:

(i) **Inventory of Similar Uses.** Whether any other existing business similar to the use type being demolished or removed exist within a mile radius from the project; and

(ii) **Non-Residential Displacement.** Discuss whether any existing businesses or non-profit organizations will not be retained in the proposed project, or offered an opportunity to lease space in the proposed project, in terms of length of lease, number of employees, whether any such businesses are minority-owned or a non-restaurant or bar use, and whether the proposed new businesses on site will be formula retail. Discuss whether a commercial tenant has been displaced through rent increases or lack of lease renewal in the last 12 months.

**C. Large Projects.** Any project that includes more than 75,000 gross square feet of non-residential uses or includes more than 75 dwelling units shall require Conditional Use authorization under Planning Code Section 303(c). An application for conditional use shall include the following information:

1. **Demographic Changes:** Provide information about the socio-economic characteristics of the neighborhood and evaluate the types of residents and businesses the project will cater to (demographics and general price points of the businesses and housing).
2. **Economic Pressure:** Provide information about the additional housing supply provided by the project and evaluate how that may affect the rate of evictions (direct displacement) within the neighborhood.
3. **Total Housing Production:** Provide information about i) the maximum allowable dwelling unit density the site could accommodate and ii) the density of the proposed

<sup>1</sup> As defined for each use respectively in the Planning Code: Arts Activity Section 102, Amusement Arcade 790.4 and 890.4, Movie Theater 102, 790.64 and 890.64, Community Facility 102, 790.50, 890.50; Auto Repair 890.15 and 790.15; Child Care Facility 102, 790.50, 790.51, 890.50 (b); Entertainment General & Other 102, 790.4, 890.4, 790.38, 890.37; Light Manufacturing 890.54(a); Recreation Building 843.62; Educational Services 790.50 (c) and 890.50(c), Religious Institution or Facility 102, 790.50(d), 890.50(a&d); Entertainment, other 890.37; Entertainment, General, 102; Entertainment, Arts and Recreation Uses, 102; Trade Shops 890.124 and 790.124; and Institution, other (Job Training) 890.50(f).

project, then iii) evaluate the approximate number of future residents the proposed project would house – add or change the net supply of housing for all income levels and types of tenure:

4. **Affordable Housing Production:** Provide information about whether additional affordable housing could be provided on the site, through the availability of public financing or financial incentives, or through use of the State Density Bonus Law, Government Code Section 65915 or other applicable affordable housing incentive program to provide an economic incentive or financial support for additional affordable units on the site.
5. **Housing Preservation:** Provide information about existing housing on the project site in terms of occupancy types, relative affordability, adaptability, rent-control and other tenant-features.
6. **Tenant Displacement:** Provide information about whether the Rent Board has recorded a history of evictions or buyouts on the property and information on Ellis Act and Owner Move-In (OMI) evictions from properties directly adjacent to the project.
7. **Additional Information for Displacement, Demolition or Conversion of Certain Uses.** If the project would displace, demolish or convert Assembly, Recreation, Arts and Entertainment, Light Manufacturing, Auto Repair, Trade Shops or Institutional uses<sup>2</sup> in any zoning district in making its Conditional Use Authorization Application, the application shall include the following analysis:
  - (a) **Relocation assistance in non-PDR zoning districts:** In zoning districts other than PDR districts, provide information about the existing or last-known Assembly, Recreation, Entertainment, PDR or Institutional tenants, for the last-known tenant the information required would be limited to uses that have been operating within three (3) years prior to the entitlement date of the project, and disclose whether the tenant has relocated or relocation benefits have been or will be provided.
  - (b) **Businesses and Community Building-Uses.** If the existing Assembly, Recreation, Entertainment, PDR or Institutional tenants have not been relocated or offered relocation benefits then the applicant shall provide information regarding potential impacts to the community and benefits of the project as described below:

<sup>2</sup> As defined for each use respectively in the Planning Code: Arts Activity Section 102, Amusement Arcade 790.4 and 890.4, Movie Theater 102, 790.64 and 890.64, Community Facility 102, 790.50, 890.50; Auto Repair 890.15 and 790.15; Child Care Facility 102, 790.50, 790.51, 890.50 (b); Entertainment General & Other 102, 790.4, 890.4, 790.38, 890.37; Light Manufacturing 890.54(a); Recreation Building 843.62; Educational Services 790.50 (c) and 890.50(c), Religious Institution or Facility 102, 790.50(d), 890.50(a&d); Entertainment, other 890.37; Entertainment, General, 102; Entertainment, Arts and Recreation Uses, 102; Trade Shops 890.124 and 790.124; and Institution, other (Job Training) 890.50(f).

(c) **Jobs & Economic Profile.** An analysis of the economic and fiscal impact of the proposed project. Towards this end, the application shall include an analysis of the loss of the existing use compared to the benefit of the proposed use, including an estimate, if known, of permanent job creation and/or job retention in the community of the proposed use compared to the existing use and associated wages and benefits for both;

(d) **Available Space in the Mission.** Discuss whether sufficient vacant space for the use type being demolished or removed exists in the neighborhood; and

(e) **Affordability of Community-Building Uses.** Provide an assessment of the affordability of community-building uses. Community-building uses shall include but not be limited to arts, nonprofit services and childcare uses. This assessment should discuss the nature of the community-building uses, the affordability of the uses and the amount of space provided for such uses on the existing site compared to similar uses associated with the proposed project, if any.

(f) **Non-Residential Displacement.** Discuss existing businesses or non-profit organizations that will not be retained in the proposed project, or offered an opportunity to lease space in the proposed project, in terms of length of lease, number of employees, whether any such business is minority-owned or a non-restaurant or bar use, and whether the proposed new businesses on site will be formula retail. Discuss whether a commercial tenant has been displaced through rent increases or lack of lease renewal in the last 12 months.

**D. Restaurants.** Any change of use to a restaurant from any other use shall require a Conditional Use Authorization under Planning Code Section 303.

**V. ANALYSIS REQUIRED & STAFF REVIEW.** The information required above shall be based upon independent study by a qualified professional. Studies that have been completed within 24 months from the date of the project's scheduled hearing at the Planning Commission and that are specific to San Francisco and Mission District conditions are preferable. Existing studies that may be used include but shall not be limited to "Potential Effects of Limiting Market-Rate Housing in the Mission" by the San Francisco Office of Economic Analysis, the "Housing Inventory," "Displacement in the Mission District" by the Budget and Legislative Analyst's Office or other publications by the San Francisco Planning Department or publications that are part of the "The Urban Displacement Project" a research and action initiative of UC Berkeley in collaboration with researchers at UCLA, community based organizations, regional planning agencies and the State of California's Air Resources Board.

Planning Department staff shall review the information provided by the applicant as described above and provide an assessment of the information. The Commission shall consider the staff analysis, where appropriate for the underlying entitlement. Specifically, for Large Project Authorizations subject to Section 329, Planning Department staff should use this information in the evaluation of Section 329(c)(9) and for a Conditional Use Authorization, in the evaluation of Section 303(c).

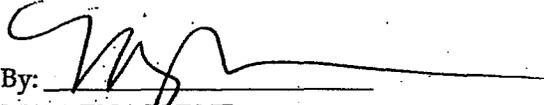
#### **VI. PRE-APPLICATION MEETINGS.**

The Planning Director will encourage staff to attend required pre-application meetings, especially for large projects, in the area to review proposals early in the process and listen to comments made by the public about the project early on.

**VII. EFFECTIVE DATE.**

This modification of the Interim Controls contained here shall apply immediately to all projects that have not received a required entitlement or approval from the Planning Department, Zoning Administrator, or Planning Commission by March 2, 2017.

APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

By:   
MARLENA BYRNE  
Deputy City Attorney

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on \_\_\_\_\_.

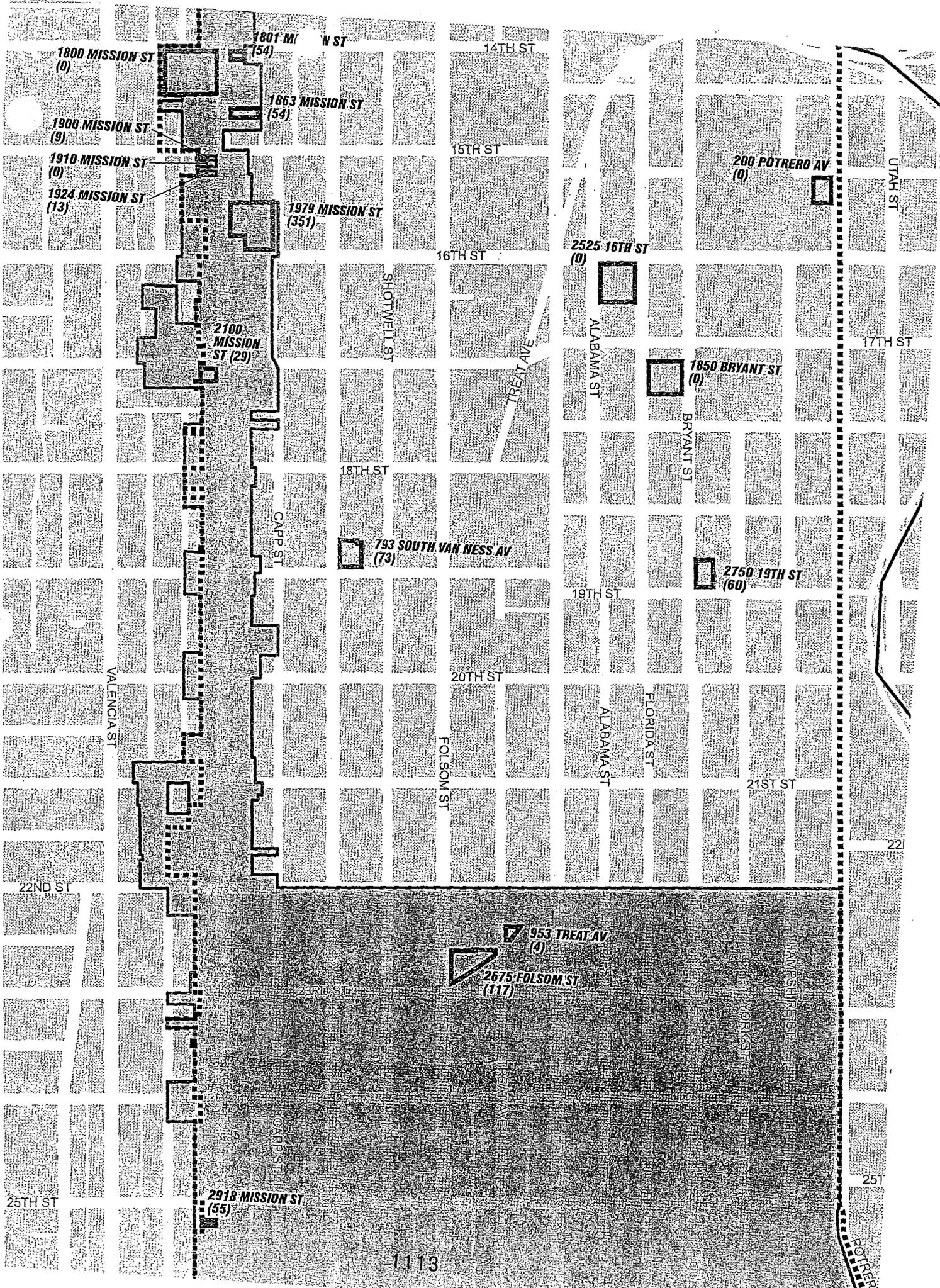
Jonas P. Ionin  
Commission Secretary

AYES:

NOES:

ABSENT:

Exhibit A: Map of proposed revised Mission 2016 Interim Controls Area



1800 MISSION ST  
(0)

1900 MISSION ST  
(9)

1910 MISSION ST  
(0)

1924 MISSION ST  
(13)

1801 MISSION ST  
(54)

1863 MISSION ST  
(54)

1979 MISSION ST  
(351)

2100 MISSION ST  
(29)

793 SOUTH VAN NESS AV  
(73)

2525 16TH ST  
(0)

1850 BRYANT ST  
(0)

2750 19TH ST  
(60)

953 TREAT AV  
(4)

2675 FOLSOM ST  
(117)

2918 MISSION ST  
(55)



# SAN FRANCISCO PLANNING DEPARTMENT

## Planning Commission Resolution No. \_\_\_\_\_

HEARING DATE: MARCH 2, 2017

1650 Mission St.  
Suite 400  
San Francisco,  
CA 94103-2479

Reception:  
415.558.6378

Fax:  
415.558.6409

Planning  
Information:  
415.558.6377

*Project Name:* Mission Action Plan 2020 (MAP2020) – PDR-Related Planning Code & Zoning Map Amendments

*Case No.:* 2015-000988PCA MAP [Board File No. 170156]

*Initiated by:* Mayor Edwin M Lee, Supervisor Hillary Ronen  
Introduced February 6, 2017

*Staff Contacts:* John M. Francis, Project Manager/Planner  
(415) 575-9147 | john.francis@sfgov.org

*Reviewed By:* AnMarie Rodgers, Senior Policy Advisor

*Recommendation:* Approval, with modifications

**RESOLUTION** Recommending Approval with modifications to the Board to amend the Planning Code and Zoning Map to prohibit Gym and Massage uses in the Production, Distribution, and Repair (PDR) zoning districts, eliminate the Transit-Oriented Retail Special Use District, which includes all parcels in PDR districts along 16th Street from Mission Street to Potrero Avenue, and adjust the height limits on certain parcels in the Urban Mixed Use (UMU) District to allow for ground floor PDR uses; affirming the Planning Department’s determination under the California Environmental Quality Act; and making findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code Section 302.

### PREAMBLE

WHEREAS, on February 6, 2017 Mayor Lee and Supervisor Ronen introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 170156, which would prohibit Gym and Massage uses in the Production, Distribution, and Repair (PDR) zoning districts, eliminate the Transit-Oriented Retail Special Use District, which includes all parcels in PDR districts along 16th Street from Mission Street to Potrero Avenue, and adjust the height limits on certain parcels in the Urban Mixed Use (UMU) District to accommodate adequate ceiling height for ground floor PDR uses; and

WHEREAS, the same conditions observed in the Mission District over 15 years ago that justified enacting interim land use controls to reduce the displacement of Production, Distribution and Repair (PDR) or light-industrial uses and began the rezoning and community planning process to turnover some industrial land for housing production at higher affordable levels persist today; and

WHEREAS, the Mission neighborhood has been the subject of various planning efforts by the City and the community over the past sixteen years or more, most recently the People’s Plan for Housing and Jobs,

the City's Mission Area Plan adopted in 2009 as part of the Eastern Neighborhoods Area Plans, the Mission Street Heights Study in 2006, and currently the Mission Action Plan 2020; and

WHEREAS, since 1994, the City has recognized the effect of market forces and changing land use patterns upon the viability of light industrial activity and residential affordability in the Mission District. For example the Planning Commission and/or Board of Supervisors found the following:

1995 Planning Commission Resolution Number 13794:

- Proposals for housing and live/work developments, both new construction and conversion of former industrial buildings are increasingly being proposed in industrially zoned districts.
- There are other strategies that could be explored to promote both appropriate housing locations and industrial stability and the opportunity for economic development, such as the "swapping" of opportunity sites.

