[Interim Zoning Controls - Conditional Use Authorization for Laboratory Uses in PDR-1-G]

Resolution imposing interim zoning controls for 18 months to require a Conditional Use authorization and specified findings for proposed Laboratory Uses in the PDR-1-G (Production, Distribution, and Repair) District; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, the eight priority policies of Planning Code, Section 101.1, and Planning Code, Section 306.7.

WHEREAS, Planning Code, Section 306.7, authorizes the Planning Commission or the Board of Supervisors ("Board") to impose interim zoning controls to allow time for the orderly completion of a planning study and the adoption of appropriate legislation, and to ensure that the legislative scheme which may be ultimately adopted is not undermined during the planning and legislative process by changes of use or approval actions which will conflict with that scheme; and

WHEREAS, Planning Code, Section 210.3, affirms the intent of the Production,
Distribution, and Repair ("PDR") districts and specifically, the PDR-1-G District, which is,
generally, to retain and encourage existing production, distribution, and repair activities from
the inherent economic and operational competition and conflicts with housing, large office,
large-scale retail, self-storage, and other uses that are not permitted in the PDR districts; and
WHEREAS, The PDR-1-G District is concentrated in the southeastern portion of San
Francisco, a majority of which is located within the Mission District, which has been the focus

of multiple Citywide efforts to address the retention of low- and moderate-income residents,

organizations, and businesses, including the Planning Department's Mission Action Plan

("MAP2020"), launched in 2014, and the latest iteration of the Mission Action Plan ("MAP2030"), endorsed by the Planning Commission in December 2024; and

WHEREAS, MAP2020 and MAP2030 included strategies to address the goals of attracting and retaining low- to moderate-income residents and community-serving businesses, including Production, Distribution, and Repair, artists, and nonprofits in order to strengthen and preserve the socioeconomic diversity of the neighborhood; those strategies include maintaining PDR capacity in PDR districts to preserve vital community resources and protect working-class jobs; and

WHEREAS, The Eastern Neighborhoods Area Plan—a sub-element of which is the Mission Area Plan or "Plan"—created PDR districts in the Mission to preserve PDR industries and the opportunities they provide; PDR districts are essential to provide economic diversity and employment to the City's low- and moderate-income workforce; as further described in the Plan, traditional production, distribution, and repair uses serve as a source of employment for workers who may not have a college degree at a salary that is higher than the retail sector; and

WHEREAS, The Plan also recognized that the Mission is an attractive location for "Knowledge Sector" businesses, defined as businesses that create economic value through the knowledge they generate and provide for their customers, such as information technology, biotechnology, and environmental products and technologies; the Plan recognizes that these businesses differ from traditional PDR uses in that they involve research and development ("R&D") functions "rang[ing] from office-only to a mixture of office and production and testing activities;" these businesses generally employ more highly skilled workers than the traditional PDR sector; however, the Plan noted the potential that these uses "may in the future be able to provide a greater number of quality jobs for some San Franciscans without a four-year college degree;" and

1	WHEREAS, Planning Code, Section 102, generally classifies these R&D function
2	Laboratory Uses, which are currently principally permitted in the PDR-1-G district; and
3	WHEREAS, Since the adoption of the Plan in 2008, the Knowledge Sector ecor
4	has proliferated in the Mission, particularly in the PDR-1-G; some of these R&D function
5	differ from traditional PDR uses in that R&D activities occur primarily in a space that lo
6	functions like an office, where some operators perform predominately office uses; other
7	operators misuse laboratory space for other purposes, which leads to the further dimir

PDR space; still others, which may have a hardware production and testing component, rely on innovations in artificial intelligence, which eliminate the jobs that PDR zoning seeks to

maintain; while such innovations and uses are vital to the City's economy, their proliferation in

PDR-1-G competes with different City goals and policies for the PDR spaces in the Mission;

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WHEREAS, PDR employment has declined in recent years, from a peak 33% of the City total to 10% of the City total per the Planning Department's most recent PDR report; the reasons for this decline include land competition and increasingly high rents compared to the rest of the Bay Area; a copy of this report is on file with the Clerk of the Board of Supervisors in File No. 251116; and

WHEREAS, According to the latest MAP 2020 Status Report, the Mission District has experienced shifts in its income distribution over the last two decades, including a significant increase of upper income households, a decrease in its share of low-income households, a massive rise in its Latino homeless population, and the loss of approximately 12,000 Latinos; and

WHEREAS, Regulating new Laboratory Uses in the PDR-1-G district to ensure they comply with the goals of the PDR-1-G district will preserve the limited land zoned for traditional production, distribution, and repair industries; this in turn will support the City's low-

