



SAN FRANCISCO PLANNING DEPARTMENT

April 19, 2013

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

**Re: Transmittal of Planning Department Case Number 2013.0281TZ:
Establish the Outer Mission NCD
Board File No. 130084
Planning Commission Recommendation: Approval with Modifications**

1650 Mission St.
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San Francisco,
CA 94103-2479

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415.558.6378

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415.558.6377

Dear Ms. Calvillo and Supervisor Avalos,

On April 18, 2013, the Planning Commission conducted a duly noticed public hearing at regularly scheduled meetings to consider the proposed Ordinance that would establish the Outer Mission Street Neighborhood Commercial District introduced by Supervisor Scott Avalos. At the hearing, the Planning Commission recommended approval with modifications.

The proposed modifications include:

1. Under the list of NC-1 parcels included in the proposed NCD change 5405 to 6405.
2. Move Blocks 6802 and 6803 from the list of NC-3 parcels included in the proposed NCD to the list of NC-2 parcels included in the proposed NCD.
3. Add The Outer Mission Street NCD to the list of Zoning Districts in Section 201.
4. Modify Section 263.20 per the changes outlined in Exhibit F.
5. Remove the Excelsior Alcohol SUD from table 702.3
6. Require Conditional Use authorization for Medical Cannabis Dispensaries within 500' of an existing Medication Cannabis Dispensary instead of prohibiting them outright.

On April 10, 2013, The Department determined that the proposal ordinance would result in no physical impact on the environment. The Project was determined to be exempt from the California Environmental Quality Act ("CEQA") under the General Rule Exclusion (CEQA Guidelines Section 15061(b)(3)) as described in the determination contained in the Planning Department files for this Project.

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

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

Sincerely,

A handwritten signature in black ink, appearing to read 'AM-Rodgers', with a long horizontal line extending to the right.

AnMarie Rodgers
Manager of Legislative Affairs

cc:

Judith A Boyajain, Deputy City Attorney
Jeremy Pollock, Aide to Supervisor Avalos
Alisa Miller, Office of the Clerk of the Board

Attachments

Planning Commission Resolution
Planning Department Executive Summary\
Exhibit F



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 18846

HEARING DATE: APRIL 18, 2013

Project Name: Establish the Outer Mission Street NCD
Case Number: 2013.0281TZ [Board File No. 130084]
Initiated by: Supervisor Avalos/ Introduced January 29, 2013
Staff Contact: Aaron Starr, Legislative Affairs
aaron.starr@sfgov.org, 415-558-6362
Reviewed by: AnMarie Rodgers, Manager Legislative Affairs
anmarie.rodgers@sfgov.org, 415-558-6395

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RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT A PROPOSED ORDINANCE WITH MODIFICATIONS THAT WOULD AMEND THE SAN FRANCISCO PLANNING CODE BY ADDING A NEW SECTION TO ESTABLISH THE OUTER MISSION STREET NEIGHBORHOOD COMMERCIAL DISTRICT ALONG MISSION STREET BETWEEN ALEMANY BOULEVARD AND THE SAN FRANCISCO-SAN MATEO COUNTY LINE; REPEAL THE EXCELSIOR ALCOHOL RESTRICTED USE DISTRICT AND ADD CONTROLS ON LIQUOR ESTABLISHMENTS TO THE NEW NEIGHBORHOOD COMMERCIAL DISTRICT; AMEND VARIOUS SECTIONS TO MAKE CONFORMING AND OTHER TECHNICAL CHANGES; AMEND THE ZONING MAP TO REZONE SPECIFIED PROPERTIES TO THE NEW NEIGHBORHOOD COMMERCIAL DISTRICT; AND MAKE ENVIRONMENTAL FINDINGS, PLANNING CODE, SECTION 302, FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1.

PREAMBLE

Whereas, on January 29, 2013, Supervisor Avalos introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 13-0084 which would amend the San Francisco Planning Code by adding a new section to establish the Outer Mission Street Neighborhood Commercial District along Mission Street between Alemany Boulevard and the San Francisco-San Mateo County line; repeal the Excelsior Alcohol Restricted Use District and add controls on liquor establishments to the new Neighborhood Commercial District; amend various sections to make conforming and other technical changes; amend the Zoning Map to rezone specified properties to the new Neighborhood Commercial District; and make environmental findings, Planning Code, Section 302, findings, and findings of consistency with the General Plan and the Priority Policies of Planning Code, Section 101.1.

