

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

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3 **Resolution imposing interim zoning controls for 18 months to require a Conditional**
4 **Use authorization and specified findings for proposed Laboratory Uses in the PDR-1-G**
5 **(Production, Distribution, and Repair) District; affirming the Planning Department's**
6 **determination under the California Environmental Quality Act; and making findings of**
7 **consistency with the General Plan, the eight priority policies of Planning Code,**
8 **Section 101.1, and Planning Code, Section 306.7.**
9

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

16 WHEREAS, Planning Code, Section 210.3, affirms the intent of the Production,
17 Distribution, and Repair ("PDR") districts and specifically, the PDR-1-G District, which is,
18 generally, to retain and encourage existing production, distribution, and repair activities from
19 the inherent economic and operational competition and conflicts with housing, large office,
20 large-scale retail, self-storage, and other uses that are not permitted in the PDR districts; and

21 WHEREAS, The PDR-1-G District is concentrated in the southeastern portion of San
22 Francisco, a majority of which is located within the Mission District, which has been the focus
23 of multiple Citywide efforts to address the retention of low- and moderate-income residents,
24 organizations, and businesses, including the Planning Department's Mission Action Plan
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1 (“MAP2020”), launched in 2014, and the latest iteration of the Mission Action Plan
2 (“MAP2030”), endorsed by the Planning Commission in December 2024; and

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

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

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

1 WHEREAS, Planning Code, Section 102, generally classifies these R&D functions as
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 economy
4 has proliferated in the Mission, particularly in the PDR-1-G; some of these R&D functions
5 differ from traditional PDR uses in that R&D activities occur primarily in a space that looks and
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 diminution of
8 PDR space; still others, which may have a hardware production and testing component, rely
9 on innovations in artificial intelligence, which eliminate the jobs that PDR zoning seeks to
10 maintain; while such innovations and uses are vital to the City's economy, their proliferation in
11 PDR-1-G competes with different City goals and policies for the PDR spaces in the Mission;
12 and

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

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

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

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. 251116 and is incorporated herein by reference; the Board
18 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:
15 DAVID CHIU, City Attorney
16 By: /s/ Giulia Gualco-Nelson
17 GIULIA GUALCO-NELSON
18 Deputy City Attorney

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