



# SAN FRANCISCO PLANNING DEPARTMENT

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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

**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.

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Suite 400  
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CA 94103-2479

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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

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## 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

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**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.  
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*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.<sup>1</sup> 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.<sup>2</sup> 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.<sup>3</sup> 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

<sup>1</sup> 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>

<sup>2</sup> Planning Code Section 803.9(f)

<sup>3</sup> 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.<sup>4</sup> 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.<sup>5</sup> 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

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<sup>4</sup> 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.

<sup>5</sup> 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.<sup>6</sup> 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.

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<sup>6</sup> 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.<sup>7</sup> 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.<sup>8</sup> 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.<sup>9</sup> 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

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<sup>7</sup> 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>

<sup>8</sup> State of the Retail Sector

<sup>9</sup> 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.<sup>10</sup>
- 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.

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<sup>10</sup> Racial Equity Impact Assessment. Race Forward. 2009. Accessed March 30, 2020. [https://www.raceforward.org/sites/default/files/RacialJusticeImpactAssessment\\_v5.pdf](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