



March 25, 2022

Ms. Angela Calvillo, Clerk
Honorable Supervisor Walton
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 2022-000546PCAMAP
Industrial Protection Zone SUD
Board File No. 220041

Planning Commission Recommendation: Approval with Modification

Dear Ms. Calvillo and Supervisor Walton,

On March 24, 2022, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance, introduced by Supervisor Walton that would amend Planning Code Sections 210.3, 249.22 and Zoning Map Sheets SU 08, SU 10, and SU 11. At the hearing the Planning Commission recommended approval with modification.

The Commission's proposed modifications were as follows:

Allow limited grandfathering for self-storage projects in the PDR-2 zoning district, if such use is part of a development application that was either:

- (1) submitted on or before December 31, 2021, or
- (2) submitted in 2022 prior to effective date of this ordinance, with no less than fifty percent of the parcel area consisting of ground floor industrial, agricultural, automotive repair, catering, trade office, or trade shop uses.

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: Austin Yang, Deputy City Attorney
Percy Burch, Aide to Supervisor Walton
Erica Major, Office of the Clerk of the Board

Attachments :

Planning Commission Resolution
Planning Department Executive Summary



PLANNING COMMISSION RESOLUTION NO. 21088

HEARING DATE: MARCH 24, 2022

Project Name: Industrial Protection Zone Special Use District
Case Number: 2022-000546PCAMAP [Board File No. 220041]
Initiated by: Supervisor Walton / Introduced January 11, 2022
Staff Contact: Jeremy Shaw, Citywide Division
jeremy.shaw@sfgov.org (628) 652-7449
Reviewed by: Joshua Switzky, Land Use & Community Planning Manager
joshua.switzky@sfgov.org (628) 652-7464

RESOLUTION APPROVING A PROPOSED ORDINANCE THAT WOULD AMEND THE SAN FRANCISCO PLANNING CODE TO ELIMINATE THE INDUSTRIAL PROTECTION ZONE SPECIAL USE DISTRICT, AND ALLOW SOCIAL SERVICE OR PHILANTHROPIC FACILITIES USES GREATER THAN 5,000 GROSS SQUARE FEET SUBJECT TO A CONDITIONAL USE AUTHORIZATION IN PRODUCTION, DISTRIBUTION, AND REPAIR 2 (PDR-2) DISTRICTS; 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 January 11, 2022 President Walton introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 220041, which would eliminate the Industrial Protection Zone Special Use District (SUD), Planning Code Section 249.22, and delete the “Industrial Protection Zone SUD” from Special Use District Zoning Map Sheets SU 08, SU 10, and SU 11, and allow Social Service or Philanthropic Facilities uses greater than 5,000 gross square feet subject to a conditional use authorization in PDR-2 districts; and,

WHEREAS, The Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on March 24, 2022; and,

WHEREAS, the proposed Ordinance is 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; 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 49 South Van Ness Avenue, Suite 1400, 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 Commission's proposed recommendations are as follows:

Allowing limited grandfathering for self-storage projects in the PDR-2 zoning district, if such use is part of a development application that was either:

- submitted on or before December 31, 2021, or
- submitted in 2022 prior to effective date of this ordinance, with no less than fifty percent of the parcel area consisting of ground floor industrial, agricultural, automotive repair, catering, trade office, or trade shop uses.

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:

The Commission finds the proposed Ordinance is in accordance with the General Plan as it will maintain and enhance a sound and diverse economic base and fiscal structure for the city. The Ordinance supports the retention of PDR businesses and jobs in the Bayview.

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 1.3

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

OBJECTIVE 2

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 2.1

Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

OBJECTIVE 3

PROVIDE EXPANDED EMPLOYMENT OPPORTUNITIES FOR CITY RESIDENTS, PARTICULARLY THE UNEMPLOYED AND ECONOMICALLY DISADVANTAGED.

Policy 3.1

Promote the attraction, retention, and expansion of commercial and industrial firms which provide employment improvement opportunities for unskilled and semi-skilled workers.