Whereas, on April 18, 2013, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance; and

Whereas, on April 10, 2013, the Project was determined to be exempt from the California Environmental Quality Act ("CEQA") under the General Rule Exclusion (CEQA Guidelines Section 15061(b)(3)) as described in the determination contained in the Planning Department files for this Project; 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 the applicant, 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 Ordinance; and

MOVED, that the Commission hereby recommends that the Board of Supervisors recommends *approval of the proposed Ordinance with modifications* and adopts the attached Draft Resolution to that effect.

The proposed modifications include:

1. Under the list of NC-1 parcels included in the proposed NCD change 5405 to 6405.
2. Move Blocks 6802 and 6803 from the list of NC-3 parcels included in the proposed NCD to the list of NC-2 parcels included in the proposed NCD.
3. Add The Outer Mission Street NCD to the list of Zoning Districts in Section 201
4. Modify Section 263.20 per the changes outlined in Exhibit F
5. Remove the Excelsior Alcohol SUD from table 702.3
6. Require Conditional Use Authorization for Medical Cannabis Dispensaries within 500' of an existing Medication Cannabis Dispensary instead of prohibiting them outright.

Pending ordinances which should be accommodated in this draft ordinance: This note is being provided as a courtesy to the City Attorney and the Clerk of the Board to help identify other Ordinances which may present conflicting amendments as the legislative process proceeds.

1. Sections 263.20 BF 120774 Permitting a Height Bonus in Castro Street and 24th Street NCDs
2. Sections 151.1, 702.1 BF Pending Western SoMa Plan
3. Sections 151.1, 263.20, 702.1, 702.3, 703.3 BF Pending Code Corrections Ordinance 2012
4. Sections 151.1, 263.20, 744.1, 607.1 BF 120796 Divisadero Street NCD

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:

- Individually named neighborhood commercial districts help to preserve and enhance the character of a neighborhood and a sense of identity.
- Creating a new named NCD for this area will allow for the Alcohol and Fringe Financial Restricted Use Districts to be removed from the Planning Code, exchanging cumbersome overlays with more targeted controls.
- Removing parking minimums and instituting parking maximums is consistent with the City's Transit First policy, the General Plan and will help increase the supply of housing in the City.
- The modest increase in density will help add to the City's housing stock and encourage the creation of more affordable housing units.
- Because of existing restrictions there are only so many areas of the City that allow Medical Cannabis Dispensaries (MCDs). Prohibiting new MCDs from being established within 500' of an existing MCD would further limit the number of available locations within the City. Further, the Commission does not want to set a precedent with this legislation that could be used in other Neighborhood Commercial Districts. Requiring Conditional Use authorization for MCDs that seek to locate within 500' of an existing MCD will help address the clustering issues for this neighborhood, while not further limiting available locations.

1. **General Plan Compliance.** The proposed Ordinance is consistent with the following Objectives and Policies of the General Plan:

I. COMMERCE & INDUSTRY ELEMENT

THE COMMERCE AND INDUSTRY ELEMENT OF THE GENERAL PLAN SETS FORTH OBJECTIVES AND POLICIES THAT ADDRESS THE BROAD RANGE OF ECONOMIC ACTIVITIES, FACILITIES, AND SUPPORT SYSTEMS THAT CONSTITUTE SAN FRANCISCO'S EMPLOYMENT AND SERVICE BASE.

OBJECTIVE 4

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

Policy 6.2

Promote economically vital neighborhood commercial districts which foster small business enterprises and entrepreneurship and which are responsive to economic and technological innovation in the marketplace and society.

The proposed legislation would create an individually named Neighborhood Commercial District on Mission Street, which would help to preserve and enhance the character of a neighborhood and create a sense of identity. The proposed changes will also allow this neighborhood to more easily respond to economic and technological innovation in the marketplace and society.

