

File No. 200143 Committee Item No. 2
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS
AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation Committee Date April 27, 2020

Board of Supervisors Meeting Date _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
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| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
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| <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 |
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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Referral FYI 021820</u> |
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Completed by: Erica Major Date April 24, 2020
Completed by: Erica Major Date _____

1 [Planning Code - Zoning Controls - Urban Mixed Use District - Office Uses]

2
3 **Ordinance amending the Planning Code to provide that in the Urban Mixed Use District**
4 **all office uses are prohibited, except that a professional service, financial service, or**
5 **medical service is allowed as a conditional use on the ground floor when primarily**
6 **open to the general public on a client-oriented basis; affirming the Planning**
7 **Department's determination under the California Environmental Quality Act; making**
8 **findings of consistency with the General Plan, and the eight priority policies of**
9 **Planning Code, Section 101.1; and adopting findings of public necessity, convenience,**
10 **and welfare under Planning Code, Section 302.**

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

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

19 Section 1. Findings.

20 (a) The Planning Department has determined that the actions contemplated in this
21 ordinance comply with the California Environmental Quality Act (California Public Resources
22 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of
23 Supervisors in File No. 200143 and is incorporated herein by reference. The Board affirms
24 this determination.

25 (b) On April 23, 2020 the Planning Commission, in Resolution No. 20688,
adopted findings that the actions contemplated in this ordinance are consistent, on balance,

1 with the City's General Plan and eight priority policies of Planning Code Section 101.1. The
2 Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of
3 the Board of Supervisors in File No. 200143, and is incorporated herein by reference.

4 (c) Pursuant to Planning Code Section 302, the Board of Supervisors finds that this
5 ordinance will serve the public necessity, convenience, and general welfare for the reasons
6 set forth in Planning Commission Resolution No. 20688.

7
8 Section 2. Article 8 of the Planning Code is hereby amended by revising Sections
9 803.9 and 843, to read as follows:

10 **SEC. 803.9. USES IN MIXED USE DISTRICTS.**

11 * * * *

12 (f) **Vertical Controls for Office Uses.**

13 (1) **Purpose.** In order to preserve ground floor space for production,
14 distribution, and repair uses and to allow the preservation and enhancement of a diverse mix
15 of land uses, including limited amounts of office space on upper stories, additional vertical
16 zoning controls shall govern office uses as set forth in this Section 803.9(f).

17 (2) **Applicability.** This Section 803.9(f) shall apply to all office uses in the
18 MUG ~~and UMU~~ Districts and all office uses in buildings in the PDR-1-D and PDR-1-G Districts
19 that are designated as landmarks pursuant to Article 10 of the Planning Code, where
20 permitted.

21 * * * *

22 **SEC. 843. UMU – URBAN MIXED USE DISTRICT.**

23 The Urban Mixed Use (UMU) District is intended to promote a vibrant mix of uses
24 while maintaining the characteristics of this formerly industrially-zoned area. It is also intended
25 to serve as a buffer between residential districts and PDR districts in the Eastern

1 Neighborhoods. Within the UMU, allowed uses include production, distribution, and repair
 2 uses such as light manufacturing, home and business services, arts activities, warehouse,
 3 and wholesaling. Additional permitted uses include retail, educational facilities, and nighttime
 4 entertainment. Housing is also permitted, but is subject to higher affordability requirements.
 5 Family-sized dwelling units are encouraged. Within the UMU, *limited* office uses *servicing the*
 6 *general public* are *allowed on the ground floor with Conditional Use authorization restricted to the*
 7 *upper floors of multiple story buildings*. In considering any new land use not contemplated in this
 8 District, the Zoning Administrator shall take into account the intent of this District as expressed
 9 in this Section 843 and in the General Plan. Accessory Dwelling Units are permitted within the
 10 district pursuant to subsections 207(c)(4) and (c)(6) of this Code.

11 * * * *

12 **Table 843**

13 **UMU – URBAN MIXED USE DISTRICT ZONING CONTROL TABLE**

14 □

No.	Zoning Category	§ References	Urban Mixed Use District Controls
* * * *			
Office			
843.65	Office Uses in Landmark Buildings	§§ 890.70, 803.9(c)	P
843.65A	Services _s , Professional; Services _s , Financial; Services _s , Medical	§§ 890.108, 890.110, 890.114	<i>Subject to vertical control of Sec. 803.9(f). P NP, except C on the ground floor when primarily open to the general public on a client-oriented basis.</i>
843.66	All other Office Uses	§§ 803.9(f), 890.70, 890.118	<i>NP Subject to vertical control of Sec. 803.9(f)</i>
843.67	Live/Work Units	§ 233	NP
* * * *			

1 Section 3. Effective Date. This ordinance shall become effective 30 days after
2 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
3 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
4 of Supervisors overrides the Mayor's veto of the ordinance.

