



# SAN FRANCISCO PLANNING DEPARTMENT

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October 12, 2018

Ms. Angela Calvillo, Clerk  
Honorable Supervisor Stefani  
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 2018-006289MAP PCA:  
2101 Lombard Street Special Use District  
Board File No. 180388  
Planning Commission Recommendation: Approval with Modification**

Dear Ms. Calvillo and Supervisor Stefani,

On October 4, 2018, the Planning Commission conducted duly noticed public hearings at regularly scheduled meetings to consider the proposed Ordinance, introduced by Supervisor Stefani to establish the 2101 Lombard Street Special Use District. At the hearing the Planning Commission recommended approval with modification.

The Commission's proposed modifications were as follows:

1. Add language to clarify that Limited Restaurants and Restaurants are principally permitted at the first story within the proposed 2101 Lombard Street SUD
2. Study the upper story land use controls in the NC-3 district along Lombard Street and more broadly throughout the City's NCD's as well.

The proposed amendments received a General Rule Exclusion under CEQA Guidelines Section 15061(b)(3).

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 Starr", with a long horizontal flourish extending to the right.

Aaron D. Starr  
Manager of Legislative Affairs

cc:

Peter R. Miljanich, Deputy City Attorney  
Jack Gallagher, Aide to Supervisor Stefani  
Erica Major, Office of the Clerk of the Board

Attachments:

Planning Commission Resolution  
Planning Department Executive Summary



# SAN FRANCISCO PLANNING DEPARTMENT

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## Planning Commission Resolution No. 20299

HEARING DATE OCTOBER 4, 2018

*Project Name:* 2101 Lombard Street Special Use District  
*Case Number:* 2018-006289MAP/PCA [Board File No. 180388]  
*Initiated by:* Supervisor Stefani / Introduced April 17, 2018  
*Staff Contact:* Diego R Sánchez, 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

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**RESOLUTION APPROVING A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE AND ZONING MAP TO ESTABLISH THE 2101 LOMBARD STREET SPECIAL USE DISTRICT; AFFIRMING THE PLANNING DEPARTMENT'S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN, AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1, AND FINDINGS OF PUBLIC NECESSITY, CONVENIENCE, AND WELFARE UNDER PLANNING CODE, SECTION 302.**

WHEREAS, on April 17, 2018 Supervisor Stefani introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 180388, which would amend the Planning Code and Zoning Map to establish the 2101 Lombard Street Special Use District;

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on October 4, 2018; 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. Clarify that Limited Restaurants and Restaurants are principally permitted at the first story within the proposed 2101 Lombard Street SUD.
2. Study the upper story land use controls in the NC-3 district along Lombard Street and more broadly throughout the City's NCDs as well.

## **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. Allowing new locations for retail uses and allowing building heights to increase in proportion to ground floor ceiling heights are synergistic strategies to attract new commercial activity. This is especially true for retail uses that are driving economic growth, such as eating and drinking uses.
2. While new economic activity may create livability concerns for adjacent residential uses, the application of a Conditional Use authorization requirement can impose specific operating conditions to lessen any possible adverse effects and thereby allaying concerns.
3. **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.

*The proposed Ordinance would allow, with Conditional Use authorization, retail uses at upper stories along a major commercial thoroughfare. This is an appropriate location for this type of economic activity. The Conditional Use authorization requirement for these retail uses will assure that any possible undesirable consequences can be addressed as a condition of approval.*

### **OBJECTIVE 6**

MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.

#### **Policy 6.1**

Ensure and encourage the retention and provision of neighborhood-serving goods and services in the city's neighborhood commercial districts, while recognizing and encouraging diversity among the districts.

*By relaxing controls on the allowed locations of retail uses, the proposed Ordinance helps increase the possibility that provide neighborhood-serving retail uses may enter the Lombard Street retail corridor.*

## URBAN DESIGN ELEMENT

### OBJECTIVE 3

MODERATION OF MAJOR NEW DEVELOPMENT TO COMPLEMENT THE CITY PATTERN, THE RESOURCES TO BE CONSERVED, AND THE NEIGHBORHOOD ENVIRONMENT.

#### Policy 3.1

Promote harmony in the visual relationships and transitions between new and older buildings.