1999 Planning Commission Resolution 14861:

- Interim controls [are required] to temporarily eliminate the threat to the supply of industrially zoned land and building space available to PDR businesses, while providing adequate space and direction for the location of residential and live/work development.

2001 Planning Commission Resolution 16202:

- Office and live/work housing uses began to compete with PDR uses for land and building space in large part because market pressures favored this type of development.
- As a result of this, the supply of industrially zoned land and building space available to PDR uses was expected to continue to diminish in the future unless protected.

2001 Board of Supervisors Resolution 518-01

- There was a 41% increase in average commercial lease rates in the Mission District between 1997-1999.
- It is necessary to create a "community service" use category, which allows nonprofits, arts activities and community-serving small businesses to be located where commercial uses, which do not provide direct services to Mission District residents, may be inappropriate.

2004 Planning Commission Resolution 16727:

- The General Plan calls for a balanced economy in which good paying jobs are available for the widest breadth of the San Francisco labor force.
- Arts activities—a thriving element of San Francisco that contributes to tourism and attracting new businesses and new industries to this city—are also in need of attention/protection.

WHEREAS, in response to these findings, the Commission authorized the launching of the Eastern Neighborhoods Plans (EN Plans) in 2001 through Resolution Number 16201; and

WHEREAS, the EN Plans, a large scale community planning effort encompassing four neighborhoods including the Mission District, sought to balance the need for residential and the growth of office development with the need to preserve land for PDR activities; and

WHEREAS, The purpose of MAP2020 is to retain low to moderate income residents and community-serving businesses and nonprofits in order to preserve the socioeconomic diversity of the Mission neighborhood.

WHEREAS, The objectives of MAP2020 are as follows:

- Maintain the socio-economic diversity of the neighborhood by stabilizing the low and moderate income households at 65 percent of the total or growing the 2015 absolute amount of those households.
- Stem the loss of and promote community businesses, cultural resources, and social services serving low to moderate income households.
- Retain and promote Production, Distribution and Repair (PDR) and other high-paying jobs for entry level and limited skilled workers.
- Increase economic security by strengthening educational and economic pathways and job opportunities for low to moderate income individuals and families, especially those without a college education.

WHEREAS, members of the Mission community, Planning Department staff, and other San Francisco City staff from the Office of Mayor Ed Lee, the Office of District 9 Supervisor, the Office of Economic and Workforce Development, Mayor's Office of Housing, the Rent Board, and the Building Department among others created a compendium of over fifty tenant protections, housing, economic development and other tools to advance the goals and objectives of MAP2020; and

WHEREAS, the Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

## FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. Eight years after the adoption of the EN Plans many of the same conditions observed in the past persist, without any indication of their easing. This situation compels continued action on the part of the City.
2. There is robust demand for PDR space while there continues to be some encroachment of illegal office in PDR zoned areas.
3. Planning Department and other City staff have been working with many community members on the Mission Action Plan (MAP) 2020 for the last two years to craft additional strategies to help

- stem the displacement and loss of low to moderate income households and the businesses, arts and organizations that serve them;
4. The Mission Action Plan (MAP) 2020 is a collaboration, initiated by the community, between community organizations and the City of San Francisco to create more housing and economic stability in the Mission.
  5. The process involved several focus groups, two large community meetings, and various individual meetings and presentations with other key and interested stakeholders over the two-year period, during which community participants voiced the need to protect and strengthen the Mission's socio-economic diversity and to continue to increase affordable housing options as a key priority.
  6. The proposed legislation is intended to further preserve and promote PDR uses by reducing pressures from competing non-PDR uses, allowing new forms of PDR cross-subsidization, and adjusting allowable building heights within the Urban Mixed Use zoning district in order to create viable ground-floor spaces for PDR businesses and expand the opportunities for PDR uses.
  7. The Mission is a central and desirable location in San Francisco that will continue to face substantial economic development pressure to change; and
  8. **General Plan Compliance.** The proposed Ordinance and the Commission's recommended modifications are consistent with the following Objectives and Policies of the General Plan listed below (*Commission application of the policy shown in italics*):

## COMMERCE & INDUSTRY ELEMENT

### OBJECTIVE 2

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

#### Policy 2.1

Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

*The proposed Ordinance will retain existing and attract new PDR (light industrial) activity to the city by helping to preserve and create new spaces for PDR businesses and reducing competition for space with other land uses.*

### OBJECTIVE 3

PROVIDE EXPANDED EMPLOYMENT OPPORTUNITIES FOR CITY RESIDENTS, PARTICULARLY THE UNEMPLOYED AND ECONOMICALLY DISADVANTAGED.

#### Policy 3.1

Promote the attraction, retention and expansion of commercial and industrial firms which provide employment improvement opportunities for unskilled and semi-skilled workers.

*The proposed Ordinance will retain existing and attract new PDR (light industrial) activity to the city by helping to preserve and create new spaces for PDR businesses and reducing competition for space with*

*other land uses. These businesses will provide employment improvement opportunities for unskilled and semi-skilled workers.*

**OBJECTIVE 4**

IMPROVE THE VIABILITY OF EXISTING INDUSTRY IN THE CITY AND THE ATTRACTIVENESS OF THE CITY AS A LOCATION FOR NEW INDUSTRY.

**Policy 4.5**

Control encroachment of incompatible land uses on viable industrial activity.

*The proposed Ordinance will eliminate some non-PDR uses from PDR districts, thereby reducing competition for affordable space between PDR and other uses and protecting viable light industrial activity.*

**Policy 4.11**

Maintain an adequate supply of space appropriate to the needs of incubator industries.

*The proposed Ordinance will reduce competition for affordable space between PDR uses and other uses in PDR districts in order to help preserve incubator industries such as light manufacturing that depend on relatively inexpensive space.*

**MISSION AREA PLAN**

**OBJECTIVE 1.1**

STRENGTHEN THE MISSION'S EXISTING MIXED USE CHARACTER, WHILE MAINTAINING THE NEIGHBORHOOD AS A PLACE TO LIVE AND WORK.

**Policy 1.1.1**

Revise land use controls in some portions of the Northeast Mission Industrial Zone to stabilize and promote PDR activities, as well as the arts, by prohibiting construction of new housing and limiting the amount of office and retail uses that can be introduced. Also place limitations on heavier industrial activities which may not be appropriate for the Mission.

*The proposed Ordinance will help to stabilize and promote PDR activities in the Northeast Mission Industrial Zone by reducing the amount of retail permitted in the area through elimination of the Transit-Oriented Retail Special Use District.*

**OBJECTIVE 1.3**

INSTITUTE FLEXIBLE "LEGAL NONCONFORMING USE" PROVISIONS TO ENSURE A CONTINUED MIX OF USES IN THE MISSION.

**Policy 1.3.1**

Continue existing, legal nonconforming rules, which permit pre-existing establishments to remain legally even if they no longer conform to new zoning provisions, as long as the use was legally established in the first place.

*The proposed Ordinance will not affect legal nonconforming rules and uses that become legal conforming as a result of the Ordinance will continue to be subject to existing rules.*

**OBJECTIVE 1.7**

**RETAIN THE MISSION'S ROLE AS AN IMPORTANT LOCATION FOR PRODUCTION, DISTRIBUTION AND REPAIR (PDR) ACTIVITIES.**

**Policy 1.7.1**

In areas designated for PDR, protect the stock of existing buildings used by, or appropriate for, PDR businesses by restricting conversions of industrial buildings to other building types and discouraging the demolition of sound PDR buildings.

*The proposed Ordinance will help protect PDR building stock by reducing the amount of non-PDR uses that are permitted to locate in PDR districts.*

**Policy 1.7.3**

Require development of flexible buildings with generous floor-to-ceiling heights, large floor plates, and other features that will allow the structure to support various businesses.

*The proposed Ordinance will further promote the development of flexible buildings with generous floor-to-ceiling heights by adjusting heights in the Urban Mixed Use district to accommodate them.*

9. **Planning Code Section 101 Findings.** The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

*The proposed Ordinance may impact existing Gym and Massage uses in PDR districts by converting them to legal nonconforming. However, it preserves these uses in numerous other zoning districts and provides new opportunities for gyms to locate in PDR districts as a cross-subsidizing use type.*

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

*The proposed Ordinance may have a beneficial effect on housing and neighborhood character because it seeks to improve the delivery of mixed use developments that include housing. This improves the diversity of the City's neighborhoods.*

3. That the City's supply of affordable housing be preserved and enhanced;

*The proposed Ordinance may help to enhance the City's supply of affordable housing by clarifying Planning Code conflicts that slow down the development of or limit the amount of new housing that can be constructed.*

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

*The proposed Ordinance will not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking as it addresses preservation and promotion of PDR uses.*

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

*The proposed Ordinance will help retain existing and attract new PDR (light industrial) activity to the city by preserving and creating new spaces for PDR businesses and reducing competition for space with other land uses.*

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

*The proposed Ordinance will not have an adverse effect on City's preparedness against injury and loss of life in an earthquake as it addresses preservation and promotion of PDR uses.*

7. That the landmarks and historic buildings be preserved;

*The proposed Ordinance will not have an adverse effect on the preservation of the City's Landmarks and historic buildings as it addresses preservation and promotion of PDR uses.*

8. That our parks and open space and their access to sunlight and vistas be protected from development;

*The proposed Ordinance will not have an adverse effect on the City's parks and open space and their access to sunlight and vistas as it addresses preservation and promotion of PDR uses.*

10. **Planning Code Section 302 Findings.** The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

**THEREFORE BE IT RESOLVED**, that the Planning Commission recommends approval with modifications to the Board of the legislation protecting and promoting PDR.

*[NOTE: Recommendations for modification to the component of the proposed ordinance related to height adjustment in the UMU district are under development and will be presented to the Commission, along with corresponding amendments to this Draft Resolution, at the hearing on March 2. The intent of these modifications will be to address recent community communication related to the utilization of the additional proposed height by clarifying how it will be applied to the ground floor of new projects.]*

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on \_\_\_\_.

Jonas P. Ionin  
Acting Commission Secretary

AYES:

NAYS:

ABSENT:

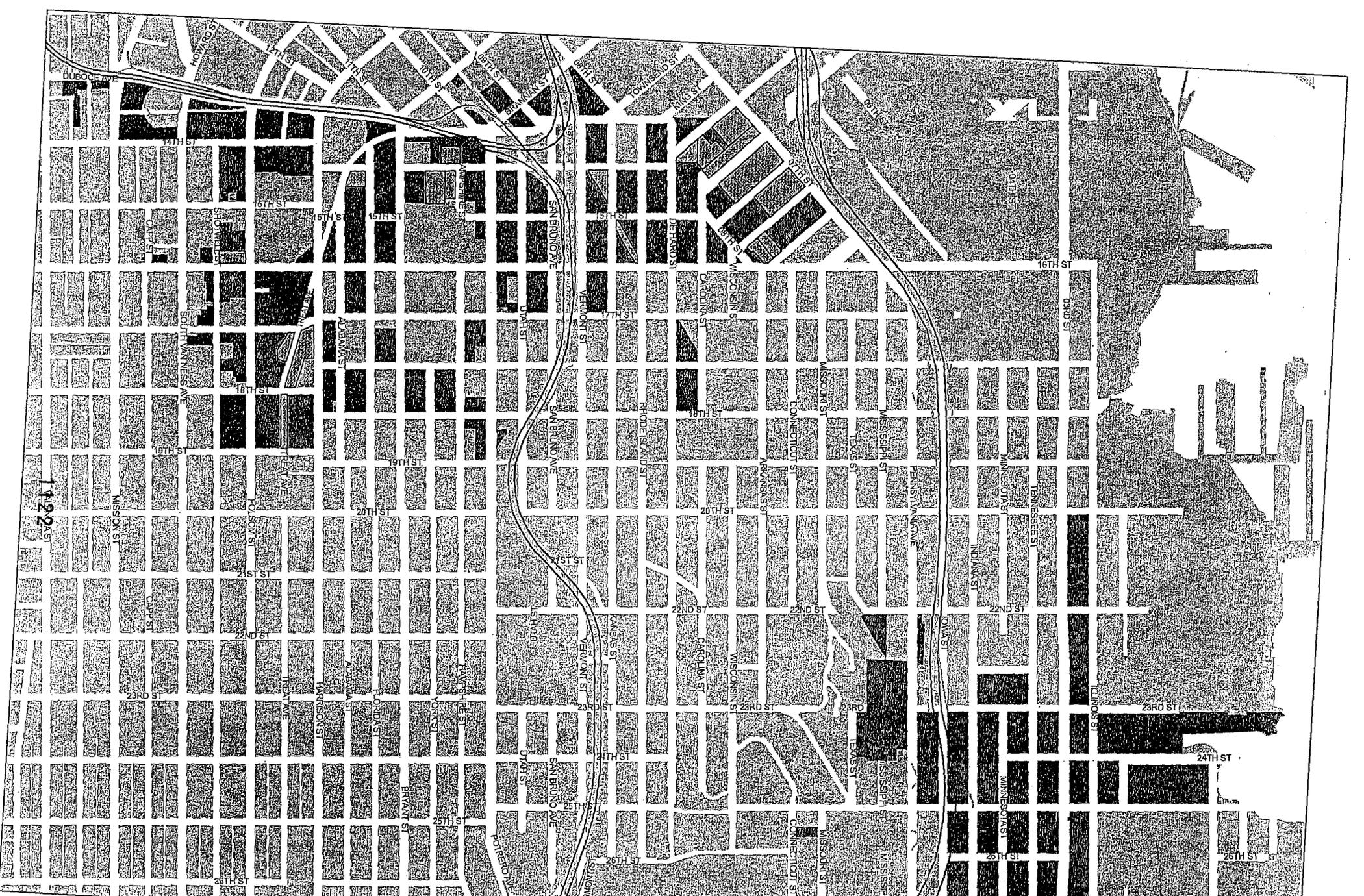
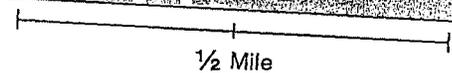
ADOPTED:

# SAN FRANCISCO

Potential Sites for PDR  
Cross-Subsidy

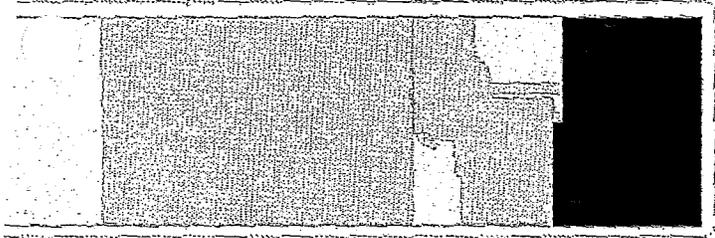
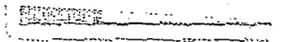
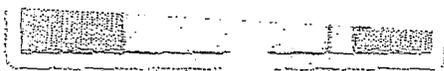
-  Potential Development Sites
-  Other sites in PDR-1-G and PDR-1-D Districts

- Potential Development Sites are:
- In PDR-1-G or PDR-1-D Districts, and
  - Have an FAR less than 0.3, and
  - North of 20th Street, and
  - Over 20,000 square feet by themselves or in combination