5
6 Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
7 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
8 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
9 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
10 additions, and Board amendment deletions in accordance with the "Note" that appears under
11 the official title of the ordinance.

12
13 APPROVED AS TO FORM:
14 DENNIS J. HERRERA, City Attorney

15 By:


16 JUDITH A. BOYAJIAN
17 Deputy City Attorney

18
19
20
21
22
23
24
25
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LEGISLATIVE DIGEST

[Planning Code - Zoning Controls - Urban Mixed Use District - Office Uses]

Ordinance amending the Planning Code to provide that in the Urban Mixed Use District all office uses are prohibited, except that a professional service, financial service, or medical service is allowed as a conditional use on the ground floor when primarily open to the general public on a client-oriented basis; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 302.

Existing Law

Planning Code Section 843 establishes the UMU – Urban Mixed Use District. The Zoning Control Table for the UMU District provides that all office uses are subject to the vertical controls of Section 803.9(f), which among other things prohibits an office use on the ground floor except as specified in Sections 840.65A and 843.65A. Pursuant to Section 843.65A, a professional service, financial service, or medical service use is principally permitted on the ground floor when primarily open to the general public on a client-oriented basis.

Amendments to Current Law

This ordinance amends the Section 843 Zoning Control to require a conditional use authorization for a ground-floor professional service, financial service, or medical service use. All other office uses are not permitted. The cross-reference to Section 803.9(f) is deleted.

Background Information

The Urban Mixed Use (UMU) District is intended 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. Limiting new office uses will further this purpose.

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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 18, 2020

File No. 200143

Lisa Gibson
Environmental Review Officer
Planning Department
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Ms. Gibson:

On February 11, 2020, Supervisor Ronen submitted the following legislation:

File No. 200143

Ordinance amending the Planning Code to provide that in the Urban Mixed Use District all office uses are prohibited, except that a Professional Service, Financial Service, or Medical Service is allowed as a conditional use on the ground floor when primarily open to the general public on a client-oriented basis; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and adopting 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

A handwritten signature in cursive script, appearing to read "Erica Major".

By: Erica Major, Assistant Clerk
Land Use and Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning
Don Lewis, Environmental Planning

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.

2/28/2020

A handwritten signature in cursive script, appearing to read "Joy Navarrete".



SAN FRANCISCO PLANNING DEPARTMENT

April 24, 2020

Ms. Angela Calvillo, Clerk
Honorable Supervisor 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:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

**Re: Transmittal of Planning Department Case Number 2020-002487PCA
Zoning Controls Urban Mixed Use District Office Uses
Board File No. 200143
Planning Commission Recommendation: Approval with Modification**

Dear Ms. Calvillo and Supervisor Ronen,

On April 23, 2020, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance, introduced by Supervisor Ronen that would amend Planning Code to provide that in Urban Mixed Use District all Office uses are prohibited, except that a professional service, financial service, or medical service is allowed as a Conditional Use on the ground floor when primarily open to the general public on a client oriented basis. At the hearing the Planning Commission recommended approval with modification.

The Commission's proposed modifications were as follows:

- Limit the prohibition on Office Uses within the UMU to the Mission Area Plan
- Maintain existing controls on Professional Services, Financial Services and Medical Services
- Include a grandfathering clause to the Ordinance to exempt projects proposing office uses within the UMU zoning district in the Mission Area Plan that have submitted to the Planning Department a Development Application no later than February 11, 2020.

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c) and 15378 because they do not result in a physical change in the environment.

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,

A handwritten signature in black ink, appearing to read "Aaron D. Starr". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Aaron D. Starr
Manager of Legislative Affairs

cc:

Judith A. Boyajian, Deputy City Attorney
Amy Beinart, Aide to Supervisor Ronen
Erica Major, Office of the Clerk of the Board

Attachments:

Planning Commission Resolution
Planning Department Executive Summary



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 20688

HEARING DATE: APRIL 23, 2020

Project Name: Zoning Controls - Urban Mixed Use District - Office Uses
Case Number: 2020-002487PCA [Board File No. 200143]
Initiated by: Supervisor Ronen / Introduced February 11, 2020
Staff Contact: **Diego Sanchez**, Legislative Affairs
diego.sanchez@sfgov.org, 415-575-9082
Reviewed by: Aaron D Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 415-558-6362

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

RESOLUTION APPROVING A PROPOSED ORDINANCE WITH MODIFICATIONS THAT WOULD AMEND THE PLANNING CODE TO PROVIDE THAT IN THE URBAN MIXED USE DISTRICT ALL OFFICE USES ARE PROHIBITED, EXCEPT THAT A PROFESSIONAL SERVICE, FINANCIAL SERVICE, OR MEDICAL SERVICE IS ALLOWED AS A CONDITION USE ON THE GROUND FLOOR WHEN PRIMARILY OPEN TO THE GENERAL PUBLIC ON A CLIENT-ORIENTED BASIS; ADOPTING FINDINGS, INCLUDING ENVIRONMENTAL FINDINGS, PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.