Policy 6.6

Adopt specific zoning districts, which conform to a generalized neighborhood commercial land use and density plan.

As amended, the proposed NCD conforms to the generalized neighborhood commercial land use and density plan published in the General Plan.

II. HOUSING ELEMENT

THE HOUSING ELEMENT IS INTENDED TO PROVIDE THE POLICY BACKGROUND FOR HOUSING PROGRAMS AND DECISIONS; AND TO PROVIDE BROAD DIRECTION TOWARDS MEETING THE CITY'S HOUSING GOALS. AS WITH OTHER ELEMENTS OF THE GENERAL PLAN, IT PROVIDES THE POLICY FRAMEWORK FOR FUTURE PLANNING DECISIONS, AND INDICATES THE NEXT STEPS THE CITY PLANS TO TAKE TO IMPLEMENT THE HOUSING ELEMENT'S OBJECTIVES AND POLICIES.

OBJECTIVE 1

IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

Policy 1.10

Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

The proposed Ordinance will increase the development potential for lots currently zoned NC-1, NC-2 and RH-1; these lots are located along or adjacent to a major transit corridor, Mission Street. That coupled with their close proximity to a neighborhood commercial shopping district will allow future residents to easily rely on public transportation, walking and bicycling for the majority of daily trips.

OBJECTIVE 7

SECURE FUNDING AND RESOURCES FOR PERMANENTLY AFFORDABLE HOUSING, INCLUDING INNOVATIVE PROGRAMS THAT ARE NOT SOLELY RELIANT ON TRADITIONAL MECHANISMS OR CAPITAL.

Policy 7.5

Encourage the production of affordable housing through process and zoning accommodations, and prioritize affordable housing in the review and approval processes.

The proposed Ordinance will provide zoning accommodation by remove the minimum parking requirements for dwelling units, which encourages the production of affordable housing.

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.

The proposed Ordinance will allow for a moderate increase in dwelling unit density along a major transit corridor. This moderate increase will have a de minimis impact on surrounding residential district's neighborhood character.

OBJECTIVE 12

BALANCE HOUSING GROWTH WITH ADEQUATE INFRASTRUCTURE THAT SERVES THE CITY'S GROWING POPULATION.

Policy 12.1

Encourage new housing that relies on transit use and environmentally sustainable patterns of movement.

By removing minimum parking requirements and moderately increasing the allowable density on some parcels, the proposed Ordinance will encourage new housing along a major transit route; creating housing that relies on transit use and environmentally sustainable patterns of movement.

OBJECTIVE 13

PRIORITIZE SUSTAINABLE DEVELOPMENT IN PLANNING FOR AND CONSTRUCTING NEW HOUSING.

Policy 13.1

Support "smart" regional growth that locates new housing close to jobs and transit.

Policy 13.3

Promote sustainable land use patterns that integrate housing with transportation in order to increase transit, pedestrian, and bicycle mode share.

The proposed Ordinance will increase the housing density along a major transit route and within a Neighborhood Commercial District bringing housing close to jobs in the commercial corridor and transit.

2. The proposed replacement project 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 in and ownership of such businesses will be enhanced:

The proposed Ordinance does not propose significant changes to the controls in the subject Neighborhood Commercial Districts. However, creating named NCDs will allow the district to respond more easily to emerging issues that may impact opportunities for resident employment in and ownership of neighborhood-serving retail uses.

- B) The existing housing and neighborhood character will be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods:

The proposed legislation would create individually named Neighborhood Commercial Districts on Mission Street, which help to preserve and enhance the character of the neighborhood.

- C) The City's supply of affordable housing will be preserved and enhanced:

The proposed Ordinance will have no adverse effect on the City's supply of affordable housing. Removing the minimum parking controls will encourage more affordable housing in the proposed named NCD.

- D) The commuter traffic will not impede MUNI transit service or overburden our streets or neighborhood parking:

The proposed Ordinance will have no significant impact on commuter traffic impeding MUNI transit service or overburdening the 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:

The proposed Ordinance would not adversely affect the industrial or service sectors or future opportunities for resident employment or ownership in these sectors.