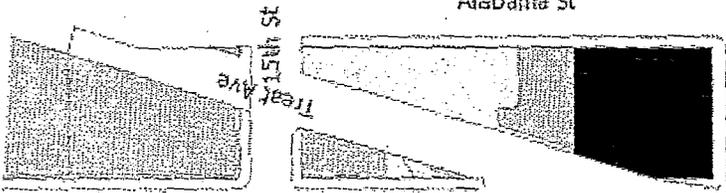
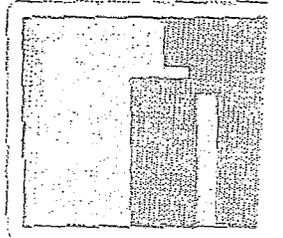
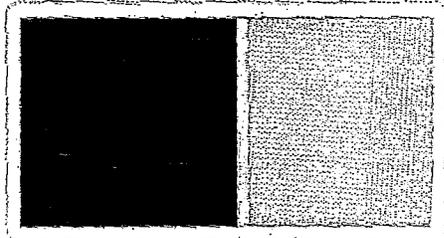




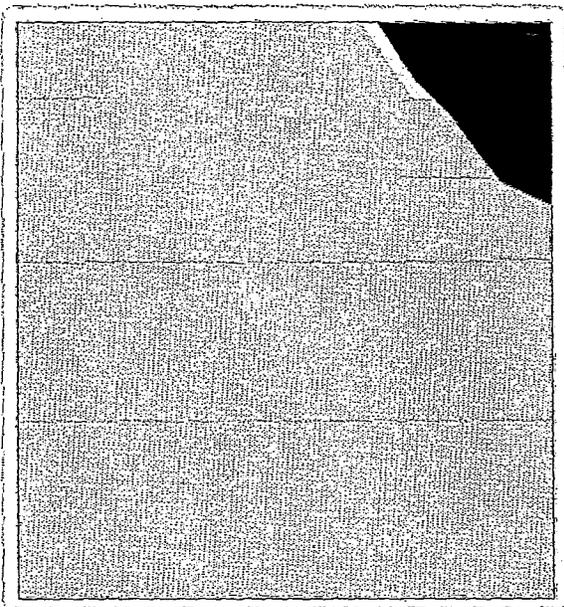
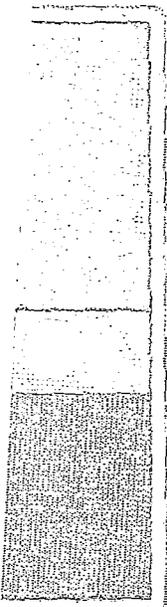
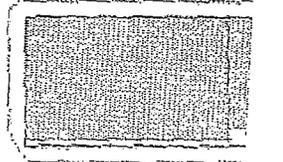
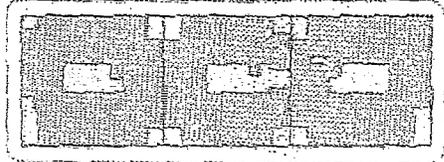
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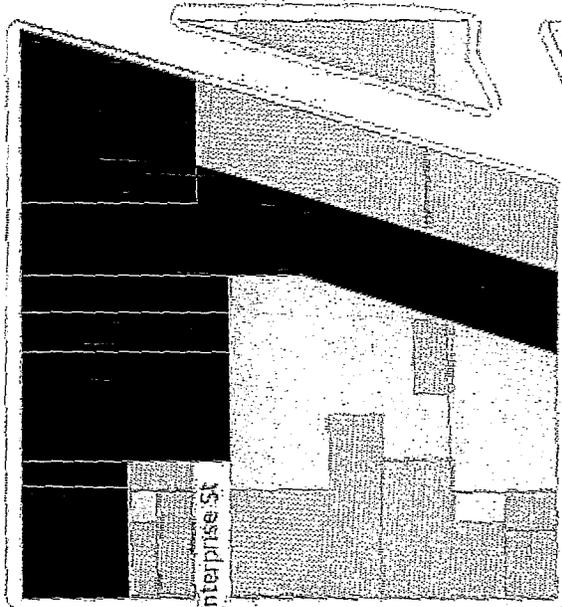
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Harrison St

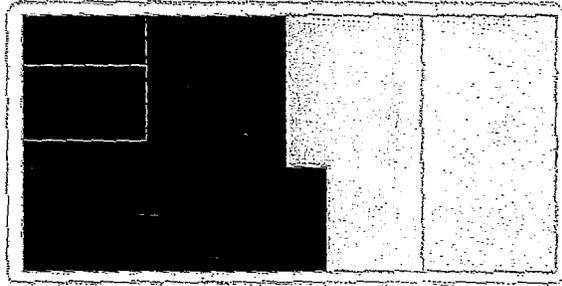
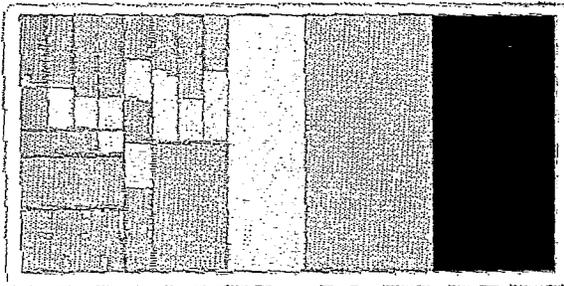
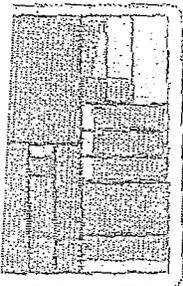


16th Street



Folsom St

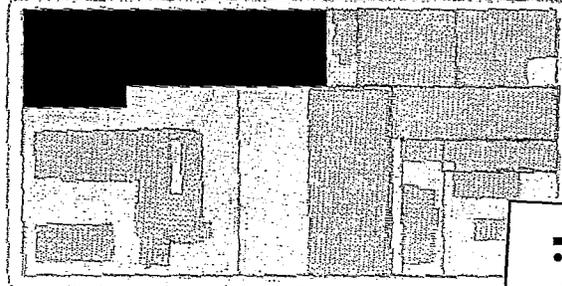
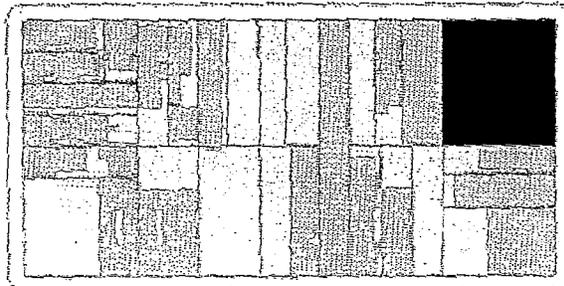
Folsom St



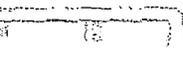
17th St



Shotwell St



South Van Ness

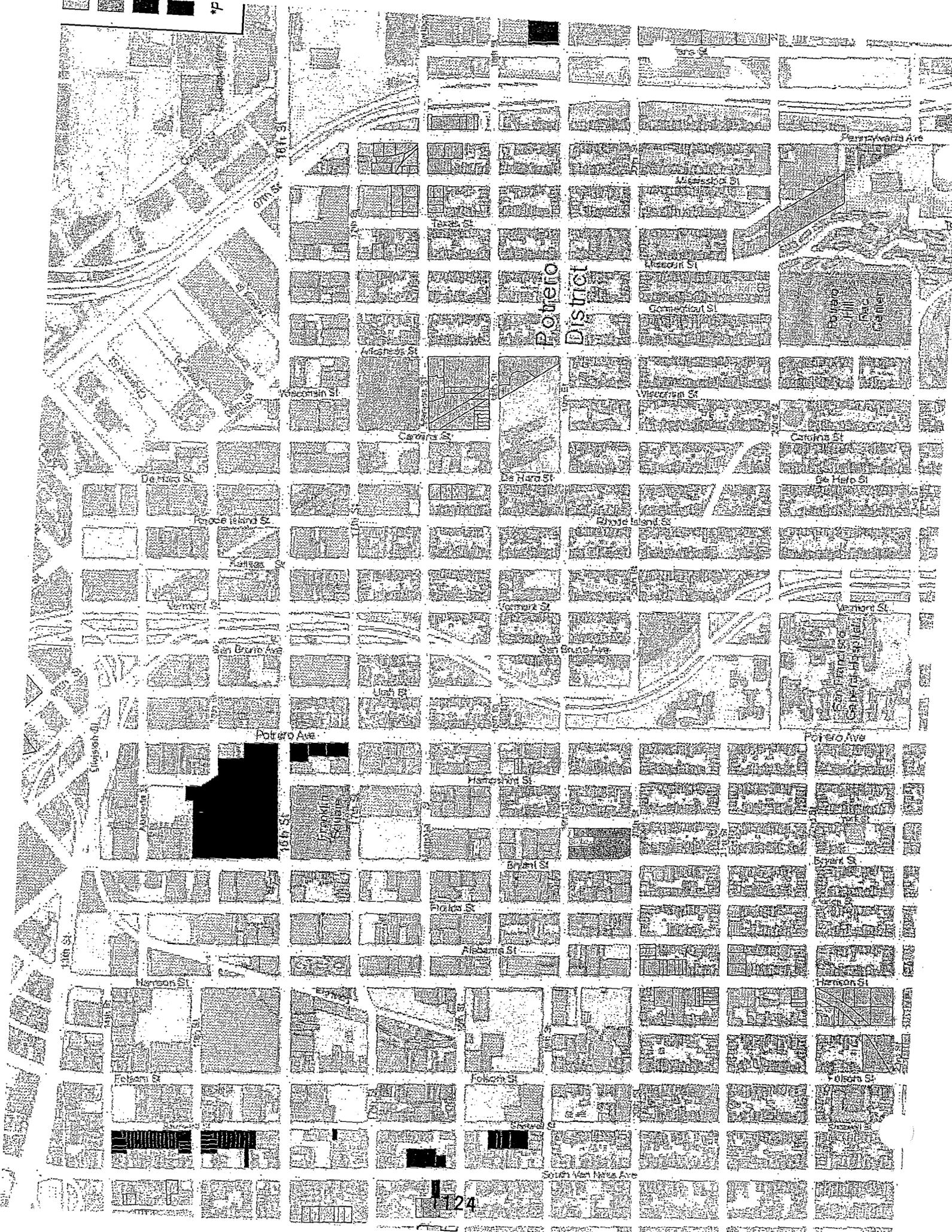


1123



and Retail  
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Potrero District



February 22, 2017

Rich Hillis, Commission President  
Dennis Richards, Commission Vice-President  
Rodney Fong, Commissioner  
Christine D. Johnson, Commissioner  
Joel Koppel, Commissioner  
Myrna Melgar, Commissioner  
Kathrin Moore, Commissioner

San Francisco Planning Commission  
1650 Mission Street, Suite 400  
San Francisco, CA 94103

Re: Planning Code "Correcting" Height Limits in the UMU District

(Submitted by email and for inclusion in the 3/2/17 Planning Commission packet)

Dear Planning Commissioners:

We recently learned of a proposed package of zoning changes promoted by Supervisor Ronan and Mayor Lee intended to augment the goals of Mission 2020. While we are in full support of Mission 2020, as well as robust protections for PDR, we believe that the provision to upzone height limits in UMU districts in the Potrero Hill and Dogpatch neighborhoods is misguided. It will do nothing to encourage PDR in our two neighborhoods and may have unintended consequences throughout the Eastern Neighborhoods. Furthermore we strongly disagree with the characterization that current height limits set during the Eastern Neighborhoods Planning process were "inadvertent".

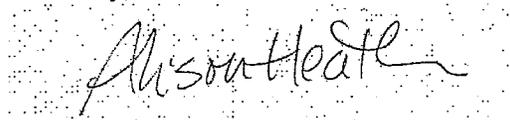
As you are aware, Proposition X excluded all of District 10 and there are no requirements for PDR in UMU zoning in Potrero and Dogpatch. The purported intention of the proposed ordinance is encouragement of PDR with a "bump up" to accommodate 17' non-residential uses at the ground level. However, as currently drafted, the ordinance creates a potential loophole that would allow a 40' property to go to 48' with only a shallow retail or restaurant space at the front, an additional fifth residential floor squeezed in behind, and no PDR whatsoever. This is exactly what happened when 88 Arkansas was approved last year. Without a full floor requirement specifically for PDR, the possibility that others will exploit this loophole remains.

The ordinance is described as a "correction" to zoned heights that were "inadvertently" put in place back in 2008. Nothing could be further from the truth. Many neighbors in Potrero Hill and Dogpatch actively and diligently participated in the Eastern Neighborhoods community planning and rezoning process over a period of years. There was a particular focus on the Plan's implementation and impacts in lower Potrero Hill. The community worked closely with Planning to keep the specific UMU parcel heights cited in the current proposal at 40'. The 40' height limits were not some "inadvertent" oversight. They were intentional and represented community consensus and compromise reached after a long, diligent process.

The Potrero Hill and Dogpatch parcels targeted in the current proposal (see attached map with RH parcels highlighted in blue) are immediately adjacent to properties that are overwhelmingly one to three story RH-2 and RH-3 residences. One of the parcels is adjacent to Saint Gregory's Church. As you may recall, the Church came before the Commission over concerns that at 40', the project proposed for the parcel directly south of the Church would compromise the light within the church. Imagine the impacts of a 48' building. Likewise the 1601 Mariposa development is expected to partially shadow Jackson Park. A bump-up to 48' would increase these impacts. Simply put, context matters.

We understand that the ordinance will be in front of the Board of Supervisors with a recommendation from the Commission. We ask that District 10 be exempted from the ordinance, or that the UMU bump up provision be removed entirely from the package. This would allow the Retail SUD and Gym/Massage sections to move forward while allowing time to craft a more thoughtful and effective proposal to encourage PDR in UMU zones.