OBJECTIVE 4

IMPROVE THE VIABILITY OF EXISTING INDUSTRY IN THE CITY AND THE ATTRACTIVENESS OF THE CITY AS A LOCATION FOR NEW INDUSTRY.

Policy 4.2

Promote and attract those economic activities with potential benefit to the City.

Policy 4.3

Carefully consider public actions that displace existing viable industrial firms.

Policy 4.5

Control encroachment of incompatible land uses on viable industrial activity.

Policy 4.11

Maintain an adequate supply of space appropriate to the needs of incubator industries.

By supporting protections against PDR displacement due to competition from higher paying uses, the proposed Ordinance helps maintain a sound and diverse economic base; expand employment opportunities, particularly for the economically disadvantaged; and improve the viability of existing industry and the attractiveness of the City for new industry.

BAYVIEW HUNTERS POINT AREA PLAN

OBJECTIVE 1

STIMULATE BUSINESS, EMPLOYMENT, AND HOUSING GROWTH WITHIN THE EXISTING GENERAL LAND USE PATTERN BY RESOLVING CONFLICTS BETWEEN ADJACENT INDUSTRIAL AND RESIDENTIAL AREAS.

Policy 1.1

Improve the relationship between housing and industry throughout Bayview Hunters Point, particularly in the Northern Gateway and South Basin areas, where light industry transitions to residential.

Policy 1.5

Encourage a wider variety of light industrial uses throughout the Bayview by maintaining the newly established Production, Distribution, and Repair zoning, by more efficient use of industrial space, and by more attractive building design.

OBJECTIVE 8

STRENGTHEN THE ROLE OF BAYVIEW'S INDUSTRIAL SECTOR IN THE ECONOMY OF THE DISTRICT, THE CITY, AND THE REGION.

Policy 8.1

Maintain industrial zones for production, distribution, and repair activities in the Northern Gateway, South Basin, Oakinba, and India Basin Industrial Park subdistricts.

OBJECTIVE 9

IMPROVE LINKAGES BETWEEN GROWTH IN BAYVIEW'S INDUSTRIAL AREAS AND THE EMPLOYMENT AND BUSINESS NEEDS OF THE BAYVIEW HUNTERS POINT COMMUNITY.

Policy 9.1

Increase employment in local industries.

Policy 9.3

Support expanded role of African American firms in distribution and transportation industries.

The proposed Ordinance helps encourage the transition of the Bayview Hunters Point Area Plan to a variety of light industrial uses; and helps protect and improve linkages for Bayview industrial businesses and employment.

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 not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.

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 not have a negative effect on housing or neighborhood character.

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

The proposed Ordinance would not have a negative effect on the City's supply of affordable housing.

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.

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.

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.

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.

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 March 24, 2022.



Jonas P. Ionin
Commission Secretary

AYES: Diamond, Fung, Koppel, Tanner

NOES: Imperial, Moore

ABSENT: None

ADOPTED: March 24, 2022



EXECUTIVE SUMMARY

PLANNING CODE TEXT & ZONING MAP AMENDMENT

HEARING DATE: March 24, 2022

90-Day Deadline: April 18, 2022

Case Number: 2022-000546PCAMAP [Board File No. 220041]
Initiated by: Supervisor Walton / Introduced Jan 11, 2022
Staff Contact: Jeremy Shaw, Citywide Division
jeremy.shaw@sfgov.org, (628) 652-7449
Reviewed by: Joshua Switzky, Land Use & Community Planning Program Manager
joshua.switzky@sfgov.org, (628) 652-7464

Recommendation: Approval with Modifications

Planning Code Amendment

The proposed Ordinance would amend the Planning Code by deleting Section 249.22 in its entirety and amending Zoning Map Sheets SU 08, SU 10, and SU 11 to eliminate the Industrial Protection Zone Special Use District; allow Social Service or Philanthropic Facilities uses greater than 5,000 gross square feet (gsf) in Production, Distribution and Repair 2 (PDR-2) districts, subject to a conditional use authorization; make and adopt environmental findings; and make findings of consistency with the general plan and the priority policies of planning code section 101.1.