*The proposed Ordinance would allow additional height in a relatively negligible amount and one that is still in harmony with the visual relationships and transition with older, existing buildings along Lombard Street*

4. **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 would be beneficial to neighborhood-serving retail uses as it would allow additional complementary eating and drinking uses to locate at upper stories. This would also provide future opportunities for resident employment in and ownership of such businesses.*

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 would beneficially serve the existing housing and neighborhood character since the Ordinance proposes to allow a mix of different land uses at 2101 Lombard Street. This would align with the character of Lombard Street.*

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

*The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing since the Ordinance concerns itself with relaxing controls on retail uses.*

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

*The proposed Ordinance 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 would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired because the Ordinance affects retail controls and does not promote office development.*

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

*The proposed Ordinance would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake since the Ordinance principally concerns itself with relaxing retail controls.*

7. That the landmarks and historic buildings be preserved;

*The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings because the site does not contain a landmark or historic building.*

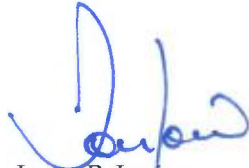
8. That our parks and open space and their access to sunlight and vistas be protected from development;

*The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas since the Ordinance would allow only a marginal increase in allowed height. Further, there are no parks or open spaces in the vicinity that would be adversely affected by the possible increase in allowable height.*

5. **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 October 4, 2018.



Jonas P. Ionin  
Commission Secretary

AYES: Hillis, Johnson, Koppel, Melgar, Moore, Richards

NOES: None

ABSENT: Fong

ADOPTED: October 4, 2018







# SAN FRANCISCO PLANNING DEPARTMENT

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## Executive Summary Planning Code Text & Zoning Map Amendment

HEARING DATE: JULY 19, 2018  
90-DAY DEADLINE: JULY 22, 2018

*Project Name:* 2101 Lombard Street Special Use District  
*Case Number:* 2018-006289MAP/PCA [Board File No. 180388]  
*Initiated by:* Supervisor Stefani / Introduced April 17, 2018  
*Staff Contact:* Diego R Sánchez, 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**

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### PLANNING CODE AMENDMENT

The proposed Ordinance would amend the Planning Code and the Zoning Map to establish the 2101 Lombard Street Special Use District.

#### The Way It Is Now:

1. The property at 2101 Lombard Street is currently zoned NC-3 (Moderate Scale Neighborhood Commercial District)
2. Within the NC-3 zoning district, Limited Restaurants, Restaurants and Bars are principally permitted at the first and second stories and are prohibited at the third story and above.
3. Within the NC-3 along Lombard Street, the height of a building is limited to 40 feet, and the five foot ground floor height bonus in Planning Code Section 263.20 is not permitted.

#### The Way It Would Be:

1. The property at 2101 Lombard Street's underlying zoning would remain NC-3; however, the property would also have an overlay zoning district called the 2101 Lombard Special Use District (SUD).
2. Within the 2101 Lombard SUD, Limited Restaurants, Restaurants and Bars would be principally permitted at the first story and require Conditional Use authorization at the second story and above.
3. The property within the 2101 Lombard SUD would be able to utilize the five foot ground floor height bonus in Planning Code Section 263.20. This height bonus allows one additional foot of height, up to a total of five feet, above the height limit for each additional foot of ground floor ceiling height in excess of 10 feet.

## **BACKGROUND**

The Planning Department (Department) is reviewing an application to demolish the existing one-story commercial building at 2101 Lombard and construct a new mixed use commercial and residential building.<sup>1</sup> The proposed building would include new nine residential units, approximately 3,200 square feet of ground floor retail space, and a below grade parking level. The proposed building will be 40 feet in height.

The Department understands that the project sponsor for the new mixed-use commercial and residential building is now contemplating a four story hotel project with a roof level bar and/or restaurant, which the proposed Special Use District would permit. However, the project sponsor has yet to submit any plans for the hotel project to the Department.

## **ISSUES AND CONSIDERATIONS**

### **Lombard Street Character**

The Moderate Scale Neighborhood Commercial (NC-3) District that runs along Lombard Street is one of three major retail corridors within the Marina neighborhood. The Union Street Neighborhood Commercial District and the Small Scale Neighborhood Commercial (NC-2) District that runs along Chestnut Street are the other two. The Lombard Street retail corridor stretches more than one mile in length, from Broderick Street to Franklin Street. The public right of way is 100 feet wide, and is a major automobile thoroughfare acting as the continuation of highway 101. Buildings range from one to four stories in height, with numerous three and four story buildings.