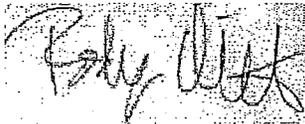
Sincerely,



Alison Heath  
Grow Potrero Responsibly

*Jude Deckenbach*

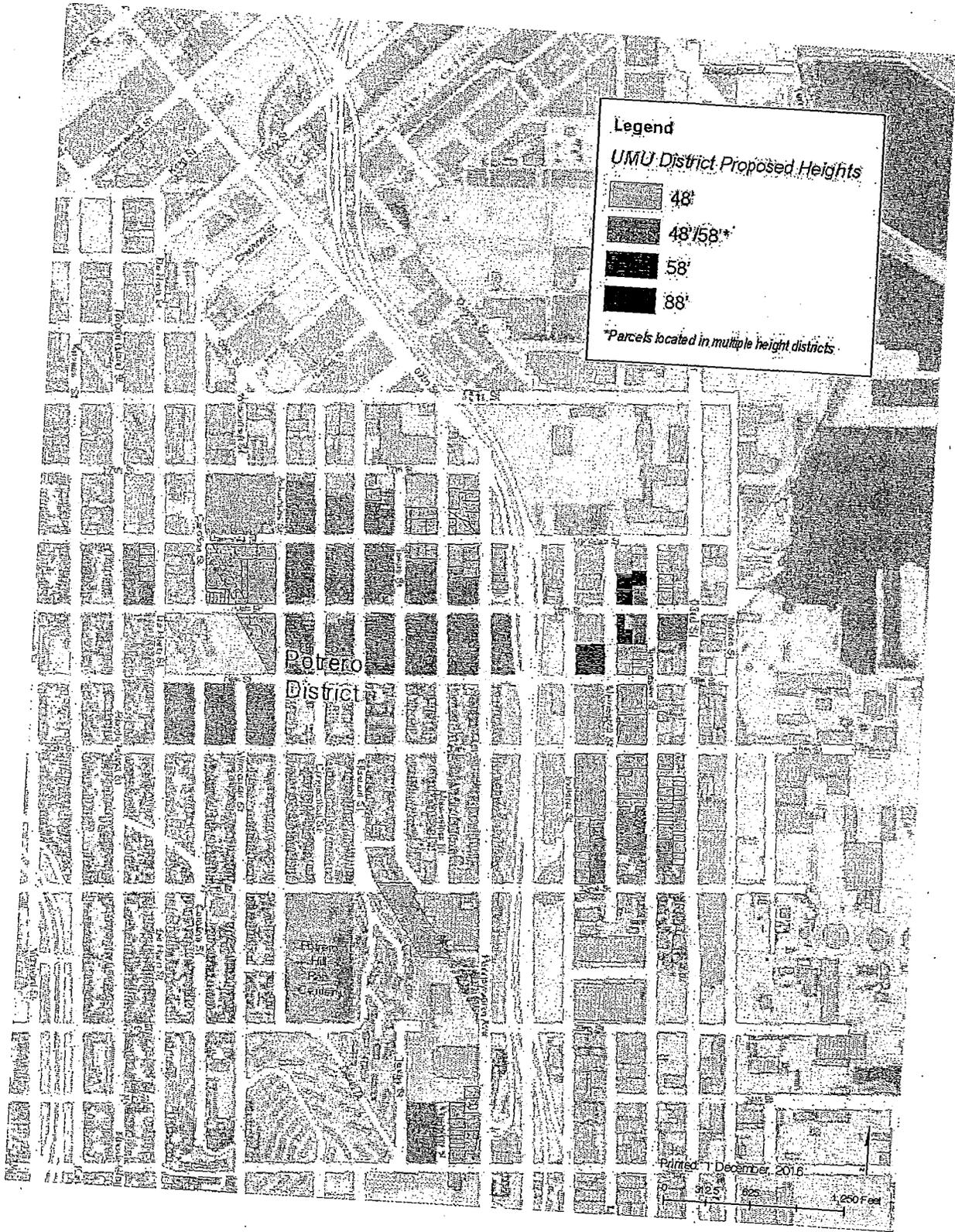
Jude Deckenbach  
Friends of Jackson Park



Rod Minott  
Save the Hill



JR Eppler  
Potrero Boosters Neighborhood Association



February 20, 2017

San Francisco Planning Department  
John M. Francis, Planner  
Re: UMU Height Limit Correction

Dear Mr. Francis:

I am writing this letter in protest of the Zoning Map Amendment #2015-0009888MAP that would allow building heights to increase from 40 feet to 48 feet in the Lower Potrero Hill and Dogpatch neighborhoods.

Recently we have seen gigantic new developments in our area as high as 60 feet due to add-ons to accommodate rooftop mechanical penthouses. Our area is heavily populated by single-family and two to three unit residences and we need HEIGHT LIMITATIONS to allow sunlight into windows and yards, to lessen the negative impact of shadows and to see the sky!

We are a vibrant community of people. You need to stand up for us, not the developers! Builders need to reassess their priorities and find less dense areas for their projects. Don't destroy neighborhoods!

Sincerely,

Yvonne Gavre  
1208 Mariposa St.  
San Francisco, 94107

**Comments Related to the UMU Height Adjustment Proposal Received via Email:**

The proposal by the City to increase building heights in Urban Mixed Use zoning districts would negatively impact Potrero Hill and Dogpatch. I am urging you to exempt the Potrero Hill area from the proposal while supporting its implementation in the Mission District and SOMA.

My family has lived on the Hill for over 100 years. We have seen and endured through all the neighborhood changes...good and bad. The Hill is already turning into a parking lot for UCSF who has not been required to provide sufficient parking for employees. The nature of this area has also lost many of its prized views due to no impact considerations. Thankfully the great weather can not be regulated.

Please use your influence and vote to re-establish Potrero Hill and Dogpatch with limited height restrictions.

Sincerely,

Barbara A Bradley  
331 Missouri Street  
San Francisco CA 94107|  
[Otrpal@aol.com](mailto:Otrpal@aol.com)  
HM 650-355-8335

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Mr. Rahaim, thank you for you response.

It is taking a little time to dissect and digest.

We support PDR and Mission 2020 but this legislation will not guarantee that any PDR will be built on Potrero Hill. The 2008 UMU zoning heights on Potrero Hill were set intentionally. All the 40' parcels are adjacent or in close proximity to RH-zoned properties.

It would seem both appropriate and fair for the City to implement the commitment the City made in the ENP of 2008; such as Infrastructure, transportation, numbers of units projected by 2025 .....

Even unintentionally, cherry picking those issues that appear to favor one side of the process while not honoring the benefits promised makes it more difficult to achieve a good faith collaboration.

The neighborhoods, including the Mission, do not believe the proposed changes are desirable or necessary for Potrero Hill.

We remain open and available for discussions on the merits and need for the changes.

As always it is more productive to collaborate ahead of public hearings as, in many instances, the die appears cast to the neighborhoods by the time of hearings.

Both parties in open discussions will achieve a far better solution.

Regards,

Richard Frisbie

Sent from my iPad

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Hi John, John and Rich

Re: Thurs. 3-2-17 Hearing Planning Commission:

The heights were negotiated in Dogpatch during the Eastern Neighborhoods rezoning and some parcels were limited to 45/50/85 so that the smaller and lower height neighborhood would not be overpowered by looming new buildings. These are buffer zones of height. The heights do not preclude anyone from doing a 17 foot ground level if they want. It just means they have to reconfigure the other floors and yes, it might mean they do not get the extra floor they want, but we need to conserve neighborhood character, light and air. That is an important element of the General Plan and Eastern Neighborhoods Plans. The land use attorneys and developers read the final wording of the codes. They knew full well what the heights and reasons were. And at the now existing heights, they still got higher buildings than the neighbors wanted. Noe that some time has elapsed and many parcels have been bought up there is a sudden "need" to raise heights. Interesting.

This "correction" is not a correction. It is an attempt by some property owners, developers and land use attorneys to make more money on their investments. It does not benefit the neighborhoods at all. It drives up the price of real estate.

As with the extra 8 feet that was given to developers for "retail" ground floor in UMU where heights were raised from 50 to 58, 60 to 68 etc. during the rezoning discussions, supposedly to get quality ground floor retail, in our neighborhood no-one is building retail on ground floor. They are using it to make 2 story loft residential units on ground floor.

This new proposed Code change seems to be of similar nature.

I propose that if a developer is not doing PDR on ground floor, or "retail," as the case may be, they should not get the extra height on the parcel.

What is your reasoning for this change? How many parcels are involved? Developers are buying up formerly PDR for residential in UMU and now you are creating more PDR with more height. What businesses are demanding more height for their PDR? Is there a study? Or any proof that this is needed?

Please let me know what parcels in Dogpatch are proposed to be rezoned. Are there maps and lists available?

Thank you,

Janet Carpinelli

Dogpatch

415 282 5516

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Dear Board of Supervisors and Planning Commissioners,

I am writing to express my outrage about the **height increase proposal** that has grown out of ballot measure, Prop X, that passed last year and was designed to help preserve Production, Distribution and Repair (PDR) businesses in the Mission district, SOMA, and the eastern neighborhoods. Potrero Hill was exempted from the PDR replacement requirements of this ballot measure, BUT there's now a proposal afoot that would allow a number of UMU properties in lower Potrero Hill and Dogpatch to be developed with increased height -- upping the current height limit from 40 feet to 48 feet. Other UMU sites would be allowed to go even higher. Current City Planning codes also allow developers to add on an additional 10 feet to 16 feet or so in height to accommodate roof-top mechanical penthouses, so a 48-foot UMU building could rise more than 64 feet! The UMU sites in lower Potrero Hill are mostly located in areas heavily populated by single-family and two to three unit residences.

I am writing because I am confused as to how the City Planning department claims this height increase in our neighborhood is necessary to accommodate Prop X. Seems like the only production, distribution, and repair (PDR) in this situation is the production of money to line developer pockets, distribution of crowded streets and wholly inefficient infrastructure to handle it, and repair? Really? You're not looking out for the long established neighborhood repair businesses here with this height increase proposal.

I have been a resident of Potrero Hill since 1984. It's an amazing community whose identity is the lovely hills and views and its close-knit neighbors. We agreed to UCSF joining our east side community but now it seems the city is determined to build a wall of high-rises around Potrero Hill. I know we do not own our views, BUT does that mean out-of-state developers do? What is happening to the integrity of our city? I am disappointed and angry at what is already happening in our neighborhood—streets lined with the homeless that get shifted and move back, newly constructed housing that our children will never afford, and even more sad, a stadium and yet

another stadium, and the ultimate poor planning on infrastructure that has led to the nightmare gridlock at the Mariposa Street entrance and exit to 280.

I ask you all to give serious consideration regarding this decision. This is our neighborhood. You are in office to represent us, the people of San Francisco. Please let the people of Potrero Hill know that you're on our side and exempt us from the Prop X (PDR) proposal and any height increases on new development in our and the Dogpatch neighborhood, and keep Prop X to the Mission District and SOMA where it was originally proposed for and voted on.

I thank you for your time in considering this.

Sincerely,

Kitty Quinn-Friel

245 Connecticut Street

San Francisco, CA 94107

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Dear Supervisors Cohen, Peskin, and Ronen —

I'm writing in regard to City Planning's proposed height increase for Urban Mixed Use (UMU) sites. Simply put, this is a disingenuous and wrong-headed proposal for Potrero Hill. Planning is spinning this scheme as a "correction" to zoned heights that were "inadvertently" put in place back in 2008. Nothing could be further from the truth.

Many neighbors here in Potrero Hill (myself included) actively and diligently participated in the Eastern Neighborhoods community planning and rezoning process over a period of years. We were particularly focused on the Plan's implementation and effects in lower Potrero Hill. As part of a community coalition, we worked closely with Planning to keep the specific UMU parcel heights cited in the current proposal at 40 feet on the Hill. In other words, these 40 foot heights were not some "inadvertent" oversight. They were intentional and represented community consensus and compromise reached after a long, diligent process. The Potrero Hill UMU parcels cited in the current proposal (see map below) are immediately adjacent to properties that are overwhelmingly single-family, RH-2, and RH-3 residences. Context matters.

While not appropriate for Potrero Hill, my neighbors and I do support the Mission District and SoMA in their desire for this legislation. I am thankful that the Mission District has come out in support of removing Potrero Hill from this proposal.

On behalf of my neighbors, I urge you to exempt Potrero Hill from the proposed height changes. They are not desirable or necessary.

Regards,

Rod Minott

On behalf of Save The Hill

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The proposal by the City to increase building heights in Urban Mixed Use zoning districts would negatively impact Potrero Hill and Dogpatch. I am urging you to exempt the Potrero Hill area from the proposal while supporting its implementation in the Mission District and SOMA.

My family has lived on the Hill for over 100 years. We have seen and endured through all the neighborhood changes...good and bad. The Hill is already turning into a parking lot for UCSF who has not been required to provide sufficient parking for employees. The nature of this area has also lost many of its prized views due to no impact considerations. Thankfully the great weather can not be regulated.

Please use your influence and vote to re-establish Potrero Hill and Dogpatch with limited height restrictions.

Sincerely,

Barbara A Bradley  
331 Missouri Street  
San Francisco CA 94107  
[Otrpal@aol.com](mailto:Otrpal@aol.com)  
HM 650-355-8335

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John, Richard and Malia,

I hope you are well.

I am writing regarding the proposal by the City to increase building heights in Urban Mixed Use zoning districts.

I am a Potrero resident who has been and assume I will continue to be negatively impacted by the 'build first – hope the city doesn't get ruined' attitude that has been transpiring the last few years.

I have personally witnessed the erosion of my neighborhood and I think the current proposal will continue that decline.

While I understand the city needs to grow, I believe it should do so responsibly.

In Potrero / Dogpatch in particular, I don't think any consideration has been given to traffic / neighborhood changes that are affected by the increase in housing. All of this infrastructure will take years to build and of course it will be impossible if all the space is taken by large buildings.

Please vote against the proposal.

Thanks

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David Goldenberg

246 Texas Street

San Francisco, California 94107

(415) 554-0111

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Hi John,

I live at 147-155 Missouri Street, and would like to comment on the proposed Height Ordinance for the UMU properties in my area (Zoning Map Amendment).

I understand the need for taller ceilings for PDR businesses.

~~However, I would like to ask that the Amendment apply only to those projects in the UMU that include significant PDR space.~~

Several projects near me, for example 131 Missouri Street and others approved or in the pipeline, include 100% housing and no PDR.

Housing only projects in the UMU should not be up-zoned for future nonexistent PDR. And perhaps there should be a minimum square footage or a minimum percentage of the ground floor area for the PDR component so that developers don't simply include some on paper as a throw away to get the additional height. And/ or close the loophole in the UMU Zoning that allows for all- housing projects and no PDR.

I have included our Supervisors on this email as I see from your letter that the Board of Supervisors will make the final decision.

Thank you for your consideration,

Kepa Askenasy

147-155 Missouri Street

415 505-5432



# SAN FRANCISCO PLANNING DEPARTMENT

## Addendum #2 to Environmental Impact Report

*Addendum Date:* March 1, 2017  
*Case No.:* 2017.000838ENV  
*Project Title:* UMU Heights Amendment  
*EIR:* Eastern Neighborhoods Rezoning and Area Plans Final EIR  
SCL No. 1984061912, certified August 7, 2008  
*Zoning:* UMU (Urban Mixed Use) District; 40-X, 45-X, 50-X and 85-X Height and Bulk Districts  
*Block/Lots:* Various  
*Lot Size:* Various  
*Project Sponsor:* San Francisco Planning Department  
*Sponsor Contact:* John Francis, Citywide Planning, 415.575.9147  
*Lead Agency:* San Francisco Planning Department  
*Staff Contact:* Justin Horner – 415.575.9023  
[justin.horner@sfgov.org](mailto:justin.horner@sfgov.org)

1650 Mission St.  
Suite 400  
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CA 94103-2479

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415.558.6378

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415.558.6409

Planning  
Information:  
415.558.6377

The purpose of this Addendum to the Eastern Neighborhoods Rezoning and Area Plans Final EIR is to substantiate the Planning Department's determination that no supplemental environmental review is required for the proposed "UMU Height Amendment" legislation (Board of Supervisors File No. 170156) because the environmental effects of implementation of this legislation have been adequately analyzed pursuant to the California Environmental Quality Act ("CEQA") in a Final Environmental Impact Report ("FEIR") previously prepared for the Eastern Neighborhoods Rezoning and Area Plans project. This memorandum describes the proposed legislation's relationship to the Eastern Neighborhoods Rezoning and Area Plans FEIR and the Mission, Showplace Square/Potrero Hill and Central Waterfront Area Plans, analyzes the proposed legislation in the context of the previous environmental review, and summarizes the potential environmental effects that may occur as a result of implementing the legislation.