- F) The City will achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

Preparedness against injury and loss of life in an earthquake is unaffected by the proposed Ordinance. Any new construction or alteration associated with a use would be executed in compliance with all applicable construction and safety measures.

- G) That landmark and historic buildings will be preserved:

Landmarks and historic buildings would be unaffected by the proposed Ordinance. Should a proposed use be located within a landmark or historic building, such site would be evaluated under

typical Planning Code provisions and comprehensive Planning Department policies.

- H) Parks and open space and their access to sunlight and vistas will be protected from development:

The City's parks and open space and their access to sunlight and vistas would be unaffected by the proposed Ordinance. It is not anticipated that permits would be such that sunlight access, to public or private property, would be adversely impacted.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on April 18, 2013.

Jonas P Ionin
Acting Commission Secretary

AYES: Commissioners Borden, Fong, Hillis, Moore, and Wu

NAYS: Commissioner Antonini and Sugaya

ABSENT: none

ADOPTED: April 18, 2013



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Zoning Map and Planning Code Text Change

HEARING DATE: APRIL 18, 2013

Project Name: **Establish the Outer Mission Street NCD**
Case Number: 2013.0281TZ [Board File No. 130084]
Initiated by: Supervisor Avalos/ Introduced January 29, 2013
Staff Contact: Aaron Starr, Legislative Affairs
aaron.starr@sfgov.org, 415-558-6362
Reviewed by: AnMarie Rodgers, Manager Legislative Affairs
anmarie.rodgers@sfgov.org, 415-558-6395
Recommendation: **Recommend Approval with Modifications**

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PLANNING CODE AMENDMENT

The proposed Ordinance would amend the San Francisco Planning Code by adding a new section to establish the Outer Mission Street Neighborhood Commercial District along Mission Street between Alemany Boulevard and the San Francisco-San Mateo County line; repeal the Excelsior Alcohol Restricted Use District and add controls on liquor establishments to the new Neighborhood Commercial District; amend various sections to make conforming and other technical changes; amend the Zoning Map to rezone specified properties to the new Neighborhood Commercial District; and make environmental findings, Planning Code, Section 302, findings, and findings of consistency with the General Plan and the Priority Policies of Planning Code, Section 101.1.

The Way It Is Now:

- Properties along Mission Street between Alemany Boulevard and the San Francisco-San Mateo County line are zoned *Neighborhood Commercial, Small-Scale* (NC-2) and *Neighborhood Commercial, Moderate Scale* (NC-3). Properties around the intersection of Geneva Avenue and Naples Street are zoned *Neighborhood Commercial, Cluster* (NC-1). Properties between Alemany Boulevard and Mission Street on Geneva Avenue and the property at the corner of Rolph and Naples are zoned RH-1. (See Exhibit C for a map of existing zoning.)
- The Excelsior Alcohol Restricted Use District (RUD) includes properties that front on Mission Street from Silver Avenue to the San Francisco-San Mateo County line. The RUD prohibits new liquor establishments selling alcoholic beverages for off-site consumption.
- RH-1, NC-1, NC-2 and NC-3 Districts have minimum parking requirements that are outlined in Planning Code Section 151.
- There are no special restrictions on Medical Cannabis Dispensaries (MCDs) in this area of the City.
- The Alcohol RUD is within the Fringe Financial Services RUD, which prohibits Fringe Financial Services (aka check cashing or pay day loan businesses) within $\frac{1}{4}$ of a mile of the district.

- The Planning Code currently permits a five foot height bonus for properties zoned 40-X and 50-X in the NC-3 District along Mission Street from Silver Avenue to the SF-SM County boarder.