WHEREAS, on February 11, 2020 Supervisor Ronen introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 200143, which would amend the Planning Code to provide that in the Urban Mixed Use District all office uses are prohibited, except that a professional service, financial service, or medical service is allowed as a conditional use on the ground floor when primarily open to the general public on a client-oriented basis;

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on April 16, 2020; and,

WHEREAS, at its April 16, 2020 the Commission voted unanimously to continue its consideration of the proposed Ordinance to its April 23, 2020 hearing; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15060(c) and 15378; and

WHEREAS, the Planning 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

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed amendment; and

MOVED, that the Planning Commission hereby **approves with modifications** the proposed Ordinance. The modifications include:

1. Limit the prohibition on Office Uses within the Urban Mixed Use (UMU) Zoning District to the Mission Area Plan
2. Maintain existing controls on Professional Services, Financial Services and Medical Services
3. Include a grandfathering clause to the Ordinance to exempt projects proposing office uses within the UMU Zoning District in the Mission Area Plan that have submitted to the Planning Department a Development Application no later than February 11, 2020

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. Periodically revisiting and fine-tuning land use controls makes sense, especially when the land use controls are more than a decade old. This includes controls on Office uses and Professional Services, Financial Services and Medical Services in the Urban Mixed Use (UMU) Zoning District.
2. It is important to recognize that amendments to Office use controls will affect not only profit-driven Office uses but also their charitable counterparts. In this light it is key that new restrictions on Office uses be done in a nuanced manner, including limiting new restrictions to specific areas, such as the Mission Area Plan.
3. Professional Services, Financial Services and Medical Services are uses that can attract patrons to a retail corridor and supply patrons, in the form of employees, to other businesses in that retail corridor. In this way these uses are important to any retail corridor's vitality and should be encouraged there. Maintaining the current controls in the UMU of principally permitting them at the ground floor so long as they are open to general public is one way to encourage these uses.
4. **General Plan Compliance.** The proposed Ordinance and the Commission's recommended modifications are consistent with the following Objectives and Policies of the General Plan:

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 1

MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

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.

Policy 1.3

Locate commercial and industrial activities according to a generalized commercial and industrial land use plan.

The proposed Ordinance directs Office and service uses toward zoning districts and area plans where (1) they will have no significant adverse environmental effects, (2) where they will result in positive fiscal and employment benefits for residents, and (3) where the developments otherwise meet planning objectives.

CENTRAL WATERFRONT AREA PLAN

OBJECTIVE 1.1

ENCOURAGE THE TRANSITION OF PORTIONS OF THE CENTRAL WATERFRONT TO A MORE MIXED-USE CHARACTER, WHILE PROTECTING THE NEIGHBORHOOD'S CORE OF PDR USES AS WELL AS THE HISTORIC DOGPATCH NEIGHBORHOOD.

Policy 1.1.2

Revise land use controls in formerly industrial areas outside the core Central Waterfront industrial area, to create new mixed use areas, allowing mixed-income housing as a principal use, as well as limited amounts of retail, office, and research and development, while protecting against the wholesale displacement of PDR uses.

The proposed Ordinance and recommended modifications ensure that the land use controls in the Central Waterfront continue to create mixed-use areas, allowing limited amounts of retail and office uses.

OBJECTIVE 1.4

SUPPORT A ROLE FOR "KNOWLEDGE SECTOR" BUSINESSES IN APPROPRIATE PORTION OF THE CENTRAL WATERFRONT.

Policy 1.4.3

Allow other Knowledge Sector office uses in portions of the Central Waterfront where it is appropriate.

The proposed Ordinance and recommended modifications ensure that a limited amount of Office uses remain permissible within the Central Waterfront Area Plan.

SHOWPLACE SQUARE/POTRERO AREA PLAN

OBJECTIVE 1.1

ENCOURAGE THE TRANSITION OF PORTIONS OF THE SHOWPLACE SQUARE/POTRERO TO A MORE MIXED-USE AND NEIGHBORHOOD-SERVING CHARACTER, WHILE PROTECTING THE CORE OF DESIGN-RELATED PDR USES.

Policy 1.1.2

In the northern part of Showplace Square (around 8th and Brannan, east of the freeway and along 16th and 17th Streets) revise land use controls to create new mixed use areas, allowing mixed-income housing as a principal use, as well as limited amounts of retail, office, and research and development uses, while protecting against the wholesale displacement of PDR uses.

The proposed Ordinance and recommended modifications ensure that the land use controls in the Showplace Square continue to create mixed-use areas, allowing limited amounts of retail and office uses.