The Way It Is Now:

1. Within the Industrial Protection Zone SUD, the provisions of M-1 and M-2 use districts prevail, with the exceptions that residential and office uses are not principally permitted.
2. Within PDR-2 districts, Social Service or Philanthropic Facilities uses greater than 5,000 gsf are not permitted.

The Way It Would Be:

1. The Industrial Protection Zone SUD would be eliminated, and all provisions of the Planning Code and underlying PDR zoning districts would apply.
2. Within PDR-2 districts, Social Service or Philanthropic Facilities uses greater than 5,000 gsf would be

allowed subject to a Conditional Use permit, or Principally Permitted if a development application was submitted on or before December 31, 2021.

Summary

Adopted in 2002, the Industrial Protection Zone Special Use District (IPZ) was a stopgap measure to protect production, distribution and repair (PDR) business districts from higher-paying residential and office uses. While the IPZ protected PDR uses from competition during the Eastern Neighborhoods and Bayview planning processes, it was intended to be replaced by the stronger PDR zoning controls adopted in 2008. It was an oversight to not remove the IPZ at that time. Removing the IPZ would increase the clarity of the Planning Code and better protect the businesses it was originally designed for.

Background

The Industrial Protection Zone comprises four contiguous areas (see Exhibit C). The largest is generally bounded by 25th /26th Streets to the north, the Caltrain right-of-way to the east, Oakdale/I-280 to the South, and Barneveld/Loomis to the west. The second area lies just to the east of the Caltrain right-of-way, between Islais Creek to the north and the PUC Southeast Treatment Plant to the South. The third includes parcels between 25th Street, I-280, Cesar Chavez and the Caltrain right-of-way. And the fourth comprises several SFPUC parcels near the intersection of Oakdale and Phelps. Nearly all privately owned parcels in the SUD are classified as core Production, Distribution and Repair (PDR-2). One parcel in the north is classified as PDR-1-G, while several contiguous parcels in the south are classified as PDR-1-B.

Within the IPZ the M-1 and M-2 zoning controls prevail. For decades, the M districts have allowed for a wide array of industrial and maritime uses in the eastern half of San Francisco, including those involving heavy truck traffic, noise generation or noxious emissions. When these zoning classifications were created, there was little demand from non-industrial uses in the industrial areas. Consequently, the operational and economic conflict between industrial uses and non-industrial uses was low.

Since the 1990s, however, the permissiveness of the M zones has been found obsolete and ineffective in dealing with the City's market forces and land use dynamics. As the City's economy changed over the last three decades, sensitive and more economically attractive uses like housing and office located within or adjacent to the M Districts. This raised concerns about compatibility and quality of life for residents in areas not designed for residential life; concerns about the ability to conduct industrial activity in such environments; and concerns about the preservation of industrially used land necessary for the City's economic functions and diversity.

As a result of these dynamics, over the past 20 years the City rezoned almost all M-zoned parcels not under the jurisdiction of the Port, through the Eastern Neighborhoods, Bayview, and other comprehensive planning efforts. Several M district parcels in the Bayview and along infrastructure corridors were rezoned in September 2020 (Board Files 200086 and 200852).

It was an oversight not to remove the IPZ when PDR zoning was adopted in 2008. By referring to obsolete M-1 and M-2 zoning, the IPZ undermines the more robust, underlying PDR controls. It leaves a loophole that allows self-storage, big box retail, and heavy industrial uses that are inappropriate for active and thriving PDR neighborhoods.

To address this oversight, the Planning Commission recommended eliminating the IPZ at the July 22, 2021 hearing, as a modification to [Board File No. 210497](#) (eliminating the Life Science and Medical Special Use District). The Commission's recommendation also included a grandfathering clause for projects with permit applications on file by July 22, 2021. It was determined that the modification required additional noticing and a separate hearing. Supervisor Walton incorporates the recommendation to eliminate the IPZ in this proposed Ordinance, Board File No. 220041.