The Way It Would Be:

The proposed legislation would:

- Create a new named Neighborhood Commercial District along Mission Street between Alemany Boulevard and the San Francisco-San Mateo County line with size and use controls similar to NC-3 controls. The proposed district would also include properties zoned NC-3 on Ocean Avenue between Alemany Blvd. and Mission St., and on Geneva between Mission and Alemany Blvd. Properties currently zoned NC-1 at the intersection of Geneva Avenue and Naples Street, four properties zoned RH-1 on Geneva between Mission and Alemany and one property zoned RH-1 on the corner of Rolph and Naples would also be included in the proposed NCD. (See Exhibit D for map of proposed zoning.)
- Institute maximum parking controls within the Outer Mission Street NCD, as outlined under Section 151.1. Parking would be capped at one parking space per dwelling unit. Commercial uses would have the standard parking maximums outlined in Planning Code Section 151.1
- Remove the Excelsior Alcohol Restricted Use District, but preserve the prohibition on new liquor stores in the proposed NCD. Grocery stores would be permitted to have off-sale alcohol licenses.
- Maintain the prohibition on Fringe Financial Services in the proposed NCD.
- Provide a five foot height bonus for properties zoned 40-X and 50-X for the entire district.
- Institute a 500 foot buffer between MCDs.

ISSUES AND CONSIDERATIONS

General NC and Named Neighborhood Commercial Districts

NC-1 Districts are intended to serve as local neighborhood shopping districts, providing convenience retail goods and services for the immediately surrounding neighborhoods primarily during daytime hours. NC-1 Districts are characterized by their location in residential neighborhoods, often these districts consist of a small cluster of ground floor commercial uses in an otherwise residential area of the City. The commercial intensity of these districts varies. Many of these districts have the lowest intensity of commercial development in the City, generally consisting of small clusters with three or more commercial establishments, commonly grouped around a corner; and in some cases short linear commercial strips with low-scale, interspersed mixed-use (residential-commercial) development.

NC-2 Districts are intended to serve as the City's Small-Scale Neighborhood Commercial District. These districts are linear shopping streets that provide convenience goods and services to the surrounding neighborhoods as well as limited comparison shopping goods for a wider market. The range of goods and services offered is varied and often includes specialty retail stores, restaurants, and neighborhood-serving offices. NC-2 Districts are commonly located along both collector and arterial streets which have transit routes. These districts range in size from two or three blocks to many blocks, although the commercial development in longer districts may be interspersed with housing or other land uses.

NC-3 Districts are intended in most cases to offer a wide variety of comparison and specialty goods and services to a population greater than the immediate neighborhood, additionally providing convenience

goods and services to the surrounding neighborhoods. NC-3 Districts are linear districts located along heavily trafficked thoroughfares which also serve as major transit routes. NC-3 Districts include some of the longest linear commercial streets in the City, some of which have continuous retail development for many blocks. Large-scale lots and buildings and wide streets distinguish the districts from smaller-scaled commercial streets, although the districts may include small as well as moderately scaled lots. Buildings typically range in height from two to four stories with occasional taller structures.

Named Commercial Districts are generally of the same scale and intensity as NC-2 Districts; however this proposed NCD has controls similar to NC-3 Districts. There are currently 27 named NCDs in the City. Some of the oldest named NCDs in the City include the Broadway, Castro, Upper Fillmore, Haight and Inner and Outer Clement NCDs, and there is a trend to create more individually named NCDs throughout the City. These types of districts allow for more tailored controls and help to protect or enhance unique characteristics associated with a neighborhood. Changes that are made to a named commercial district only apply to that district, whereas changes made to NC-1, NC-2 and NC-3 Districts apply citywide. For example, if a named NCD wants to control the number of nail salons because of a perceived overconcentration, then the controls for that named NCD can be changed to prohibit or require Conditional Use authorization for Personal Service uses. Conversely, if a neighborhood wants to encourage a type of use, the controls for that named NCD can be changed so that use is principally permitted.

Alcohol Restricted Use District and Fringe Financial Services Restricted Use Districts

The Excelsior Alcohol RUD and the Fringe Financial Services RUD were added to this stretch of Mission Street because of community concern over an over-concentration of liquor stores and check cashing stores. Because this area was zoned as a general zoning district, NC-2 and NC-3, Liquor Stores and Fringe Financial Services could not be prohibited outright without changing the zoning for all NC-2 and NC-3 Districts throughout the City. If this stretch of Mission Street has its own named NCD, the RUDs are no longer needed to control for the over proliferation of these two uses.