OBJECTIVE 1.4

SUPPORT A ROLE FOR “KNOWLEDGE SECTOR” BUSINESSES IN APPROPRIATE PORTION OF THE SHOWPLACE SQUARE/POTRERO HILL.

Policy 1.4.2

Allow Knowledge Sector office-type uses in portions of Showplace Square/Potrero Hill where it is appropriate.

The proposed Ordinance and recommended modifications ensure that a limited amount of office uses remain permissible within the Showplace Square/Potrero Area Plan.

5. **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 that:

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 and modifications would have a beneficial effect on neighborhood serving retail uses and will have a positive effect on opportunities for resident employment in and ownership of neighborhood-serving retail because they continue to allow for new retail uses like Professional, Financial, and Medical services to locate at the ground floor within the UMU zoning district.

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 and modifications would have a positive effect on preserving the economic diversity of the City’s neighborhoods because they continue to allow a wide array of uses within the UMU zoning district.

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

The proposed Ordinance and modifications would not have an adverse effect on the City’s supply of affordable housing because they concern themselves with the permissibility of Office and service uses.

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

The proposed Ordinance and modifications would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.

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 and modifications would limit possible displacement of the industrial sector due to office development within the Mission Area Plan.

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

The proposed Ordinance and modifications would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake.

7. That the landmarks and historic buildings be preserved;

The proposed Ordinance and modifications would not have an adverse effect on the City's Landmarks and historic buildings because they do not propose changes to the Planning Code controls on landmarks or historic buildings.

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

The proposed Ordinance and modifications would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas because they propose to amend land use controls for Office and service uses.

6. **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.

NOW THEREFORE BE IT RESOLVED that the Commission hereby APPROVES WITH MODIFICATIONS the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on April 23, 2020.



Jonas P. Ionin
Commission Secretary

AYES: Diamond, Fung, Imperial, Johnson, Koppel, Moore

NOES: None

ABSENT: None

ADOPTED: April 23, 2020



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Planning Code Text Amendment

HEARING DATE: APRIL 23, 2020
90-DAY DEADLINE: MAY 18, 2020

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: **Zoning Controls - Urban Mixed Use District - Office Uses**
Case Number: **2020-002487PCA** [Board File No. 200143]
Initiated by: Supervisor Ronen / Introduced February 11, 2020
Staff Contact: Diego Sanchez, Legislative Affairs
diego.sanchez@sfgov.org, 415-575-9082
Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 415-558-6362
Recommendation: **Approval with Modifications**

PLANNING CODE AMENDMENT

The Ordinance would amend the Planning Code to provide that in the Urban Mixed Use District all office uses are prohibited, except that a professional service, financial service, or medical service is allowed as a conditional use on the ground floor when primarily open to the general public on a client-oriented basis.

The Way It Is Now

The Way It Would Be

Office uses are allowed within the Urban Mixed Use (UMU) zoning district, subject to limitations based on the number of stories in the subject building.

Office uses would generally be prohibited in the UMU zoning district.

Professional Service, Financial Services and Medical Services are principally permitted on the ground floor when primarily open to the public on a client-oriented basis. Above the ground floor they are subject to limitations based on the number of stories in the building where they are located.

Professional Service, Financial Services and Medical Services would only be allowed to locate on the ground floor with Conditional Use authorization when primarily open to the public on client-oriented basis.

BACKGROUND

The discussion around allowing Office Uses in the UMU district was restarted by an application to expand an existing three-story office building at 2300 Harrison Street. The existing building has 68,000 square feet of legal non-conforming office space dispersed across all three stories. The proposed expansion would result in a mixed-use building with 24 Dwelling Units, 95,000 square feet of office space, and 3,600 square feet of retail and/or arts activities space. The State Density Bonus Law, which allows for increased height and other concessions, is being utilized to enable the project. On December 19, 2019 the Planning Commission approved the project. Critics of the project view the use of the State

Density Bonus Law as a clever end-around local land use controls to significantly add office space.¹ The new office space, they argue, will continue to exacerbate the gentrification pressures in the Mission neighborhood.

ISSUES AND CONSIDERATIONS

History of the Urban Mixed Use Zoning District

The Urban Mixed Use (UMU) zoning district stems from the various planning process of the 1990s and 2000s in the City's southeast. These attempted to balance two competing needs: to accommodate new office and residential development, and to preserve existing industrial land and uses. Over the course of that decade both the Commission and the Board of Supervisors enacted multiple land use controls to balance these competing needs. Ultimately the Eastern Neighborhoods Plan was enacted to help resolve this tension. It created three new Area Plans having two new sets of zoning districts for industrially used land. The Area Plans were the Mission, Showplace Square/Potrero and Central Waterfront. Within each Area Plan were the two new zoning districts. One, the Production, Distribution and Repair (PDR) districts, essentially restricted land to industrial uses. The other, the UMU, was crafted to allow a wide range of uses, including residential, retail, institutional and arts uses. It also was crafted to allow office uses, but with limitations as discussed below.