Issues and Considerations

The Planning Code and Zoning Map are continually amended to harmonize with actual land uses, accommodate new economic activities or address community needs, including the general health and welfare. For example, the Urban Mixed Use (UMU) and PDR districts arose from the effort to balance two on-going and competing needs in eastern San Francisco. One is to appropriately accommodate new housing in industrial areas allowed to transition to residential neighborhoods. The other is to preserve existing industrial uses and land zoned for those uses. These new districts arose, in part, from the realization that the regulatory frameworks of the M-1 and M-2 zoning districts were outdated and no longer satisfied the City's needs or functional realities. The removal of the IPZ is the logical extension of these amendments and supports policies designed to preserve adequate space and affordability for PDR businesses.

General Plan Compliance

This legislation is supported by the city's General Plan, which lists priorities, goals, and policies in support of San Francisco's economic vitality, social equity, and environmental quality. General Plan Priority Policy Five seeks to maintain a diverse economic base by protecting industrial and service sectors from displacement due to commercial office development. The Commerce and Industry Element includes specific policies that seek to retain and attract diverse commercial and industrial activity; promote employment for a range of skill levels; maintain space for incubator activity; and control the encroachment of incompatible uses on viable industrial activity. Finally, the Bayview Hunters Point Plan encourages a variety of light industrial businesses and support for local and African American-owned PDR firms. By removing the IPZ, the more robust PDR-2 zoning controls would prevail and better align with these General Plan policies.

Social Services and Philanthropic Activities

Most of the parcels in the IPZ SUD are classified as PDR-2. Removing the IPZ would activate the underlying PDR-2 zoning, which does not allow Social Services and Philanthropic Facilities uses larger than 5,000 gross square feet (gsf).

Social services and philanthropic uses are permitted in PDR-2 because many charitable organizations require general operations or offices adjacent to PDR facilities (e.g., distribution, warehousing) that are essential to their mission. Some social services or philanthropic facilities of this nature exceed 5,000 gsf.

The proposed Planning Code amendment would allow for social services and philanthropic facilities of more than 5,000 gsf, subject to the Conditional Use process. This change would still meet the intent of the PDR districts, while enabling philanthropic organizations to better serve San Francisco.

The Planning Department is currently reviewing one project application with more than 5,000 gsf of Social Service or Philanthropic Facility uses. Since the project submitted an application before December 31, 2021, it would be Principally Permitted per the grandfathering clause in the proposed Planning Code amendment.

Racial and Social Equity Analysis

Part of the Department's Racial and Social Equity Initiative is to understand how the proposed Planning Code and Zoning Map amendments provide benefits, burdens, and opportunities toward advancing racial and social equity. This is consistent with the Mayor's Citywide Strategic Initiatives around equity and accountability and Office of Racial Equity practices.

The proposed Planning Code amendments further racial and social equity by better protecting PDR businesses from economic competition and displacement. This creates more opportunity for PDR jobs and careers, which generally provide higher salaries for workers without college degrees than other sectors provide. Local PDR businesses have also been known to hire locally more often than other sectors, providing opportunity for young residents and other San Franciscans seeking career pathways.

The proposed amendments also support social services, which provide diverse employment and whose missions may further racial and social equity in San Francisco. For example, non-profit organizations providing food delivery services are essential to reducing the health disparities that result from food insecurity in San Francisco.

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.

Basis for Recommendation

The Department supports the overall goals of the proposed Ordinance due to the following factors:

- The Planning Commission adopted a resolution to remove the IPZ in July 2021.

- The ordinance is supported by General Plan Priority Policy 5; Commerce and Industry Element Policies 1.3, 2.1, 3.1, 4.2, 4.3, 4.5 and 4.11; and Bayview Hunters Point Area Plan Policies 1.1, 1.5, 8.1, 9.1 and 9.3.
- The proposed Ordinance is consistent with industrial protection ordinances adopted by the Planning Commission and the Board of Supervisors in the past. On June 3, 2008, the Board of Supervisors adopted PDR zoning use districts. On December 9, 2008, the Board of Supervisors adopted the Eastern Neighborhoods Program, which applied the PDR controls to the majority of areas previously zoned M-1 or M-2. On September 22, 2020, the Board of Supervisors rezoned the remaining M-1 and M-2 parcels outside of Port jurisdiction to PDR and other zoning designations.
- The Ordinance would eliminate an SUD that references obsolete M-1 and M-2 zoning districts and does not effectively protect the PDR businesses.
- The ordinance is consistent with staff efforts to support economic recovery through Planning Code protections of PDR districts.