### PROPOSED LEGISLATION

The proposed project is an ordinance that would amend the San Francisco Planning Code and Zoning Map to prohibit gym and massage uses in the Production, Distribution, and Repair (PDR) zoning districts, eliminate the Transit-Oriented Retail Special Use District which includes all parcels in PDR districts along 16<sup>th</sup> Street from Mission Street to Potrero Avenue, and raise the allowable heights of certain parcels within the Urban Mixed Use (UMU) Zoning District. The former two items are not defined as projects under CEQA Guidelines Sections 15378 and 15060(c)(2) because they do not result in a physical change in the environment. Therefore, this Addendum is focused solely on the UMU Height Amendment. The parcels being considered under the UMU Height Amendment are located in the Mission, Showplace Square/Potrero Hill and Central Waterfront neighborhoods. Of these UMU parcels, the heights of those currently in 40-foot and 45-foot Height and Bulk Districts would be increased to 48-feet; those in the 50-foot Height and Bulk District would be increased to 58-feet; and those in the 85-foot Height and Bulk District would be increased to 88-feet. The parcels' bulk designations would not be changed with this proposed legislation.

## PROJECT DESCRIPTION

### **Background**

The Eastern Neighborhoods Rezoning and Area Plans Project was adopted in December 2008. The Project was adopted in part to support housing development in some areas previously zoned for industrial uses, while preserving an adequate supply of space for existing and future production, distribution, and repair ("PDR" or generally light industrial) employment and businesses. The project established new zoning districts that permit PDR uses exclusively; in combination with commercial uses; in districts mixing residential and commercial uses and residential and PDR uses; as well as new residential-only districts. The zoning districts replaced existing industrial, commercial, residential single-use, and mixed-use districts. The Project also resulted in amendments to height and bulk districts in some areas to accommodate anticipated residential and commercial growth.

In conjunction with the Planning Code amendments, the Planning Department developed area plans for the East South of Market Area ("East SoMa"), the Mission, Showplace Square/Potrero Hill, and the Central Waterfront for inclusion in the General Plan. These area plans address policy-level issues pertaining to land use, transportation, urban design (including building heights and urban form), open space, housing, historic resources, community facilities and economic development. The overarching objective of the Eastern Neighborhoods Area Plans is to address key policy objectives that both ensure a stable future for PDR businesses in the city, mainly by reserving a certain amount of land for PDR use and also provide a substantial amount of new housing, particularly affordable housing in appropriate areas that create "complete neighborhoods" by providing appropriate amenities and services for area residents and workers.

During the Eastern Neighborhoods adoption phase, the Planning Commission held public hearings to consider the various aspects of the proposed area plans, and Planning Code and Zoning Map amendments. On August 7, 2008, the Planning Commission certified the Eastern Neighborhoods Final EIR by Motion 176592 and adopted the Preferred Project for final recommendation to the Board of Supervisors. The mayor signed the final legislation on December 19, 2009.

### **Final Environmental Impact Report**

The Eastern Neighborhoods Final EIR is a comprehensive, programmatic document that analyzes the environmental effects of implementing the Eastern Neighborhoods Rezoning and Area Plans, as well as the environmental impacts under several alternative zoning scenarios. The Draft EIR evaluated three rezoning alternatives ("Options A, B and C"), two community-proposed alternatives that focused largely on the Mission District, and a "No Project" alternative. The alternatives varied in the amount of potential area-wide land supply that would be zoned for PDR, mixed-use or residential use compared to existing conditions at the time. Option A retained the greatest amount of land supply for PDR use within the 2,300-acre plan area; Option C the least, and designated comparatively more expansive areas of residential and mixed-use zoning throughout the Eastern Neighborhoods and a lesser amount of land area exclusively for PDR use. Option B sought to balance the disposition of land uses between Options A and C. The alternative selected, or the "Preferred Project", was analyzed in the EIR's Response to Comments document and represented a combination of Options B and C. The Planning Commission adopted the Preferred Project after fully considering its environmental effects and the various alternatives discussed in the FEIR.

The Final EIR included analyses of environmental issues associated with amended use and height districts and new General Plan policies including: land use; plans and policies; visual quality and urban

design; population, housing, business activity, and employment (growth inducement); transportation; noise; air quality; parks, recreation and open space; shadow; archeological resources; historic architectural resources; hazards; and other issues not addressed in the previously issued initial study for the Eastern Neighborhoods project. No specific development projects were analyzed or as part of the FEIR.

On September 12<sup>th</sup>, 2012, an addendum was added to the FEIR to examine any environmental impacts of the creation of an Art and Design Special Use District (SUD) and its application to five contiguous lots near 1111 8<sup>th</sup> Street in the Showplace Square/Potrero Hill Area Plan area. The SUD was intended to facilitate the continued operation of the California College and the Arts and provide a regulatory scheme for a potential future expansion. The addendum concluded that implementation of the SUD would not cause new significant impacts not identified in the FEIR, or result in a substantial increase in the severity of previously identified significant impacts. The SUD is not located adjacent or near any of the lots affected by the proposed legislation.

This addendum reviews the proposed UMU Height Amendment legislation in the context of the analysis of the FEIR's land use (zoning) and height district alternatives listed above. Any future projects that could entail new development, changes of use or new uses, or alterations to existing buildings that adoption of the legislation would be subject to project-specific environmental review.

### ***Project Description***

Pursuant to Planning Code Section 145.1(4)(a), ground floor non-residential uses in UMU Districts originally established as part of the Eastern Neighborhoods Area Plans rezoning effort in 2009 shall have a minimum floor-to-floor height of 17-feet on the ground floor. This requirement is intended to allow for the location of Production, Distribution and Repair (PDR) uses in the district, which often require higher ceilings for their operations. When originally adopted, a large number of UMU parcels (approximately 220 lots) were excluded from the zoning map amendment that increased heights to accommodate this requirement (see Figure 1). The proposed legislation is a change to the zoning map that restores PDR development potential to those UMU parcels that were excluded from the zoning map.

Without the proposed height increases to accommodate the 17-foot requirement, the development potential of the approximately 220 lots, particularly for housing, is currently limited. For example, prior to the adoption of the 17-foot requirement, a new development in a 40-X Height and Bulk District could build up to four stories (10 feet per floor), whereas with the 17-foot ground floor requirement, the same development could only build up to three stories (37 feet total). The height increases included in the proposed legislation would allow development to be consistent with the Eastern Neighborhoods Area Plans, and the projections used for environmental impact analysis in the FEIR.

### ***Regulatory Setting***

#### Planning Code

The subject properties are located in the Urban Mixed Use ("UMU") Use District. As stated in Planning Code Section 843, the intention of this district is to "to promote a vibrant mix of uses while maintaining the characteristics of this formerly industrially-zoned area. It is also intended to serve as a buffer between residential districts and PDR districts in the Eastern Neighborhoods. Within the UMU, allowed uses include PDR uses such as light manufacturing, home and business services, arts activities, warehouse, and wholesaling. Additional permitted uses include retail, educational facilities, and nighttime entertainment. Housing is also permitted, but is subject to higher affordability requirements. Family-sized dwelling units are encouraged. Within the UMU, office uses are restricted to the upper floors of multiple

story buildings. In considering any new land use not contemplated in this District, the Zoning Administrator shall take into account the intent of this District as expressed in this Section and in the General Plan.” The goals of the proposed legislation include realizing the development potential intended in the Eastern Neighborhoods Plan and allowing future development to better accommodate PDR uses, thereby furthering the intent of the UMU District.

The subject properties are located in the 40-X, 45-X, 50-X and 80-X Height and Bulk Districts. Article 2.5 of the Planning Code regulates the height and bulk of structures consistent with the Urban Design element and other elements of the General Plan. Height and Bulk Districts have been established for all parcels in the city for a variety of purposes, including relating the height of new buildings to important attributes of the City pattern and existing development, avoiding an overwhelming or dominating appearance in new construction, preserving and improving the integrity of open spaces and public areas, promoting harmony in the visual relationships between old and new buildings and protecting important city resources and the neighborhood environment. The proposed legislation is intended to increase heights on approximately 220 lots in the Mission, Showplace Square/Potrero Hill and Central Waterfront Area Plan areas consistent with these purposes.

#### Changes in the Regulatory Environment

Since the certification of the Eastern Neighborhoods PEIR in 2008, several new policies, regulations, statutes, and funding measures have been adopted, passed, or are underway that affect the physical environment and/or environmental review methodology for projects in the Eastern Neighborhoods plan areas. As discussed in each topic area referenced below, these policies, regulations, statutes, and funding measures have implemented or will implement mitigation measures or further reduce less-than-significant impacts identified in the PEIR. These include:

- State legislation amending CEQA to eliminate consideration of aesthetics and parking impacts for infill projects in transit priority areas, effective January 2014.
- State legislation amending CEQA and San Francisco Planning Commission resolution replacing level of service (LOS) analysis of automobile delay with vehicle miles traveled (VMT) analysis, effective March 2016 (see “CEQA Section 21099” heading below).
- The adoption of interim controls requiring additional design standards for large project authorizations within the Showplace Square/Potrero Hill and Central Waterfront plan areas of the Eastern Neighborhoods effective February 2016 through August 2017.
- The adoption of 2016 interim controls in the Mission District requiring additional information and analysis regarding housing affordability, displacement, loss of PDR and other analyses, effective January 14, 2016 through April 14, 2017.
- San Francisco Bicycle Plan update adoption in June 2009, Better Streets Plan adoption in 2010, Transit Effectiveness Project (aka “Muni Forward”) adoption in March 2014, Vision Zero adoption by various City agencies in 2014, Proposition A and B passage in November 2014, and the Transportation Sustainability Program (see initial study Transportation section).
- San Francisco ordinance establishing Noise Regulations Related to Residential Uses near Places of Entertainment effective June 2015 (see initial study Noise section).
- San Francisco ordinances establishing Construction Dust Control, effective July 2008, and Enhanced Ventilation Required for Urban Infill Sensitive Use Developments, amended December 2014 (see initial study Air Quality section).

- San Francisco Clean and Safe Parks Bond passage in November 2012 and San Francisco Recreation and Open Space Element of the General Plan adoption in April 2014 (see initial study Recreation section).
- Urban Water Management Plan adoption in 2011 and Sewer System Improvement Program process (see initial study Utilities and Service Systems section).
- Article 22A of the Health Code amendments effective August 2013 (see initial study Hazardous Materials section):

## REMARKS

The Eastern Neighborhoods Rezoning and Area Plans Final EIR identified less-than significant environmental impacts in the following environmental topic areas: Visual Quality and Urban Design; Population, Housing, Business Activity and Employment (Growth Inducement); Parks, Recreation and Open Space; Mineral and Agricultural Resources; Wind; Utilities and Public Services; Biology; Geology/Topography; Water; and Energy and Natural Resources. The Final EIR found the following effects that can be avoided or reduced to a less-than-significant level with mitigation measures incorporated in the following areas: Archeological Resources; Noise; and Air Quality.

The FEIR found the following significant and unavoidable impacts associated with the adoption of the Eastern Neighborhoods zoning and area plans: Land Use; Transportation, including traffic and transit; Historic Architectural Resources; and Shadow.

As described under "Project Description" on pg. 3 of this Addendum, the proposed UMU Height Amendments would increase allowable heights on approximately 220 parcels by three to eight feet. Because the amendments would rely on base zoning within the UMU district, the land use characteristics of the proposed legislation fall within the range of alternatives included in the Eastern Neighborhoods Rezoning and Area Plans FEIR.

## ANALYSIS OF POTENTIAL ENVIRONMENTAL EFFECTS

San Francisco Administrative Code Section 31.19(c)(1) states that a modified project must be reevaluated and that "If, on the basis of such reevaluation, the Environmental Review Officer determines, based on the requirements of CEQA, that no additional environmental review is necessary, this determination and the reasons therefore shall be noted in writing in the case record, and no further evaluation shall be required by this Chapter."

CEQA Guidelines Section 15164 provides for the use of an addendum to document the basis of a lead agency's decision not to require a Subsequent or Supplemental EIR for a project that is already adequately covered in an existing certified EIR. The lead agency's decision to use an addendum must be supported by substantial evidence that the conditions that would trigger the preparation of a Subsequent EIR, as provided in CEQA Guidelines Section 15162, are not present.

Since certification of the EIR, no changes have occurred in the circumstances under which the original project (e.g., zoning and map amendments and adoption of area plans) as currently proposed would be implemented, that would change the severity of the physical impacts of implementing the Mission, Showplace Square/Potrero Hill or Central Waterfront Area Plans as explained herein, and no new information has emerged that would materially change the analyses or conclusions set forth in the FEIR.

Further, the proposed legislation, as demonstrated below, would not result in any new significant environmental impacts, substantial increases in the significance of previously identified effects, or necessitate implementation of additional or considerably different mitigation measures than those

identified in the FEIR. The effects associated with the legislative amendment would be substantially the same as those reported for the project in the Eastern Neighborhoods Rezoning and Area Plans FEIR.

### ***Land Use and Land Use Planning***

The Eastern Neighborhood's Final EIR evaluates land use effects based on three adopted criteria: whether a project would physically divide an existing community; conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect; or, have a substantial adverse impact on the existing character of the vicinity.

The Eastern Neighborhoods PEIR determined that implementation of the area plans would not create any new physical barriers in the Eastern Neighborhoods because the rezoning and area plans do not provide for any new major roadways, such as freeways that would disrupt or divide the plan area or individual neighborhoods or subareas. The proposed legislation would allow future development projects on certain parcels within the UMU use district to be up to eight feet taller. These height changes would be consistent with the density and intensity of the existing urban environment. The proposed legislation would allow for slightly taller buildings to be constructed but would not cause substantial adverse impact on the existing character of these UMU Districts.

In terms of land use compatibility, adoption of the UMU Height Amendments would encourage the types of uses that already exist in the subject areas. Indeed, the intended purpose of the proposed legislation is to encourage development that would be more in character with the intent of the UMU District; namely, the preservation of PDR uses. Thus, the legislation is not anticipated to result in any land use impacts of greater severity than those reported in the Eastern Neighborhoods FEIR. Further, adoption of the legislation would not conflict with any applicable land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect.

In the cumulative context, the Final EIR found that adoption of the preferred Eastern Neighborhoods use districts and zoning controls would result in a significant, adverse impact in the cumulative supply of land for PDR uses and would not be mitigable without substantial change in use controls on land under Port of San Francisco jurisdiction. The finding was based on supply, demand and land use projections prepared for the Eastern Neighborhoods Final EIR.<sup>1</sup>

The FEIR found that industrially-zoned land and PDR building space is expected to decrease over the foreseeable future. The use districts and zoning controls adopted as part of the Eastern Neighborhoods Rezoning and Area Plans project are expected to accommodate housing and primarily management, information, and professional service land uses within the area over time. The proposed legislation is intended to facilitate the development of PDR uses, as well as to implement the Proposition X PDR replacement requirement passed by San Francisco voters in November 2016. The proposed legislation would not result in any new significant land use impacts, substantial increases in the significance of previously identified traffic effects, or necessitate implementation of additional or considerably different mitigation measures than those identified in the FEIR.