Vertical Controls for Office Uses

The Planning Code uses vertical controls to limit the location and amount of Office Use in buildings in the UMU zoning district.² The vertical controls limit the number of stories that may be used for Office Use in a building according to the total number of stories in the subject building. As the table below indicates, Office Uses are typically prohibited at the ground floor, and allowed in larger amounts as the number of stories increases. In general, there is a three-story limit to dedicated Office Use.³ In addition to these story-based controls, the vertical controls also require that stories used for Office be designated and this designation be recorded against the property deed.

TABLE 803.9(F)

Total Number of Stories	Maximum Number of Designated Office Stories
1 Story	0 Stories
2 – 4 Stories	1 Story
5 – 7 Stories	2 Stories
8 or more Stories	3 Stories

¹ Fight over Mission District project prompts proposed SF legislation to restrict office space. JK Dineen Feb. 7, 2020 accessed March 30, 2020. <https://www.sfchronicle.com/local-politics/article/Fight-over-Mission-District-project-prompts-15040039.php>

² Planning Code Section 803.9(f)

³ Planning Code Section 803.9(f) Vertical Controls for Office Uses. It should be noted that Office uses in Landmark buildings are allowed at all stories and are not subject to the vertical controls unless the Landmark building is also in either the PDR-1-D or PDR-1-G zoning districts.

Office Use Definitions

The UMU District uses the Use definitions in Section 890 of the Planning Code, which has three definitions related to office uses: Administrative Services, Professional Services, and Office Use.⁴ Administrative Services includes businesses that provide executive, management, administrative, clerical and other services exclusively to the business community and not to the general public. Professional Services includes businesses that provide professional services to the general public or to other businesses including, but not limited to, accounting, legal, consulting, insurance, real estate brokerage, advertising agencies, etc. Office Use includes the business types encompassed in Administrative Services and Professional Service, and also includes businesses that provide for their own benefit, or provide to others at that location, services including, but not limited to, professional; banking; insurance; management; consulting; technical; sales; and design.

Regulating Office Uses

The nature of the commercial activity and that the services are being provided from one business to another is the basis of the Office use definitions. Other factors that are not and cannot be considered under the Office use definitions include the business's tax exemption status or whether the activity is done for charitable purposes. This has implications for those businesses or organizations with a tax exemption status, such as non-profit corporations. The Planning Code does not differentiate their office activities from those of profit driven entities. Any regulatory changes intended for profit driven Office Uses also affect their non-profit counterparts. This includes restricting the supply of available or proposed space for office activities.

The Role of Office and Service Uses in the Success of a Retail Corridor

In 2018 the Office of Workforce and Economic Development (OEWD) published a commissioned report (Report) exploring the state of the City's retail corridors and the factors influencing their success.⁵ Among the numerous observations and findings, the Report found five factors that support the success of the City's retail corridors. Two of these were "Trade Characteristics" and "Anchors and Mix of Uses."

Trade Characteristics refers to the spending power within a retail corridor trade area as well as the drivers of demand for its goods and services. The Report found that retail corridors with higher incomes and greater population densities fare better than those with lesser incomes and densities. It also found that a retail corridor that can lure patrons living outside its trade area also fares better. This would include attracting workers, including office and service workers, from the vicinity to shop during lunch or after work hours.

Anchor and Mix of Uses refers to the retail and non-retail composition of a corridor. The Report found that a having a variety of uses along a retail corridor is imperative to its health. Many service uses, like Medical, Financial, and Professional Service uses, not only attract patrons to the corridor but also supply patrons in

⁴ As part of the Code Reorganization process, use definitions in Section 890 will be removed and replaced with the consolidated and further rationalized use definitions in Section 102.

⁵ State of the Retail Sector: Challenges and Opportunities for San Francisco's Neighborhood Commercial Districts. San Francisco Office of Workforce and Economic Development. February 2018. <https://oewd.org/sites/default/files/Invest%20In%20Neighborhoods/State%20of%20the%20Retail%20Sector%20-%20Final%20Report.pdf>

the form of their employees. The Report also highlighted the contribution that Office uses can make. Office workers generate foot traffic and demand for offered goods and services. The Office uses may also fill vacant spaces, helping deter the blight accompanying higher vacancy rates.

In sum, it is clear that Office Uses and services uses such Medical, Financial, and Professional services have a role to play in the City's retail corridors. It is reasonable that the City's land use controls reflect this role and allow these uses to locate in and near retail corridors.

General Plan Compliance

The proposed Ordinance and recommended modifications align with several of the City's General Plan objectives and policies. For example, the proposed Ordinance and recommended modifications satisfy the Commerce and Industry Element's goals for locating office and service uses in zoning districts where they can be adequately accommodated. The proposed Ordinance and recommended modifications also maintain office uses in area plans where they have been envisioned since plan inception.