Recommendation 1: Modify the Ordinance to allow limited grandfathered projects with self-storage in the PDR-2 district if they include space for PDR use.

General self-storage for public use is considered a retail use and is thus limited in PDR districts. Two self-storage proposals would be affected by the proposed Ordinance. One project submitted a project application in July 2021. The other submitted a preliminary project assessment (PPA) application in February 2022. Staff recommend modifying the Ordinance to allow limited grandfathering for self-storage projects in the PDR-2 zoning district, if such use is part of a development application that was either:

- (1) submitted on or before December 31, 2021, or
- (2) submitted in 2022 prior to effective date of this ordinance, with no less than fifty percent of the parcel area consisting of ground floor industrial, agricultural, automotive repair, catering, trade office, or trade shop uses.

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, staff have conducted outreach to the Dogpatch Neighborhood Association, the Potrero Hill Boosters, the SF Market Zone working group, and project sponsors that may be affected by the ordinance. Staff have not received any objections to the ordinance.

Attachments:

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: Board of Supervisors File No. 220041
- Exhibit C: Map of Industrial Protection Zone SUD



PLANNING COMMISSION RESOLUTION NO. XXXX

HEARING DATE: MARCH 24, 2022

Project Name: Industrial Protection Zone Special Use District
Case Number: 2022-000546PCAMAP [Board File No. 220041]
Initiated by: Supervisor Walton / Introduced January 11, 2022
Staff Contact: Jeremy Shaw, Citywide Division
jeremy.shaw@sfgov.org (628) 652-7449
Reviewed by: Joshua Switzky, Land Use & Community Planning Manager
joshua.switzky@sfgov.org (628) 652-7464

RESOLUTION APPROVING A PROPOSED ORDINANCE THAT WOULD AMEND THE SAN FRANCISCO PLANNING CODE TO ELIMINATE THE INDUSTRIAL PROTECTION ZONE SPECIAL USE DISTRICT, AND ALLOW SOCIAL SERVICE OR PHILANTHROPIC FACILITIES USES GREATER THAN 5,000 GROSS SQUARE FEET SUBJECT TO A CONDITIONAL USE AUTHORIZATION IN PRODUCTION, DISTRIBUTION, AND REPAIR 2 (PDR-2) DISTRICTS; 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 January 11, 2022 President Walton introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 220041, which would eliminate the Industrial Protection Zone Special Use District (SUD), Planning Code Section 249.22, and delete the “Industrial Protection Zone SUD” from Special Use District Zoning Map Sheets SU 08, SU 10 and SU 11, and allow Social Service or Philanthropic Facilities uses greater than 5,000 gross square feet subject to a conditional use authorization in PDR-2 districts; and,

WHEREAS, The Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on March 24, 2022; and,

WHEREAS, the proposed Ordinance is 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; 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 49 South Van Ness Avenue, Suite 1400, 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 Commission's proposed recommendations are as follows:

Allowing limited grandfathering for self-storage projects in the PDR-2 zoning district, if such use is part of a development application that was either:

- submitted on or before December 31, 2021, or
- submitted in 2022 prior to effective date of this ordinance, with no less than fifty percent of the parcel area consisting of ground floor industrial, agricultural, automotive repair, catering, trade office, or trade shop uses.

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:

The Commission finds the proposed Ordinance is in accordance with the General Plan as it will maintain and enhance a sound and diverse economic base and fiscal structure for the city. The Ordinance supports the retention of PDR businesses and jobs in the Bayview.

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 1.3

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

OBJECTIVE 2

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 2.1

Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

OBJECTIVE 3

PROVIDE EXPANDED EMPLOYMENT OPPORTUNITIES FOR CITY RESIDENTS, PARTICULARLY THE UNEMPLOYED AND ECONOMICALLY DISADVANTAGED.

Policy 3.1

Promote the attraction, retention and expansion of commercial and industrial firms which provide employment improvement opportunities for unskilled and semi-skilled workers.