### ***Transportation***

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<sup>1</sup> *Eastern Neighborhoods Rezoning and Area Plans Final EIR*, p. 77. This document is available for review in Case File No. 2011.1381E at the Planning Department, 1650 Mission Street, Suite 400, San Francisco, CA.

### Vehicle Trips

The Eastern Neighborhoods PEIR anticipated that growth resulting from the zoning changes would not result in significant impacts related to pedestrians, bicyclists, loading, or construction traffic. The PEIR states that in general, the analyses of pedestrian, bicycle, loading, emergency access, and construction transportation impacts are specific to individual development projects, and that project-specific analyses would need to be conducted for future development projects under the Eastern Neighborhoods Rezoning and Area Plans. The proposed legislation could potentially result in an incremental increase in vehicle trips.

Many factors affect travel behavior. These factors include density, diversity of land uses, design of the transportation network, access to regional destinations, distance to high-quality transit, development scale, demographics, and transportation demand management. Typically, low-density development at great distance from other land uses, located in areas with poor access to non-private vehicular modes of travel, generate more automobile travel compared to development located in urban areas, where a higher density, mix of land uses, and travel options other than private vehicles are available.

The intent of the proposed legislation is to facilitate more intensive PDR development of approximately 220 parcels in the Mission, Showplace Square/Potrero Hill and Central Waterfront Area Plan areas. The proposed changes are relatively minor with respect to additional vehicle trips, and to the extent to which the proposed changes incentivize higher residential densities near transit and a wider mix of uses, the proposed legislation could result in a lower number of vehicle trips per capita. While this incremental increase is not anticipated to have an adverse impact on the city's transportation infrastructure, in all cases, individual development projects would be subject to project-specific environmental review. Such review would determine the severity of any transportation impacts and include any appropriate mitigation measures. Therefore, the proposed legislation would not result in any new significant traffic impacts, substantial increases in the significance of previously identified traffic effects, or necessitate implementation of additional or considerably different mitigation measures than those identified in the FEIR.

### Transit

The Eastern Neighborhoods PEIR anticipated that growth resulting from the zoning changes could result in significant impacts on transit ridership, and identified seven transportation mitigation measures. Even with mitigation, however, it was anticipated that the significant adverse cumulative impacts on transit lines could not be reduced to a less than significant level. Thus, these impacts were found to be significant and unavoidable.

Implementation of the UMU Height Amendment legislation could potentially result in an incremental increase in the demand for public transit. Any future proposal would be reviewed for its potential to cause a substantial increase in transit demand that could not be accommodated by adjacent transit capacity, result in unacceptable levels of transit service, or cause a substantial increase in delays or operating costs such that significant adverse impacts in transit service levels could result. The proposed legislation does not include any physical changes to streets or transit facilities. Therefore, the proposed legislation would not result in any new significant transit impacts, substantial increases in the significance of previously identified effects, or necessitate implementation of additional or considerably different mitigation measures than those identified in the FEIR.

### Pedestrians

The Eastern Neighborhoods PEIR anticipated that growth resulting from the zoning changes would not result in significant impacts related to pedestrians. The proposed UMU Height Amendment legislation could potentially result in an incremental increase in the demand for pedestrian infrastructure. Any future proposal would be reviewed for its potential to cause a substantial increase in demand for pedestrian infrastructure. The proposed legislation does not include any physical changes to sidewalks, crosswalks or other pedestrian infrastructure, nor does it include any changes that would create overcrowding of neighboring sidewalks, create hazardous conditions for pedestrians or otherwise interfere with pedestrian accessibility. Therefore, the proposed legislation would not result in any new significant pedestrian impacts, substantial increases in the significance of previously identified effects, or necessitate implementation of additional or considerably different mitigation measures than those identified in the FEIR.

### Bicycle

The Eastern Neighborhoods PEIR anticipated that growth resulting from the zoning changes would not result in significant impacts related to bicycles. The proposed UMU Height Amendment legislation could potentially result in an incremental increase in the demand for bicycle infrastructure, as well as potentially contributing to the expansion of bicycle usage through an incremental increase in the provision of on-site and on-street bicycle parking, and shower and locker facilities. The proposed legislation does not include any physical changes to streets or bike routes, nor does it include any changes that would create overcrowding of existing bike routes, create hazardous conditions for bicyclists or otherwise interfere with bicycle accessibility. Any future proposal would be reviewed for its potential to cause a substantial increase in demand for bicycle infrastructure. Therefore, the proposed legislation would not result in any new significant bicycle impacts, substantial increases in the significance of previously identified effects, or necessitate implementation of additional or considerably different mitigation measures than those identified in the FEIR.

### Parking

San Francisco does not consider parking supply as part of the permanent physical environment and therefore, does not consider changes in parking conditions to be environmental impacts as defined by CEQA. Parking deficits are considered to be social effects, rather than impacts on the physical environment as defined by CEQA. Under CEQA, a project's social impacts need not be treated as significant impacts on the environment. Parking conditions are not static, as parking supply and demand varies from day to day, from day to night, from month to month, etc. Hence, the availability of parking spaces (or lack thereof) is not a permanent physical condition, but changes over time as people change their modes and patterns of travel.

### ***Historic Architectural and Archeological Resources***

The Eastern Neighborhoods Final EIR found that implementation of areawide zoning controls would result in a significant, adverse environmental impact related to historical resources. Demolition or significant alteration of buildings that are identified as historical resources, potential resources, or age-eligible properties could be anticipated to occur as a result of development subsequent to implementation of the zoning and area plans. The Final EIR indicates that such impacts could occur individually (to single buildings) as well as cumulatively (to known or potential historic districts).

The proposed legislation could result in increased building heights within known historic districts or increased heights that could affect known historic resources. However, the proposed project's height

increases in and of themselves would not result in a material impairment to a historic district or historic building. Any development proposal undertaken in San Francisco is subject to review to determine whether the project would result in potential impacts to the environment, including historical resources. The proposed legislation does not propose changes to those requirements. Therefore, the proposed legislation would not result in a significant effect on historical resources.

The proposed legislation could potentially incentivize development that would not otherwise occur, and this development could include excavation or other construction methods that could disturb archeological resources. The Eastern Neighborhoods FEIR determined that implementation of the Area Plan could result in significant impacts on archeological resources and identified three mitigation measures that would reduce these potential impacts to a less than significant level. Eastern Neighborhoods FEIR Mitigation Measure J-1 applies to properties for which a final archeological research design and treatment plan is on file at the Northwest Information Center and the Planning Department. Mitigation Measure J-2 applies to properties for which no archeological assessment report has been prepared or for which the archeological documentation is incomplete or inadequate to serve as an evaluation of potential effects on archeological resources under CEQA. Mitigation Measure J-3, which applies to properties in the Mission Dolores Archeological District, requires that a specific archeological testing program be conducted by a qualified archeological consultant with expertise in California prehistoric and urban historical archeology.

Any development proposal undertaken in San Francisco is subject to review to determine whether the project would result in potential impacts to the environment, including archeological resources. Therefore, the proposed legislation would not result in any new significant archeological impacts, substantial increases in the significance of previously identified effects, or necessitate implementation of additional or considerably different mitigation measures than those identified in the FEIR.

### ***Shadow***

Planning Code Section 295 generally prohibits new structures above 40 feet in height that would cast additional shadows on open space that is under the jurisdiction of the San Francisco Recreation and Park Commission between one hour after sunrise and one hour before sunset, at any time of the year, unless that shadow would not result in a significant adverse effect on the use of the open space. Under the Eastern Neighborhoods Rezoning and Area Plans, sites surrounding parks could be redeveloped with taller buildings without triggering Section 295 of the Planning Code because certain parks are not subject to Section 295 of the Planning Code (i.e., under jurisdiction of departments other than the Recreation and Parks Department or privately owned). The Eastern Neighborhoods FEIR could not conclude if the rezoning and community plans would result in less-than-significant shadow impacts because the feasibility of complete mitigation for potential new shadow impacts of unknown proposals could not be determined at that time. Therefore, the FEIR determined shadow impacts to be significant and unavoidable. No mitigation measures were identified in the FEIR.

The Eastern Neighborhoods Final EIR found that adoption of new use districts, associated land use controls and implementation of the area plans could result in significant, adverse shadow impacts on the following parks and open spaces: Victoria Manalo Draves Park, South of Market Recreation Center/Eugene Friend Recreation Center, Alice Street Community Gardens, and South Park in East SoMa; KidPower Park, Franklin Square, Mission Playground, Alioto Mini-Park, 24th and York Mini Park and the James Rolph Playground in the Mission; Potrero del Sol Park and Jackson Playground in Showplace

Square/Potrero Hill; and, Esprit Park, Warm Water Cove and Wood Yard Mini-Park in the Central Waterfront.

The proposed legislation includes parcels that are in the vicinity of Parque Ninos Unidos and Franklin Square in the Mission; Jackson Playground and the Potrero Hill Recreation Center in Showplace Square/Potrero Hill; and Esprit Park in the Central Waterfront. Any future development proposal over 40-feet in height would be subject to the Planning Department's requirement to prepare a shadow study to evaluate project-specific shading impacts to comply with Planning Code Section 295 and CEQA.

The proposed legislation could result in more intensive development on approximately 220 lots. This development could lead to an incremental increase in shading of portions of nearby streets and sidewalks and private property at times. Shadows upon streets and sidewalks would not exceed levels commonly expected in urban areas and would be considered a less-than-significant effect under CEQA.

While new development pursuant to the proposed legislation may result in an incremental increase in new shadow, the proposed legislation would not result in any new significant shadow impacts, substantial increases in the significance of previously identified effects, or necessitate implementation of additional or considerably different mitigation measures than those identified in the FEIR.

#### ***Hazards and Hazardous Materials***

The Eastern Neighborhoods PEIR noted that implementation of any of the proposed project's rezoning options would encourage construction of new development within the project area. The PEIR found that there is a high potential to encounter hazardous materials during construction activities in many parts of the project area because of the presence of 1906 earthquake fill, previous and current land uses associated with the use of hazardous materials, and known or suspected hazardous materials cleanup cases. However, the PEIR found that existing regulations for facility closure, Under Storage Tank (UST) closure, and investigation and cleanup of soil and groundwater would ensure implementation of measures to protect workers and the community from exposure to hazardous materials during construction.

The Eastern Neighborhoods PEIR determined that future development in the Plan Area may involve demolition or renovation of existing structures containing hazardous building materials. Some building materials commonly used in older buildings could present a public health risk if disturbed during an accident or during demolition or renovation of an existing building. Hazardous building materials addressed in the PEIR include asbestos, electrical equipment such as transformers and fluorescent light ballasts that contain PCBs or di (2 ethylhexyl) phthalate (DEHP), fluorescent lights containing mercury vapors, and lead-based paints. Asbestos and lead based paint may also present a health risk to existing building occupants if they are in a deteriorated condition. If removed during demolition of a building, these materials would also require special disposal procedures. The Eastern Neighborhoods PEIR identified a significant impact associated with hazardous building materials including PCBs, DEHP, and mercury and determined that that Mitigation Measure L-1: Hazardous Building Materials, would reduce effects to a less-than-significant level.

Since certification of the PEIR, Article 22A of the Health Code, also known as the Maher Ordinance, was expanded to include properties throughout the City where there is potential to encounter hazardous materials, primarily industrial zoning districts, sites with industrial uses or underground storage tanks, sites with historic bay fill, and sites in close proximity to freeways or underground storage tanks. The over-arching goal of the Maher Ordinance is to protect public health and safety by requiring appropriate handling, treatment, disposal and when necessary, remediation of contaminated soils that are

encountered in the building construction process. Projects that disturb 50 cubic yards or more of soil that are located on sites with potentially hazardous soil or groundwater within Eastern Neighborhoods Plan area are subject to this ordinance.

Implementation of the UMU Height Amendment would not result in a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment. Future projects that may be implemented within the context of the UMU Height Amendment would be required to comply with existing hazardous materials regulations. Therefore the proposed legislation would not result in any new significant hazardous materials impacts, substantial increases in the significance of previously identified effects, or necessitate implementation of additional or considerably different mitigation measures than those identified in the FEIR

### ***Less than Significant Environmental Effects***

The Eastern Neighborhoods Final EIR found that the implementation of area-wide zoning and associated Area Plans would not result any significant environmental impacts in the following areas: Visual Quality and Urban Design; Population, Housing, Business Activity and Employment (Growth Inducement); Parks, Recreation and Open Space; Mineral and Agricultural Resources; Wind; Utilities and Public Services; Biology; Geology/Topography; Water; and Energy and Natural Resources. Each of these topics is analyzed and discussed in detail including, but not limited to, in the Final EIR (and Initial Study or "IS") Chapters: 4.B; 4.C; 4.D; 4.H; 4.M; 6.D; 7.A-C (IS); 8.A-C (IS); 9.A, B (IS); 10.A-C (IS); 11.A-B (IS). Adoption of the proposed SUD would not change these conclusions.

### ***Effects That Can Be Avoided or Reduced to Less than Significant with Mitigation Measures***

The Final EIR found that the implementation of area-wide zoning and associated Area Plans would result in potentially significant environmental impacts that may be avoided with implementation of mitigation measures; adoption of the proposed SUD would not alter these conclusions. The Final EIR's mitigation measures, incorporated here by reference, may apply to future development projects that may be developed as a result of the changes included in the proposed legislation, if project-specific review finds that such a project were to result in potentially significant environmental impacts.<sup>2</sup> The measures are summarized below.

**Measure F-1, Construction Noise:** requires contractors using pile-driving to incorporate measures during construction to reduce noise effects to nearby noise-sensitive uses. Measures include use of noise shielding and muffling devices and limiting the use of pile-driving, when necessary, during specific times of day.

**Measure F-2, Construction Noise:** requires contractors to utilize noise attenuation measures during construction to minimize noise effects. Measures may include: temporary barriers around construction sites; noise control blankets; ongoing monitoring of noise attenuation measures through by taking noise measurements; and posting construction schedule, construction contact and complaint procedures for affected parties.

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<sup>2</sup> *Eastern Neighborhoods Rezoning and Area Plans Mitigation Monitoring and Reporting Program*, Planning Commission Motion No. 17659, adopted August 7, 2008. This document is available for review in Case File No. 2011.1381E at the Planning Department, 1650 Mission Street, Suite 400, San Francisco, CA.

**Measure F-5, Siting of Noise Generating Uses:** similar to above, this measure directs the Planning Department to require 24-hour exterior noise meter testing prior to any project-specific entitlement to ensure that the siting of potentially noisy land uses do not adversely affect nearby sensitive receptors.

**Measure G-3, Siting of Uses that Emit DPM:** requires uses that emit diesel particulate matter (DPM), for new for new development including warehousing and distribution centers, commercial, industrial, or other uses that would be expected to be served by at least 100 trucks per day or 40 refrigerated trucks per day, based on the ARB Air Quality and Land Use Handbook, be located no less than 1,000 feet from residential units and other sensitive receptors, including schools, children's day care centers, parks and playgrounds, hospitals, nursing and convalescent homes, and like uses.