Racial and Social Equity Analysis

Understanding the benefits, burdens and opportunities to advance racial and social equity that proposed Planning Code and Zoning Map amendments provide is part of the Department's Racial and Social Equity Initiative. This is also consistent with the Mayor's Citywide Strategic Initiatives for equity and accountability and with the forthcoming Office of Racial Equity, which requires all Departments to conduct this analysis.

What are the Racial and Social Equity Impacts of this Ordinance?

Given the current hiring practices of many office tenants, it is likely that prohibiting Office uses in the UMU zoning district will not curtail a major source of employment for many disenfranchised communities. For example, in comparison to the private sector as a whole, the tech sector under employs African Americans and Latinos.⁶ Increasing opportunity for disenfranchised and under-represented groups in white collar job sectors is less influenced by allowing this use in certain areas of the City. Improved educational opportunities, internship opportunities and recruitment, among other factors, likely has a larger and more direct effect.

There is also the notion that reducing the number of higher paid office workers in historically working-class neighborhoods will reduce gentrification pressures. Prohibiting Office uses in the UMU would likely reduce the competition for tenant spaces that other uses face. Some of these other uses, like social service uses or neighborhood serving retail, are not considered drivers of gentrification. Gathering or pointing to baseline data that would indicate the pressures of Office uses on other uses for tenant spaces would help track the impact of the change over time. This would help ensure the intended purpose is successful. The vehicle for tracking baseline data changes needs to be explored. Periodic reports, like the Eastern Neighborhoods Monitoring reports, could be one option.

⁶ Five eye-opening statistics about minorities in tech. Alison DeNisco Rayome. February 7, 2018. Accessed March 30, 2020. <https://www.techrepublic.com/article/5-eye-opening-statistics-about-minorities-in-tech/>

However, it is important to remember that the Planning Code does not differentiate between Office uses for non-profit or charitable purposes and those for private gain. Restricting the availability of office space in the Mission, Showplace Square and Central Waterfront harms the chances that non-profit office tenants find space in the City. This restriction may also physically distance non-profits from the communities they serve. Non-profit uses are struggling to remain in the City, according to the Nonprofit Displacement Report conducted in 2014.⁷ Adding another obstacle would aggravate an already difficult situation.

The OEWD 2018 State of the Retail Sector Report also notes that a healthy retail corridor benefits from an adjacent source of demand. This include (office) workers with disposable incomes looking to buy goods and services during lunch breaks and after work.⁸ Given that the retail sector is currently struggling due to the prevalence of e-commerce, diminishing a possible source of demand seems antithetical to City goals.

Who Will Benefit or Be Burdened by the Ordinance?

Clearly those seeking office space in the Mission, Showplace Square and Central Waterfront areas will be burdened by the Ordinance. This includes both profit-driven and charitable office tenants. The Ordinance could be seen as increasing social inequities to the extent that organizations whose mission is serving the interests of disenfranchised communities seek office space in those areas. Further, any retail or institutional establishments in the vicinity could lose a source of demand for their goods and services. The Board should consider tracking this data and any mitigation measures that may be needed to stabilize those potentially impacted.

However, land use decisions are intended to help achieve a balance of uses and ensure one use is not overconcentrated, adversely effects other uses, or endangers neighborhood stabilization. Neighborhood stabilization in areas like the Mission is a City priority and is also enshrined in the General Plan.⁹ Uses like Office often out compete neighborhood serving uses, cultural gathering places and industrial uses that serve as employment sources for lower skilled workers. Given the current disparities in office employment and the concurrent notion that highly paid office workers increase gentrification pressures in working class neighborhoods, the Ordinance can also be seen as one that addresses community stabilization. By prohibiting the entry of new Office uses in the UMU district, the Ordinance opens the doors for alternate uses to locate there. These alternate uses may, or may not, prove socially beneficial.

Are there Strategies to Mitigate the Unintended Consequences or Enhance the Benefits of the Ordinance?

The Ordinance provides no strategies to mitigate potential unintended consequences. Similarly, there are no strategies that would enhance any benefits to racial and social equity that the Ordinance would

⁷ City and County of San Francisco Working Group on Nonprofit Displacement. Report and Recommendations. May 13,2014. <https://sfmohcd.org/sites/default/files/FileCenter/Documents/8010-Nonprofit%20Displacement%20Report%20FINAL%20with%20appendix.pdf>

⁸ State of the Retail Sector

⁹ Mission Area Plan Objective 7.3 Reinforce the importance of the Mission as the center of Latino life in San Francisco; Bayview Hunters Point Area Plan Objective 15 Combine social revitalization with physical and economic revitalization efforts; Western Soma Area Plan Objective 9.4 Reinforce the importance of the South of Market as a center for Filipino-American and LGBTQ life in San Francisco.

produce. This initial racial and social equity assessment should help the Board inform strategies that may be needed to mitigate potential unintended consequences.