OBJECTIVE 4

IMPROVE THE VIABILITY OF EXISTING INDUSTRY IN THE CITY AND THE ATTRACTIVENESS OF THE CITY AS A LOCATION FOR NEW INDUSTRY.

Policy 4.2

Promote and attract those economic activities with potential benefit to the City.

Policy 4.3

Carefully consider public actions that displace existing viable industrial firms.

Policy 4.5

Control encroachment of incompatible land uses on viable industrial activity.

Policy 4.11

Maintain an adequate supply of space appropriate to the needs of incubator industries.

By supporting protections against PDR displacement due to competition from higher paying uses, the proposed Ordinance helps maintain a sound and diverse economic base; expand employment opportunities, particularly for the economically disadvantaged; and improve the viability of existing industry and the attractiveness of the City for new industry.

BAYVIEW HUNTERS POINT AREA PLAN

OBJECTIVE 1

STIMULATE BUSINESS, EMPLOYMENT, AND HOUSING GROWTH WITHIN THE EXISTING GENERAL LAND USE PATTERN BY RESOLVING CONFLICTS BETWEEN ADJACENT INDUSTRIAL AND RESIDENTIAL AREAS.

Policy 1.1

Improve the relationship between housing and industry throughout Bayview Hunters Point, particularly in the Northern Gateway and South Basin areas, where light industry transitions to residential.

Policy 1.5

Encourage a wider variety of light industrial uses throughout the Bayview by maintaining the newly established Production, Distribution and Repair zoning, by more efficient use of industrial space, and by more attractive building design.

OBJECTIVE 8

STRENGTHEN THE ROLE OF BAYVIEW'S INDUSTRIAL SECTOR IN THE ECONOMY OF THE DISTRICT, THE CITY, AND THE REGION.

Policy 8.1

Maintain industrial zones for production, distribution, and repair activities in the Northern Gateway, South Basin, Oakinba, and India Basin Industrial Park subdistricts.

OBJECTIVE 9

IMPROVE LINKAGES BETWEEN GROWTH IN BAYVIEW'S INDUSTRIAL AREAS AND THE EMPLOYMENT AND BUSINESS NEEDS OF THE BAYVIEW HUNTERS POINT COMMUNITY.

Policy 9.1

Increase employment in local industries.

Policy 9.3

Support expanded role of African American firms in distribution and transportation industries.

The proposed Ordinance helps encourage the transition of the Bayview Hunters Point Area Plan to a variety of light industrial uses; and helps protect and improve linkages for Bayview industrial businesses and employment.

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 not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.

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 not have a negative effect on housing or neighborhood character.

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

The proposed Ordinance would not have a negative effect on the City's supply of affordable housing.

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.

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.

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.

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.

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 March 24, 2022.

Jonas P. Ionin
Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED: March 24, 2022

1 [Planning Code, Zoning Map - Production, Distribution, and Repair Uses]

2

3 **Ordinance amending the Planning Code and Zoning Map to eliminate the Industrial**
 4 **Protection Zone Special Use District, and allow Social Service or Philanthropic**
 5 **Facilities Uses greater than 5,000 gross square feet subject to a conditional use**
 6 **authorization in Production, Distribution, and Repair 2 (PDR-2) districts; affirming the**
 7 **Planning Department's determination under the California Environmental Quality Act;**
 8 **making findings of consistency with the General Plan, and the eight priority policies of**
 9 **Planning Code, Section 101.1; and making findings of public necessity, convenience,**
 10 **and welfare pursuant to 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. Land Use and Environmental 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. 220041 and is incorporated herein by reference. The Board affirms
 24 this determination.

25 (b) On _____, the Planning Commission, in Resolution No. _____,
 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. _____, and is incorporated herein by reference.

4 (c) Pursuant to Planning Code Section 302, the Board of Supervisors find that this
5 ordinance will serve the public necessity, convenience, and welfare for the reasons set forth in
6 Planning Commission Resolution No. _____, and incorporates such reasons by this
7 reference thereto. A copy of said resolution is on file with the Clerk of the Board of
8 Supervisors in File No. _____.