**Measure G-3, Siting of Uses that Emit Other TACs:** requires the preparation of an analysis that includes, at a minimum, a site survey to identify residential or other sensitive uses within 1,000 feet of the project site, prior to the first project approval action for new uses that include commercial, industrial or others that would be expected to generate toxic air contaminants (TACs) as part of everyday operations. This measure shall be applicable, at a minimum, to the following uses: dry cleaners; drive-through restaurants; gas dispensing facilities; auto body shops; metal plating shops; photographic processing shops; textiles; apparel and furniture upholstery; leather and leather products; appliance repair shops; mechanical assembly cleaning; printing shops; hospitals and medical clinics; biotechnology research facilities; warehousing and distribution centers; and any use served by at least 100 trucks per day.

**Measure J-2, Properties with No Previous Studies:** requires preparation of a Preliminary Archeological Sensitivity Study by an archeological consultant with expertise in California prehistoric and urban historical archeology. The Sensitivity Study should: determine the historical uses of the project site based on any previous archeological documentation and Sanborn maps; determine types of archeological resources/properties that may have been located within the project site and whether the archeological resources/property types would potentially be eligible for listing in the California Register of Historical Resources; determine if 19th or 20th century soils-disturbing activities may adversely affected the identified potential archeological resources; assess potential project effects in relation to the depth of any identified potential archeological resource; and include a conclusion assessing whether any CRHP-eligible archeological resources could be adversely affected by the proposed project and recommendation as to appropriate further action.

**Measure L-1, Hazardous Building Materials:** requires that the subsequent project sponsors ensure that any equipment containing PCBs or DEPH, such as fluorescent light ballasts, are removed and properly disposed of according to applicable federal, state, and local laws prior to the start of renovation, and that any fluorescent light tubes, which could contain mercury, are similarly removed and properly disposed of. Any other hazardous materials identified, either before or during work, shall be abated according to applicable federal, state, and local laws.

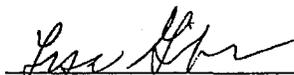
## **CONCLUSION**

Based on the foregoing, the Department concludes that the analyses conducted and the conclusions reached in the FEIR certified on August 7, 2008 remain valid, and that no supplemental environmental review is required for the proposed project modifications. Implementation of the proposed UMU Height Amendments would not cause new significant impacts not identified in the FEIR, or result in a substantial increase in the severity of previously identified significant impacts, and no new mitigation measures would be necessary to reduce significant impacts. No changes have occurred with respect to circumstances surrounding the original project that would cause significant environmental impacts to

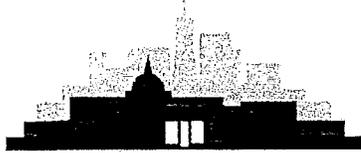
which the modified project would contribute considerably, and no new information has been put forward which shows that the modified project would cause significant environmental impacts. Therefore, no supplemental environmental review is required beyond this addendum.

I do hereby certify that the above determination has been made pursuant to State and Local requirements.

DATE 3/1/17



\_\_\_\_\_  
Lisa Gibson, Acting Environmental Review Officer



SAN FRANCISCO

**OFFICE OF SMALL BUSINESS**

CITY AND COUNTY OF SAN FRANCISCO  
EDWIN M. LEE, MAYOR

OFFICE OF SMALL BUSINESS  
REGINA DICK-ENDRIZZI, DIRECTOR

March 16, 2017

Ms. Angela Calvillo, Clerk of the Board  
City Hall Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

RE: BOS File No. 170156 [Planning Code, Zoning Map - Production, Distribution, and Repair Controls; Eliminating the Transit-Oriented Retail Special Use District, and Correcting Height Limits in the UMU District]

Small Business Commission Recommendation to the Board of Supervisors: **Approval**

Dear Ms. Calvillo,

On February 27, 2017, the Small Business Commission voted (6-0, 1 absent) to recommend that the Board of Supervisors approve BOS File No. 170156, requesting that the North East Mission Business Association and Small Business Commission be notified of changes.

The Commission supports legislation that preserves Production, Distribution, and Repair (PDR) space in San Francisco. PDR space is critical to maintaining a healthy local manufacturing sector, which in turn promotes diversity in employment opportunities and the continued availability of locally made products.

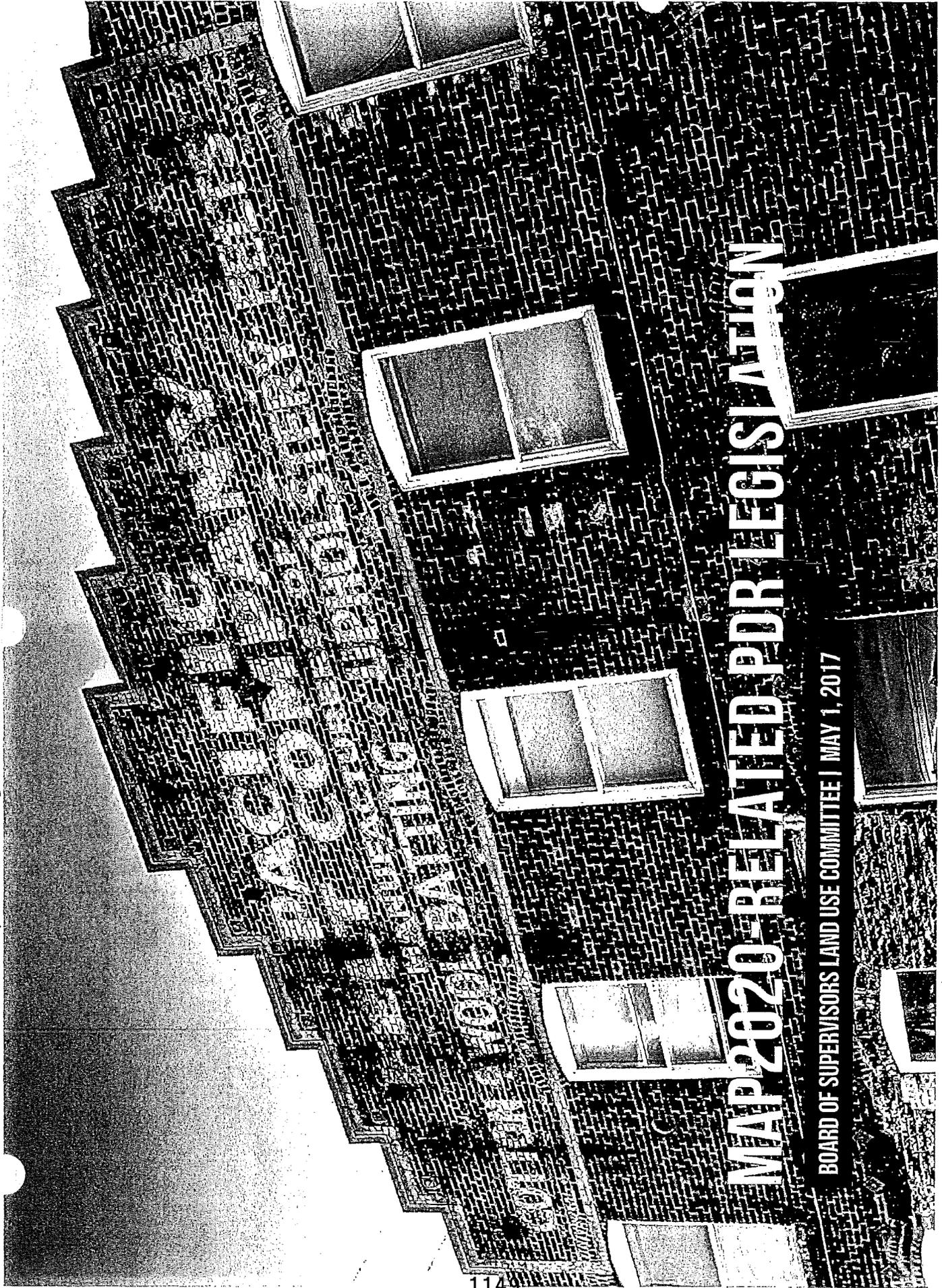
Thank you for considering the Commission's comments. Please feel free to contact me should you have any questions.

Sincerely,

Regina Dick-Endrizzi  
Director, Office of Small Business

cc: Hillary Ronen, Board of Supervisors  
Nicole Elliott, Mayor's Office  
Mawuli Tugbenyoh, Mayor's Office  
Laurel Arvanitidis, Office of Economic and Workforce Development  
Lisa Pagan, Office of Economic and Workforce Development  
Alisa Somera, Land Use & Transportation Committee

File No. 170156 5/11/2017. Presented in Committee



# MAP 2020-RELATED PDR LEGISLATION

BOARD OF SUPERVISORS LAND USE COMMITTEE | MAY 1, 2017



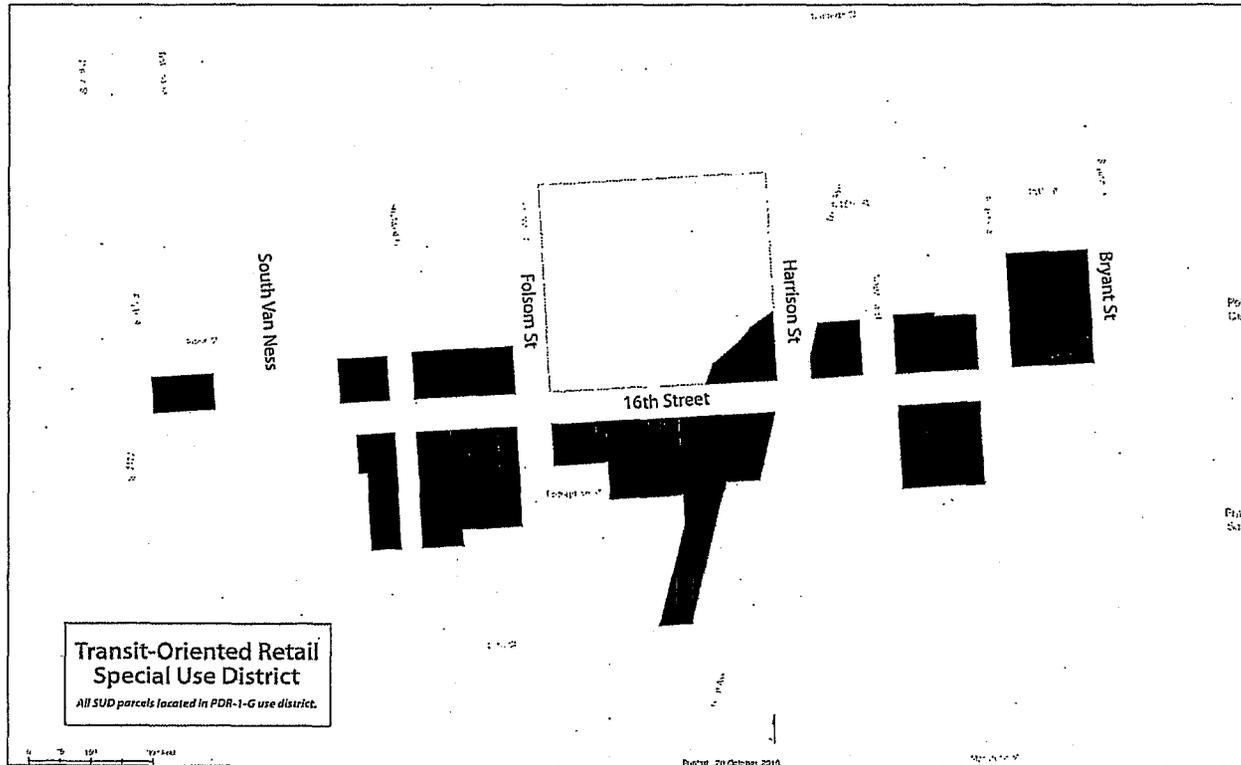
1150

## Amend Allowed Uses in PDR Districts

- Remove Gyms, Massage Establishments, and Massage Foot/Chair from allowable uses in all PDR districts
- Exception: permit Gyms as cross-subsidizing use to support construction of new PDR space (Planning Code, Section 210.3C)
  - Large, highly underutilized sites
  - 1/3 of site must be for PDR

# Eliminate 16<sup>th</sup> Street Transit-Oriented Special Use District (SUD)

- Eliminate 16th Street SUD, which allows for large format retail
- Returns parcels to their underlying zoning controls (PDR-1-G)
- Underlying zoning continues to permit smaller, neighborhood-oriented retail uses



Existing Height	Proposed Height
40-X & 45-X	48-X
50-X	58X
85-X	88-X

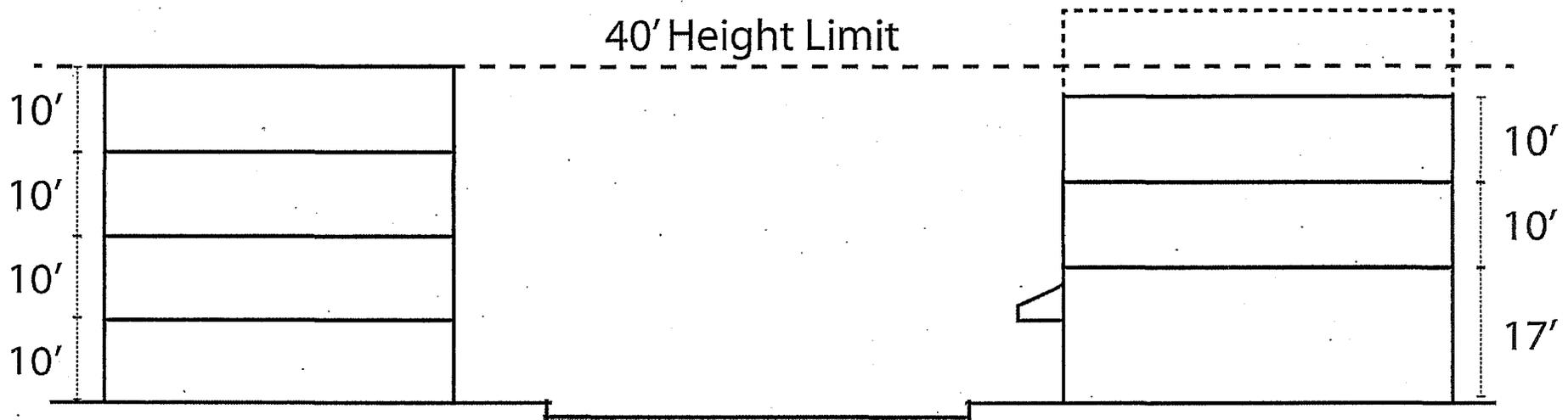
## Raise Height Limits on Select UMU Parcels