NCD Height Controls

San Francisco's commercial height districts tend to be base ten numbers such as 40, 50, etc. These base ten districts may lead to buildings that are similar in height to the neighboring buildings but that are lesser in human comfort than buildings of similar scale built prior to the City's height limits. This is due to the desire to maximize the number of stories in new projects. Recent community planning efforts have highlighted some failings of these base 10 height districts. The 2008 Market & Octavia¹ and Eastern Neighborhoods² Plans recognize that the base ten height limits in neighborhood commercial districts often encourage inferior architecture. For this reason, both of these plans sought to encourage more active and attractive ground floor space by giving a five foot height bonus to buildings which meet the definition of "active ground floor" use. This five foot increase must be used for adding more space to the ground floor.

¹ Ord. 72-08, File No. 071157, App. 4/3/2008.

² Ord. 297-08, 298-08, 299-08 and 300-08, App. 12/19/2008.

In 2008, Supervisor Sandoval sponsored a similar text amendment that extended this height increase outside of established plan areas to provide for a maximum five foot special height exception for active ground floor uses in the NC-2 and NC-3 designated parcels fronting portions of Mission Street³. Another amendment introduced by Supervisor Avalos in 2009 that now allows a maximum five foot height increase in certain NC-1 parcels in District 11⁴. Most recently, Geary Boulevard, Inner Clement, Outer Clement, the new Outer Sunset NCDs, 24th-Noe Street NCD and NC-2 zoned portions of Balboa Street were added to the list of zoning districts that allow the 5' height bonus.

The proposed Ordinance would not allow an additional floor to new projects. A 40-X and 50-X height limit can accommodate a maximum of four and five floors, respectively. Since the additional five foot height can only be used on the ground floor, the height limit still can only accommodate the same number of floors.

Density

The proposed Outer Mission Street NCD will have the same density controls as those in NC-3 District. RH-1, NC-1 and NC-2 zoning districts all have lower densities than NC-3 district. RH-1 density is basically one dwelling unit per lot, while NC-1 and NC-2 districts allow 1 dwelling unit per 800 sq. ft. of lot area. NC-3 Districts permit 1 dwelling unit per 600 sq. ft. of lot area. On a typical 2,500 sq. ft. lot a property that was previously zoned NC-1 or NC-2 would have been permitted to have 3 dwelling units; under the proposed zoning these properties would be permitted to have 4 dwelling units. The surrounding area of the proposed NCD has a very low density. Most of the lots are zoned RH-1 (single-family) and RH-2 (two-family). Further, Mission Street is a major transit corridor and the General Plan calls for adding housing near transit (Housing Element, Policy 13.1), and encouraging housing that relies on transit use (Housing Element, Policy 12.1).

MCDs

Based on the Potential MCD Locations Map prepared by the Planning Department in 2010, there are three areas within the proposed NCD that contain potential sites for MCDs⁵; around Mission Street between Alemany Boulevard and Silver Avenue toward the north of the proposed NCD, around the intersection of Mission Street and Geneva Avenue in the middle of the proposed NCD, and around the intersection of Mission and Sickles Avenue at the south end of the proposed NCD. (See exhibit E for map.) Already there are three MCDs in the proposed NCD, one toward the north end of the proposed NCD at 4218 Mission Street, and two in the middle of the proposed NCD at 5234 Mission St, and 5258 Mission St. A 500' buffer would potentially limit the establishment of additional MCDs in the proposed NCD toward its southern end.

REQUIRED COMMISSION ACTION

The proposed Ordinance is before the Commission so that it may recommend adoption, rejection, or adoption with modifications to the Board of Supervisors.

³ Ord. 321-08, File no. 081100, App. 12/19/2008.

⁴ Ord. [5-10](#), File No. 090319, App. 1/22/2010

⁵ The MCD map prepared by the Planning Department shows areas that are (1) zoned to allow new MCDs and (2) not located within 1000' of a School. The map does not indicate uses which further restrict MCD locations including (1) community facilities, (2) recreation buildings and (3) substance abuse treatment centers.