The Lombard Street retail corridor contains a variety of uses, including many tourist-oriented hotel and motel uses. There are also neighborhood serving uses such as retail professional services, eating and drinking uses, personal services, gyms, and other general retail uses. Most retail uses, with the exception of hotel and motel uses, are found on the first story despite also being allowed at the second story. Residential uses are typically found at the second story and above, especially on Lombard Street west of Octavia Street.

The existing scale and uses along Lombard Street create a mixed-use and mixed-user character. Owing to its 100 foot width and abundance of three- and four-story buildings, new four-story buildings would fit comfortably along Lombard Street. This is especially true at intersections along Lombard Street, where a four-story building can help serve as a visual anchor at the corner. New retail uses on Lombard Street should cater to the tourist and resident alike. Restaurants and bars can meet this demand and land use controls along Lombard Street can be amended to facilitate their entry. As is true for other uses, Conditional Use authorization and the standard conditions of approval can assure their compatibility with the Lombard Street area.

### **The San Francisco Retail Sector**

In 2018, the San Francisco Office of Economic and Workforce Development (OEWD) released the State of the Retail Sector: Challenges and Opportunities for San Francisco's Neighborhood Commercial Districts

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<sup>1</sup> Application No. 2015-015252PRJ

report (Report).<sup>2</sup> Very broadly, the Report looked at changing national retail trends and their effect upon the City's Neighborhood Commercial Districts (NCD).

The Report indicated that eating and drinking uses are one retail category that is experiencing growth. This is in part because people are increasingly spending money on experience based retail such as dining. Other experience based retail includes health and wellness uses, nightlife, and entertainment. The Report found this to be true of the national and San Francisco retail sectors.

The Report also highlighted the importance of anchors and mixes of retail and non-retail uses to the health of a retail corridor. This was found to be because of the foot traffic that anchors and a balanced mix of retail and non-retail uses generates. Anchors, according to the Report, include eating and drinking uses, among other retail uses. The Report found that a mix of retail and non-retail uses was important to a retail corridor because businesses rely on each other and other uses to generate foot traffic. For example, an individual may come to a retail corridor to dine or attend a cultural event, but also stay to shop at other corridor businesses. It is important that a retail corridor capture this synergy between establishments, be they anchors or otherwise. Relaxing land use controls on experience based retail uses is one way to capture this synergy.

### **Zoning Map and Planning Code Amendments**

When the City's Zoning Map and Planning Code are amended it is typical that the amendments stem from a larger planning process encompassing multiple properties. The aim of such efforts is generally to address broader City goals such as economic development, housing preservation and production or community stabilization. Properties are rezoned or new zoning districts and special use districts can be created to achieve these goals. Examples include the Eastern Neighborhoods Plans which created the Eastern Neighborhood Mixed Use Districts, the Neighborhood Commercial Rezoning Study which created the NCDs or the Latino Cultural District effort which led to the Calle 24 Special Use District.

Proposals to amend the Zoning Map and Planning Code for a single property run counter to the typical practice. One-off Zoning Map and Planning Code amendments may lack the depth and breadth that a larger analysis can provide. If existing land use controls repeatedly hinder sensible development, fail to address current concerns, or are simply outdated because of other Planning Code changes, it is reasonable to determine whether a larger regulatory change is needed. This may be the case with the upper story retail controls in many of the NCDs, including the NC-3. These were adopted, in part, to protect residential uses above the ground story. However the dwelling unit loss controls, adopted in 2008, now serve this purpose.<sup>3</sup> It may make sense to look at these upper-story NCD controls instead of making property-by-property amendments.