Along these lines, the Planning Department suggests that the Board of Supervisors track, determine or conduct the following:

- The effects on community serving non-profits due to reduced options for tenant space, increased rents, or both;
- Whether reduced competition from Office uses positively affects other sectors in the vicinity by leading to less commercial evictions or new neighborhood-serving businesses and services;
- Engage community stakeholders, as recommended by racial equity assessment tools, including adjacent retailers, and nonprofits to ensure they have been informed and represented in the development of this proposal and final legislation.¹⁰
- Once baseline data is included in the Ordinance, track over time to inform future amendments.

Implementation

The Department has determined that this ordinance will not impact our current implementation procedures.

RECOMMENDATION

The Department recommends that the Commission *approve with modifications* the proposed Ordinance and adopt the attached Draft Resolution to that effect. The Department's proposed recommendations are as follows:

1. Limit the prohibition on Office Uses within the UMU to the Mission Area Plan
2. Maintain existing controls on Professional Services, Financial Services and Medical Services

BASIS FOR RECOMMENDATION

The Department supports periodically fine-tuning land use controls according to community concern. Since the UMU Office use controls are more than a decade old, it makes sense to revisit them; however, the Department is concerned that the proposed Ordinance makes overreaching amendments to the Office controls. The Department views the proposed amendments to Professional, Financial, and Medical Service uses in a similar light.

Recommendation 1: Limit the prohibition on Office Uses within the UMU to the Mission Area Plan. The UMU zoning district was created to balance the need for preserving PDR uses with the need to allow new Office development within the Mission, Showplace Square/Potrero and Central Waterfront Area Plans. Given that the Planning Code does not and cannot differentiate between profit driven or charitable office activities, non-profit office tenants will also be affected by new restrictions on Office uses. It is key to note that concern about the permissibility and effects of Office use most strongly stem from the Mission neighborhood. In this light, the Department recommends instituting new prohibitions on Office use in the Mission, but continue to allow Office use in the Showplace Square/Potrero and Central Waterfront Area Plans according to existing controls.

¹⁰ Racial Equity Impact Assessment. Race Forward. 2009. Accessed March 30, 2020. https://www.raceforward.org/sites/default/files/RacialJusticeImpactAssessment_v5.pdf

Recommendation 2: Maintain existing controls on Professional Services, Financial Services and Medical Services. Vibrant retail corridors depend upon the contributions of a wide array of uses. Among these are ones that attract foot traffic and that provide a source of demand for other businesses in the corridor. Professional Services, Financial Services and Medical Services are uses that attract patrons. Their employees are also a source of demand for adjacent goods and services. The existing controls that allow them at the ground floor of buildings within the UMU when they are open to the general public serve these purposes.

REQUIRED COMMISSION ACTION

The proposed Ordinance is before the Commission so that it may approve it, reject it, or approve it with modifications.

ENVIRONMENTAL REVIEW

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c) and 15378 because they do not result in a physical change in the environment.

PUBLIC COMMENT

As of the date of this report, the Planning Department has not received any public comment regarding the proposed Ordinance.

Attachments:

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: Map of UMU Zoning District
- Exhibit C: Board of Supervisors File No. 200143

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 18, 2020

Planning Commission
Attn: Jonas Ionin
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Commissioners:

On February 11, 2020, Supervisor Ronen introduced the following legislation:

File No. 200143

Ordinance amending the Planning Code to provide that in the Urban Mixed Use District all office uses are prohibited, except that a Professional Service, Financial Service, or Medical Service is allowed as a conditional use on the ground floor when primarily open to the general public on a client-oriented basis; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and adopting 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

A handwritten signature in cursive script, appearing to read "Erica Major".

By: Erica Major, Assistant Clerk
Land Use and Transportation Committee

c: Rich Hillis, Director
Scott Sanchez, Zoning Administrator
Lisa Gibson, Environmental Review Officer
Devyani Jain, Deputy Environmental Review Officer
Adam Varat, Acting Director of Citywide Planning
Aaron Starr, Manager of Legislative Affairs
Andrea Ruiz-Esquide, Deputy City Attorney
Joy Navarrete, Major Environmental Analysis

BOARD of SUPERVISORS



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San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

February 18, 2020

File No. 200143

Lisa Gibson
Environmental Review Officer
Planning Department
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Ms. Gibson:

On February 11, 2020, Supervisor Ronen submitted the following legislation:

File No. 200143

Ordinance amending the Planning Code to provide that in the Urban Mixed Use District all office uses are prohibited, except that a Professional Service, Financial Service, or Medical Service is allowed as a conditional use on the ground floor when primarily open to the general public on a client-oriented basis; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and adopting 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

A handwritten signature in cursive script, appearing to read "Erica Major".