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1	and middle-income workforce and mitigate the high demand for PDR space, which prices out
2	highly desired industrial firms from the Mission and broader City; and
3	WHEREAS, The interim controls established by this Resolution will allow time for the
4	orderly completion of a planning study and for the adoption of appropriate legislation that
5	supports the goals of the PDR-1-G district; and
6	WHEREAS, The Board has considered the impact on the public health, safety, and
7	peace, and general welfare if these interim controls are not imposed; and
8	WHEREAS, The Board has determined that the public interest will best be served by
9	imposition of these interim controls to ensure that the legislative scheme which may be
10	ultimately adopted is not undermined during the planning and legislative process for
11	permanent controls; and
12	WHEREAS, The Board finds that these interim controls are consistent with San
13	Francisco's General Plan, in that they satisfy Commerce and Industry Element Objective 1 to
14	"manage economic growth and change to ensure enhancement of the total city living and
15	working environment," and Policy 4.5 to "control encroachment of incompatible land uses on
16	viable industrial activity;" these interim controls do not conflict with any other aspects of the
17	General Plan; and
18	WHEREAS, The Board finds that the following General Plan Policies in the Mission
19	Area Plan portion of the Eastern Neighborhoods Area Plan are specifically and particularly
20	advanced by these interim controls:
21	"Objective 1.7: Retain the Mission's role as an important location for Production,
22	Distribution, and Repair (PDR) activities."
23	"Objective 1.4: Support a role for 'Knowledge Sector' businesses in appropriate
24	portions of the Mission (sic)."

1	"Policy 1.4.2: Allow Knowledge Sector office-type uses in portions of the Mission
2	where it is appropriate;" and
3	WHEREAS, For the reasons stated above, the Board finds that these interim controls
4	support the development and conservation of the commerce and industry of the City in order
5	to maintain the economic vitality of the City, to provide its citizens with adequate jobs and
6	business opportunities, and to maintain adequate services for its residents, visitors,
7	businesses and institutions, consistent with Planning Code, Section 306.7; and
8	WHEREAS, The Board finds that these interim controls are consistent with the Priority
9	Policies set forth in Planning Code, Section 101.1, because these interim controls will
10	preserve and enhance existing neighborhood-serving uses, the cultural and economic
11	diversity of our neighborhoods, and maintain a diverse economic base by protecting the PDR
12	industrial sector from displacement, and enhance future opportunities for resident employment
13	and ownership, particularly in the PDR sector; and
14	WHEREAS, The Planning Department has determined that the actions contemplated in
15	this Resolution comply with the California Environmental Quality Act (California Public
16	Resources Code, Sections 21000 et seq.); said determination is on file with the Clerk of the
17	Board of Supervisors in File No and is incorporated herein by reference; the
18	Board affirms this determination; now, therefore, be it
19	RESOLVED, That in the PDR-1-G district, any proposed Laboratory Use, as defined in
20	Section 102 of the Planning Code, shall require Conditional Use authorization pursuant to
21	Planning Code, Section 303, while these Interim Zoning Controls are in effect; and, be it
22	FURTHER RESOLVED, That in addition to the findings required by Planning Code,
23	Section 303, in granting the Conditional Use authorization, the Planning Commission shall
24	also consider: (1) whether the proposed Laboratory Use advances Objectives 1.4 and 1.7 of
25	the Mission Area Plan, and the policies contained therein, and (2) the economic impact of the

1	proposed Laboratory Use, including whether the proposed use will employ workers without a
2	college degree; and, be it
3	FURTHER RESOLVED, That these interim zoning controls shall remain in effect for a
4	period of 18 months from the date of imposition, unless they are extended or otherwise
5	amended in accordance with the provisions of Planning Code, Section 306.7, or until the
6	adoption of permanent legislation regulating Laboratory Uses in the PDR-1-G district,
7	whichever first occurs; and, be it
8	FURTHER RESOLVED, That while the planning study is underway, the Board urges
9	the Planning Department to evaluate what controls are best suited to ensure that Laboratory
10	Uses in the PDR-1-G are consistent with the goals of that district, including but not limited to
11	studying whether square footage limits or limits on the number of Laboratory Uses would meet
12	those goals, and whether additional enforcement mechanisms are recommended to prevent
13	misuse of existing Laboratory Uses in the PDR-1-G.
14	APPROVED AS TO FORM: DAVID CHIU, City Attorney
15 16	By: /s/ Giulia Gualco-Nelson GIULIA GUALCO-NELSON
17	Deputy City Attorney
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