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<sup>2</sup> State of the Retail Sector: Challenges and Opportunities for San Francisco's Neighborhood Commercial Districts Strategic Economics

Executive Summary, January 2018

[http://oewd.org/sites/default/files/Invest%20In%20Neighborhoods/State%20of%20the%20Retail%20Sector%20-%20Executive%20Summary\\_0.pdf](http://oewd.org/sites/default/files/Invest%20In%20Neighborhoods/State%20of%20the%20Retail%20Sector%20-%20Executive%20Summary_0.pdf)

Final Report, February 15, 2018

<http://oewd.org/sites/default/files/Invest%20In%20Neighborhoods/State%20of%20the%20Retail%20Sector%20-%20Final%20Report.pdf>

<sup>3</sup> Ordinance No.: 69-08

### General Plan Compliance

#### Commerce and Industry Element

**Objective 1:** Manage economic growth and change to ensure the 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.

*The proposed Ordinance would allow, with Conditional Use authorization, retail uses at upper stories along a major commercial thoroughfare. This is an appropriate location for this type of economic activity. The Conditional Use authorization requirement for these retail uses will assure that any possible undesirable consequences can be addressed as a condition of approval.*

**Objective 6:** Maintain and strengthen viable neighborhood commercial areas easily accessible to city residents.

**Policy 6.1:** Ensure and encourage the retention and provision of neighborhood-serving goods and services in the city's neighborhood commercial districts, while recognizing and encouraging diversity among the districts.

*By relaxing controls the allowed locations of retail uses, the proposed Ordinance helps increase the possibility that provide neighborhood-serving retail uses may enter the Lombard Street retail corridor.*

#### Urban Design Element

**Objective 3:** Moderation of major new development to complement the City pattern, the resources to be conserved, and the neighborhood environment.

**Policy 3.1:** Promote harmony in the visual relationships and transitions between new and older buildings.

*The proposed Ordinance would allow additional height in a relatively negligible amount and one that is still in harmony with the visual relationships and transition with older, existing buildings along Lombard Street.*

### 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. Add language to clarify that Limited Restaurants and Restaurants are principally permitted at the first story within the proposed 2101 Lombard Street SUD

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<https://sfgov.legistar.com/View.ashx?M=F&ID=2605408&GUID=7983E109-3A88-4891-9BE2-DCC8E83BAA2D>

2. Study the upper story land use controls in the NC-3 district along Lombard Street and more broadly throughout the City's NCD's as well.

## **BASIS FOR RECOMMENDATION**

The Department supports the overall goals of this Ordinance. Allowing new locations for retail uses and allowing building heights to increase in proportion to ground floor ceiling heights are synergistic strategies to attract new commercial activity. The Lombard Street context is also amendable to such changes. Adding a Conditional Use authorization requirement for upper story retail uses also assures that livability concerns, such as noise and refuse, can be addressed through the standard conditions of approval for Conditional Use authorizations. Further, specific conditions of approval can be tailored for particular concerns, should they arise. Staff is proposing the following modifications:

**Recommendation 1: Clarify that Limited Restaurants and Restaurants are principally permitted at the first story within the proposed 2101 Lombard Street SUD.** This recommendation would help clarify that Limited Restaurant and Restaurant uses are still principally permitted at the first story. As drafted, the SUD is silent on this issue, but the NC-3 District does currently allow these uses as of right.

**Recommendation 2: Study the upper story land use controls in the NC-3 district along Lombard Street and more broadly throughout the City's NCDs as well.** Upper story land use controls were established in the late 1980's to help address concerns about non-residential uses displacing dwelling units located above the street level. However, since that time the City has adopted strong dwelling unit loss controls to address this issue. This may call into question the necessity of upper story controls as they currently exist. Studying amendments to these controls in the NC-3 along Lombard Street as well as throughout the City would be a useful endeavor.

## **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 received three telephone calls and three emails from the public regarding the proposed Ordinance. Two calls requested further information about the nature and reason behind the changes in the proposed Ordinance. The third call expressed concern over the possible height increase and new eating and drinking uses allowed under the proposed Ordinance. Two of the three emails expressed support for the proposed Ordinance. The other email expressed opposition to the proposed Ordinance because it would allow another source of noise and disturbance to locate in the area.

### **Attachments:**

Exhibit A: Draft Planning Commission Resolution

**Executive Summary**  
**Hearing Date: July 19, 2018**

**CASE NO. 2018-006289MAP/PCA**  
**2101 Lombard Street Special Use District**

Exhibit B: Letters from the Public  
Exhibit C: Board of Supervisors File No. 180388