RECOMMENDATION

The Department recommends that the Commission recommend *approval with modification* of the proposed Ordinance and adopt the attached Draft Resolution to that effect. The proposed modifications include:

1. Under the list of NC-1 parcels included in the proposed NCD change 5405 to 6405.
2. Move Blocks 6802 and 6803 from the list of NC-3 parcels included in the proposed NCD to the list of NC-2 parcels included in the proposed NCD.
3. Add The Outer Mission Street NCD to the list of Zoning Districts in Section 201
4. Modify Section 263.20 per the changes outlined in Exhibit F
5. Remove the Excelsior Alcohol SUD from table 702.3

BASIS FOR RECOMMENDATION

The Department supports creating an individually named neighborhood commercial district for the Outer Mission Neighborhood because named NCDs help to preserve and enhance the character of a neighborhood and they also help create a sense of identity. Alcohol restrictions and fringe financial restrictions have been implemented in this neighborhood in response to an over proliferation of both in the area. Creating a new named NCD for this area will allow these restricted use districts to be removed from the Planning Code, exchanging cumbersome overlays with more targeted controls.

Parking Maximums

The Department supports the removal of the parking minimums because it is consistent with the City's Transit First policy, the General Plan and because it will help increase the supply of housing in the City. A recent study done by Michael Manville at UCLA found that there is a strong correlation between the elimination of parking mandates and increase housing supply⁶. The study found that when parking requirements are removed, developers provide more housing and less parking, and also that developers provide different types of housing: housing in older buildings, in previously disinvested areas, and housing marketed toward non-drivers. Minimum parking requirements result in more space being dedicated to parking than is really needed; height limits, setback requirements, open space requirements and other development regulations leave less space for actual housing units. Further, because of the active street frontage requirements in the Planning Code, parking in newer buildings is typically provided underground, and underground parking spaces are expensive costing between \$30,000 and \$50,000 each or more. Developers recoup those costs by including it in the cost of housing.

Increase Density

The Department also supports the modest increase in density that will occur for properties not currently zoned NC-3 because it will help add to the City's housing stock and encourage the creation of more affordable housing units. The neighborhoods surrounding the proposed NCD have an extremely low density, with the majority of properties zoned RH-1 (single-family) or RH-2 (two-family). Compared to this type of low-density housing, multifamily housing consumes less material per unit to build, uses less land, is more energy efficient, and requires less utility infrastructure. While increasing supply does not

⁶ http://www.its.ucla.edu/research/rpubs/manville_aro_dec_2010.pdf

guarantee affordability for everyone or even that prices will see a net drop, more housing supply will drive prices lower than they would have been absent that increased supply, and that helps affordability across the board. Further, increasing the density along Mission Street, a major transit corridor, places the density in the most appropriate location and helps to bring more activity and vitality to the commercial corridor.

MCD Restrictions

The Department supports the 500 foot buffer for MCDs in the proposed NCD because it will help prevent clustering of MCDs in the neighborhood while not prohibiting them outright. As with all land uses, an over concentration of any one use erodes the vibrancy and economic diversity of a neighborhood. MCDs are unique in that there are only so many areas of the City where they are allowed to locate, and this neighborhood has three areas of a significant size that allow MCDs. As detailed above, three MCDs have already moved into the neighborhood. The proposed 500 foot buffer will help ensure that there isn't an over concentration of MCDs, but still allow for this vital service to be located within other areas of the proposed NCD.

Discontiguous District

The proposed NCD includes an existing NC-1 district that is located less than a ¼ mile from the main portion of the proposed NCD. While this portion of the NCD is discontiguous with the rest of the district, the Department supports its inclusion because it is so close to the main portion of the proposed NCD, sharing similar land use concerns such as the over proliferation of liquor stores and fringe financial stores. MCDs are not permitted in this area already because of its close proximity to a school. Further, as mentioned above the density increase is a modest increase and will help add to the City's housing stock and encourage the creation of more affordable housing units.

Recommendations 1-2

These recommendations are intended to fix minor errors in the Ordinance. They have been vetted with the Supervisor Avalos's office and do not change the intended boundaries of the proposed district.

Recommendations 3-5

These recommendation are clerical in nature and do not affect the proposed District.