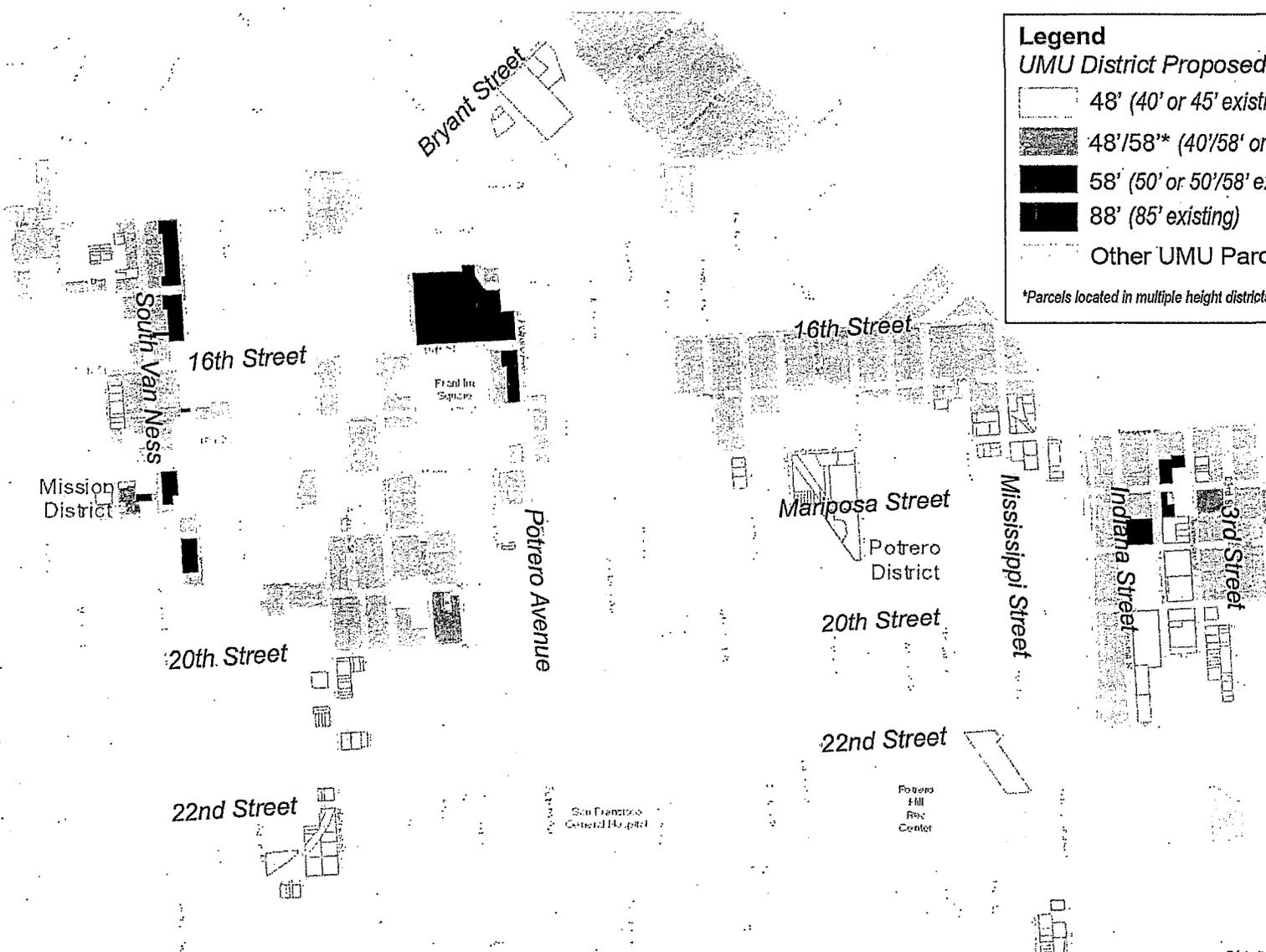
- Raise allowed heights on select parcels in the Urban Mixed Use (UMU) district
- Fulfills MAP2020 and UMU district intent—to encourage “PDR-ready” flexible ground floor spaces
- Enables adherence to UMU 17 foot ground floor height requirement without loss of potential housing

# UMU Height Adjustment Background

- 2008 Eastern Neighborhoods Plan
  - UMU district requirement = 17 foot floor-to-floor ground floor heights
  - UMU upzoning to accommodate higher ground floor
- ~225 parcels not upzoned = lost story of potential housing

1153





**Legend**  
 UMU District Proposed Heights

-  48' (40' or 45' existing)
-  48'/58'\* (40'/58' or 45'/58' existing)
-  58' (50' or 50'/58' existing)
-  88' (85' existing)
-  Other UMU Parcels

*\*Parcels located in multiple height districts*

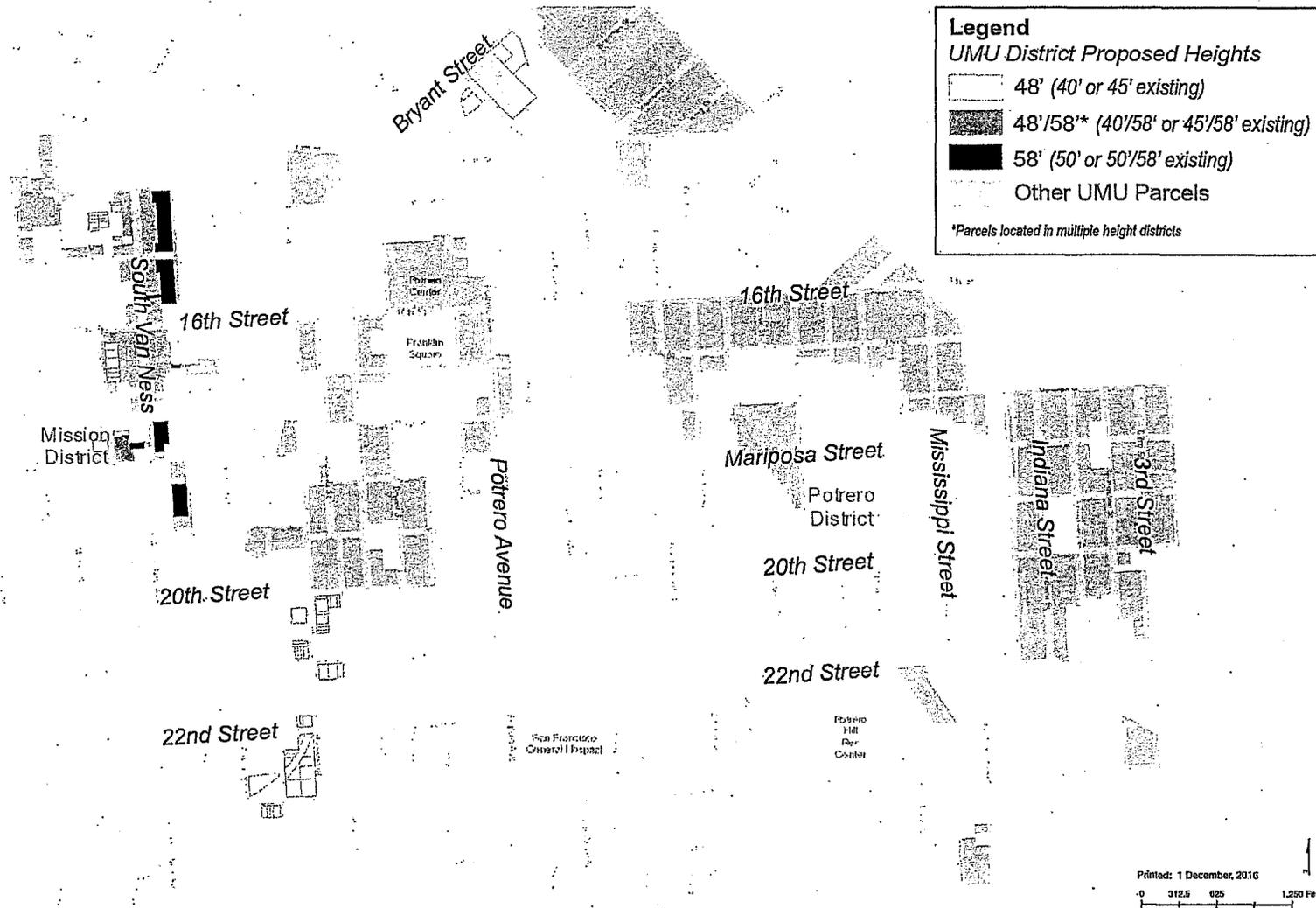


## UMU Height Adjustment Recommended Modifications

- Community Concern
  - Appropriate use of additional height (ground floor only)
- Modification #1: Require 17 foot ground floor height for all new buildings, regardless of use
  - Precludes additional, unintended stories of housing

# UMU Height Adjustment Recommended Modifications

- Modification #2: Exclude District 10 from height adjustment
  - Further consultation with community needed



BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

## NOTICE OF PUBLIC HEARING

### BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO LAND USE AND TRANSPORTATION COMMITTEE

NOTICE IS HEREBY GIVEN THAT the Land Use and Transportation Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

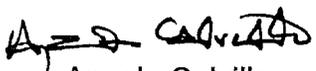
**Date:** Monday, May 1, 2017

**Time:** 1:30 p.m.

**Location:** Legislative Chamber, Room 250, located at City Hall  
1 Dr. Carlton B. Goodlett Place, San Francisco, CA

**Subject:** File No. 170156. Ordinance amending the Planning Code and Zoning Map to prohibit Gym and Massage uses in the Production, Distribution, and Repair (PDR) zoning districts, eliminate the Transit-Oriented Retail Special Use District, which includes all parcels in PDR districts along 16th Street from Mission Street to Potrero Avenue, and correct the height limits on certain parcels in the Urban Mixed Use (UMU) District to allow for groundfloor PDR uses; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302.

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made part of the official public record in this matter, and shall be brought to the attention of the members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Friday, April 28, 2017.

  
Angela Calvillo  
Clerk of the Board

**CALIFORNIA NEWSPAPER SERVICE BUREAU**

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Alisa Somera  
CCSF BD OF SUPERVISORS (OFFICIAL NOTICES)  
1 DR CARLTON B GOODLETT PL #244  
SAN FRANCISCO, CA 94102

**COPY OF NOTICE**

Notice Type: GPN GOVT PUBLIC NOTICE  
Ad Description: AS - 05.01.17 Land Use - 170156 Zoning Map

To the right is a copy of the notice you sent to us for publication in the SAN FRANCISCO EXAMINER. Thank you for using our newspaper. Please read this notice carefully and call us with ny corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

04/21/2017

The charge(s) for this order is as follows. An invoice will be sent after the last date of publication. If you prepaid this order in full, you will not receive an invoice.

EXM# 3001939  
NOTICE OF PUBLIC HEARING  
BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO  
LAND USE AND TRANSPORTATION COMMITTEE  
MONDAY, MAY 1, 2017 - 1:30 PM  
CITY HALL, LEGISLATIVE CHAMBER, ROOM 250  
1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA

Angela Calvillo, Clerk of the Board

NOTICE IS HEREBY GIVEN THAT the Land Use and Transportation Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard: File No. 170156. Ordinance amending the Planning Code and Zoning Map to prohibit Gym and Massage uses in the Production, Distribution, and Repair (PDR) zoning districts, eliminate the Transit-Oriented Retail Special Use District, which includes all parcels in PDR districts along 16th Street from Mission Street to Potrero Avenue, and correct the height limits on certain parcels in the Urban Mixed Use (UMU) District to allow for groundfloor PDR uses; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302. In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made part of the official public record in this matter, and shall be brought to the attention of the members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Friday, April 28, 2017. -



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BOARD of SUPERVISORS



City Hall  
Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

February 13, 2017

File No. 170156

Lisa Gibson  
Acting Environmental Review Officer  
Planning Department  
1650 Mission Street, Ste. 400  
San Francisco, CA 94103

Dear Ms. Gibson:

On February 7, 2017, Mayor Lee introduced the following proposed legislation:

**File No. 170156**

**Ordinance amending the Planning Code and Zoning Map to prohibit Gym and Massage uses in the Production, Distribution, and Repair (PDR) zoning districts, eliminate the Transit-Oriented Retail Special Use District, which includes all parcels in PDR districts along 16th Street from Mission Street to Potrero Avenue, and correct the height limits on certain parcels in the Urban Mixed Use (UMU) District to allow for groundfloor PDR uses; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302.**

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

*for* By:  Alisa Somera, Legislative Deputy Director  
Land Use and Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning  
Jeanie Poling, Environmental Planning

BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

February 13, 2017

Planning Commission  
Attn: Jonas Ionin  
1650 Mission Street, Ste. 400  
San Francisco, CA 94103

Dear Commissioners:

On February 7, 2017, Mayor Lee introduced the following legislation:

**File No. 170156**

**Ordinance amending the Planning Code and Zoning Map to prohibit Gym and Massage uses in the Production, Distribution, and Repair (PDR) zoning districts, eliminate the Transit-Oriented Retail Special Use District, which includes all parcels in PDR districts along 16th Street from Mission Street to Potrero Avenue, and correct the height limits on certain parcels in the Urban Mixed Use (UMU) District to allow for groundfloor PDR uses; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302.**

The proposed ordinance is being transmitted pursuant to Planning Code, Section 302(b), for public hearing and recommendation. The ordinance is pending before the Land Use and Transportation Committee and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board

*for* By:  Alisa Somera, Legislative Deputy Director  
Land Use and Transportation Committee

c: John Rahaim, Director of Planning  
Aaron Starr, Acting Manager of Legislative Affairs  
Scott Sanchez, Zoning Administrator

Lisa Gibson, Acting Environmental Review Officer  
AnMarie Rodgers, Senior Policy Advisor  
Jeanie Poling, Environmental Planning  
Joy Navarrete, Environmental Planning

BOARD of SUPERVISORS



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TDD/TTY No. 554-5227

## MEMORANDUM

TO: Regina Dick-Endrizzi, Director  
Small Business Commission, City Hall, Room 448

FROM:  Alisa Somera, Legislative Deputy Director  
Land Use and Transportation Committee

DATE: February 13, 2017

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS  
Land Use and Transportation Committee

The Board of Supervisors' Land Use and Transportation Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

**File No. 170156**

**Ordinance amending the Planning Code and Zoning Map to prohibit Gym and Massage uses in the Production, Distribution, and Repair (PDR) zoning districts, eliminate the Transit-Oriented Retail Special Use District, which includes all parcels in PDR districts along 16th Street from Mission Street to Potrero Avenue, and correct the height limits on certain parcels in the Urban Mixed Use (UMU) District to allow for groundfloor PDR uses; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302.**

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

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**RESPONSE FROM SMALL BUSINESS COMMISSION - Date: \_\_\_\_\_**

**No Comment**

**Recommendation Attached**

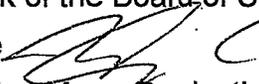
\_\_\_\_\_  
**Chairperson, Small Business Commission**

c: Menaka Mahajan, Small Business Commission

OFFICE OF THE MAYOR  
SAN FRANCISCO



EDWIN M. LEE

TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: ~~Edwin M. Lee~~ Mayor Edwin M. Lee   
RE: Planning Code, Zoning Map - Production, Distribution, and Repair Controls; Eliminating the Transit-Oriented Retail Special Use District, and Correcting Height Limits in the UMU District  
DATE: February 7, 2017

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Attached for introduction to the Board of Supervisors is an ordinance amending the Planning Code and Zoning Map to prohibit Gym and Massage uses in the Production, Distribution, and Repair (PDR) zoning districts, eliminate the Transit-Oriented Retail Special Use District, which includes all parcels in PDR districts along 16th Street from Mission Street to Potrero Avenue, and correct the height limits on certain parcels in the Urban Mixed Use (UMU) District to allow for groundfloor PDR uses; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code Section 302.

Should you have any questions, please contact Mawuli Tugbenyoh (415) 554-5168.

BY \_\_\_\_\_  
AK  
2017 FEB -7 PM 1:40