By: Erica Major, Assistant Clerk
Land Use and Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning
Don Lewis, Environmental Planning

From: [Tuija Catalano](#)
To: [Peskin, Aaron \(BOS\)](#); [Haney, Matt \(BOS\)](#); [Safai, Ahsha \(BOS\)](#); [Ronen, Hillary](#); [Angulo, Sunny \(BOS\)](#); [RivamonteMesa, Abigail \(BOS\)](#); [Sandoval, Suhagey \(BOS\)](#); [Beinart, Amy \(BOS\)](#); [Major, Erica \(BOS\)](#)
Cc: [Patricia Delgrande](#); [Evette Davis](#); [Luis Cuadra](#)
Subject: 4/27 LU Committee - Item #2 - UMU Legislation
Date: Friday, April 24, 2020 12:03:50 PM

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Dear Supervisors Peskin, Haney, Safai, and Ronen,

My office represents the project sponsor for 2300 Harrison Street. We will be speaking at Monday's land use committee hearing on the UMU legislation to ask for the inclusion of a grandfathering clause, but wanted to also forward our comment in writing in case there are any technical difficulties.

The Planning Commission approved the 2300 Harrison project in December 2019. The UMU legislation was introduced in February 2020, when the 2300 Harrison project was on appeal at the Board of Appeals and the Board of Supervisors. Through a set of unique circumstances and the Mayor's Shelter-in-Place Order, the project is now in limbo as the Board has decided not to hear CEQA appeals for the time being, which is also preventing the Board of Appeals appeal from being heard. The UMU legislation is proceeding and will likely become effective before the pending appeals have been heard.

2300 Harrison followed all applicable Planning processes, engaged in extensive community discussions, was designed based on UMU zoning that has existed since 2009 (as part of the EN plan), and spent years to process approvals. It is fundamentally unfair and inequitable to change the rules after the project has already been approved by the PC and after the project sponsor has spent years and substantial amount of money to entitle the project per existing rules.

2300 Harrison uses the State Density Bonus Program (SDBP), however importantly, the use of the program has NO impact on the amount of proposed office use. Current UMU controls regulate office uses pursuant to vertical controls under Sec. 803.9(f). The existing controls allow up to 2 floors of office for a 5-story building, which is the proposal without the SDBP. The SDBP merely allows the addition of a 6th, residential, floor, but does not allow any additional office square footage than what would be allowed without the use of the SDBP.

In addition to the approx. 27,000 sf office addition, the project proposes 24 residential rental units on an existing surface parking lot, including 6 on-site BMR units (which is double the required amount) at AMI levels as low as 50% and up to 80%. The project also results in over \$3.5M in impact fee payments that will fund infrastructure, schools, childcare, and other

programs, broken down as follows:

Project's Impact Fees	Residential Fee	Non-Resid. Fee	Total Fee
Transportation Sustainability Fee	\$266,322	\$649,999	\$916,321
EN Infrastructure Fee	\$350,808	\$459,255	\$810,063
Child Care Fee	\$62,853	\$49,981	\$112,834
School Impact Fee	\$110,797	\$18,626	\$129,423
Jobs-Housing Linkage Fee	n/a	\$1,365,235	\$1,365,235
Inclusionary In Lieu Fee on Bonus Units	\$246,462	n/a	\$246,462
TOTALS	\$1,037,242	\$2,543,096	\$3,580,338

Given the extraordinary circumstances that have prevented the project from moving forward with the city's appeal processes, we respectfully ask that that the legislation be amended to include a grandfathering clause so that the 2300 Harrison project can proceed and be heard on the BOS and BOA appeals instead of being superseded by the pending legislation. Yesterday, the Planning Commission discussed the grandfathering clause extensively in its review of the legislation, and unanimously recommended that a grandfathering clause be included to exempt any projects that have filed their [Development] Application prior to the date the UMU legislation was introduced (Feb. 11, 2020).

Thank you for your time,



Tuija Catalano, Partner
Office: (415) 567-9000
Cell: (925) 404-4255
tcatalano@reubenlaw.com
www.reubenlaw.com

One Bush Street, Suite 600
San Francisco, CA 94104



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Introduction Form

By a Member of the Board of Supervisors or Mayor

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2020 FEB 11 PM 4:30
Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

BY _____

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor [] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Topic submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Ronen

Subject:

[Planning Code - Zoning Controls for Urban Mixed Use District - Office Uses]

The text is listed:

Ordinance amending the Planning Code to provide that in the Urban Mixed Use District all office uses are prohibited, except that a Professional Service, Financial Service, or Medical Service is allowed as a conditional use on the ground floor when primarily open to the general public on a client-oriented basis; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan and the eight priority policies of Planning Code, Section 101.1; and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 302.

Signature of Sponsoring Supervisor: 