ENVIRONMENTAL REVIEW

The proposal ordinance would result in no physical impact on the environment. The Project was determined to be exempt from the California Environmental Quality Act ("CEQA") under the General Rule Exclusion (CEQA Guidelines Section 15061(b)(3)) as described in the determination contained in the Planning Department files for this Project.

PUBLIC COMMENT

As of the date of this report, the Planning Department has received a few inquiries about the proposed NCD, but no statements of support or opposition.

RECOMMENDATION:	Recommendation of Approval with Modification
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Attachments:

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: Board of Supervisors File No. 120796
- Exhibit C: Map of Existing Zoning
- Exhibit D: Map of Proposed Zoning
- Exhibit E: Map of Potential MCD sites
- Exhibit F: Clerical changes to Section 263.20
- Exhibit G: Environmental Determination

Exhibit F

263.20

(a) Intent. In order to encourage generous ground floor ceiling heights for commercial and other active uses, encourage additional light and air into ground floor spaces, allow for walk-up ground floor residential uses to be raised slightly from sidewalk level for privacy and usability of front stoops, and create better building frontage on the public street, up to an additional 5' of height is allowed along major streets in NCT districts, or in specific districts listed below, for buildings that feature either higher ground floor ceilings for non-residential uses or ground floor residential units (that have direct walk-up access from the sidewalk) raised up from sidewalk level.

(b) Applicability. The special height exception described in this section shall only apply to projects that meet all of the following criteria:

(1) project is located in a 30-X, 40-X or 50-X Height and Bulk District as designated on the Zoning Map;

(2) project is located in one of the following Districts:

(A) in an NCT district as designated on the Zoning Map;

(B) in the Upper Market Street, Inner Clement Street, Outer Clement Street, Irving Street, Taraval Street, Noriega Street, Judah Street, 24th Street- Noe Valley, Divisadero Street, Outer Mission Street, and Fillmore Street NCDs;

~~(C)~~ on a NC 2 or NC 3 designated parcel fronting Mission Street, from Silver Avenue to the Daly City border;

~~(D)~~ on a NC-2 designated parcel on Balboa Street between 2nd Avenue and 8th Avenue, and between 32nd Avenue and 39th Avenue;

~~(E)~~ (D) on a NC-1 designated parcel within the boundaries of Sargent Street to Orizaba Avenue to Lobos Street to Plymouth Avenue to Farallones Street to San Jose Avenue to Alemany Boulevard to 19th Avenue to Randolph Street to Monticello Street and back to Sargent Street; or

~~(F)~~ (E) on a NC-3 designated parcel fronting on Geary Boulevard from Masonic Avenue to 28th Avenue, except for parcels on the north side of Geary Boulevard between Palm Avenue and Parker Avenue;

~~(G)~~ (F) on a parcel zoned NC-1 ~~or NC 2 with a commercial use on the ground floor~~ on Noriega, Irving, Taraval, or Judah Streets west of 19th Avenue;

~~(H)~~ on a parcel zoned NC 1 or NC 2 with a commercial use on the ground floor on Irving Street west of 19th Avenue;

~~(I) on a parcel zoned NC 1 or NC 2 with a commercial use on the ground floor on Taraval Street west of 19th Avenue;~~

~~(J) on a parcel zoned NC 1 or NC 2 with a commercial use on the ground floor on Judah Street west of 19th Avenue;~~

(3) project features ground floor commercial space or other active use as defined by Section 145.1(b)(2) with clear ceiling heights in excess of ten feet from sidewalk grade, or in the case of residential uses, such walk-up residential units are raised up from sidewalk level;

(4) said ground floor commercial space, active use, or walk-up residential use is primarily oriented along a right-of-way wider than 40 feet;

(5) said ground floor commercial space or active use occupies at least 50% of the project's ground floor area; and

(6) except for projects located in NCT districts, the project sponsor has conclusively demonstrated that the additional 5' increment allowed through Section 263.20 would not add new shadow to any public open spaces.

(c) One additional foot of height, up to a total of five feet, shall be permitted above the designated height limit for each additional foot of ground floor clear ceiling height in excess of 10 feet from sidewalk grade, or in the case of residential units, for each foot the unit is raised above sidewalk grade.