9
10 Section 2. General Findings.

11 (a) The Industrial Protection Zone Special Use District (IPZ) was created in 2001 to
12 protect M-1 and M-2 industrial areas from the economic pressure of higher-rent uses like
13 residential, retail, and office. The IPZ is premised upon Manufacturing (M-1 and M-2) zoning,
14 and is predominantly located in the Bayshore and Bayview neighborhoods.

15 (b) The IPZ was intended to be removed when stronger Production, Distribution,
16 and Repair (PDR) zoning controls generally replaced M-1 and M-2 zoning in 2008. However,
17 the IPZ still remains and continues to refer to the outdated M-1 and M-2 zoning. This causes
18 undue confusion, and undermines the PDR-2 controls that apply to neighborhoods located in
19 the IPZ.

20 (c) Under the M-1 and M-2 zoning, self-storage, big box retail, or heavy industrial
21 uses are permitted in areas that are more appropriately characterized as PDR, which would
22 not allow those uses.

23 (d) It is in the public interest to amend the zoning controls, and delete the IPZ to
24 better support San Francisco's PDR businesses.

1 (e) Social services and philanthropic facilities that conduct activities of a charitable
2 or public service nature that inherently involve PDR space or activities (e.g., distribution,
3 warehousing) may require locating their general operations or offices near such PDR spaces
4 or facilities.

5
6 Section 3. Article 2 of the Planning Code is hereby amended by deleting Section
7 249.22 in its entirety, as follows:

8 **~~SEC. 249.22. INDUSTRIAL PROTECTION ZONE SPECIAL USE DISTRICT.~~**

9 ~~—A Special Use District entitled the "Industrial Protection Zone Special Use District," the~~
10 ~~boundaries of which are shown on the Zoning Maps 8 and 10, is hereby established for the purposes set~~
11 ~~forth below. The following provisions shall apply within the Industrial Protection Zone Special Use~~
12 ~~District:~~

13 ~~—(a) Purposes. In order to protect and preserve production, distribution and repair land uses~~
14 ~~and activities from competing higher priced land uses and activities an Industrial Protection Zone~~
15 ~~Special Use District zoning is established that:~~

16 ~~—(1) Will enhance commercial and industrial land use diversity in San Francisco;~~

17 ~~—(2) Will be geographically close to other San Francisco land uses that require the goods~~
18 ~~and services provided by industrial land uses in the City;~~

19 ~~—(3) Will be conveniently served by street and highway systems and San Francisco Port~~
20 ~~related waterfront access.~~

21 ~~—(b) Controls.~~

22 ~~—(1) General. The provisions of the M-1 and M-2 use districts established by Section 201 of~~
23 ~~this Code shall prevail except as provided in paragraphs (2) and (3) below.~~

24 ~~—(2) Housing. In recognition of the need to preserve and protect production, distribution~~
25 ~~and repair land uses and facilities from competition from housing development, no residential or~~

live/work development or conversion to such uses shall be allowed in the Industrial Protection Zone Special Use District.

~~— (3) Office. In recognition of the need to preserve and protect production, distribution and repair land uses and facilities from competition from office development, no new office development or conversion to office shall be allowed in the Industrial Protection Zone Special Use District except where such office space is determined to be accessory to a permitted industrial use.~~

Section 4. Article 2 of the Planning Code is hereby amended by revising Section 210.3, to read as follows:

SEC. 210.3. PDR DISTRICTS.

* * * *

Table 210.3

ZONING CONTROL TABLE FOR PDR DISTRICTS

Zoning Category	§ References	PDR-1-B	PDR-1-D	PDR-1-G	PDR-2
* * * *					
NON-RESIDENTIAL STANDARDS AND USES					
* * * *					
Institutional Use Category					
* * * *					
Social Service or Philanthropic Facility	§ 102	P (5)	P (8)	P (8)	P (5) <u>(8)</u>
* * * *					

(5) NP above 5,000 Gross Square Feet.

* * * *

1 (8) C if above 5,000 Gross Square Feet, provided that any Social Service and
2 Philanthropic Facility Use greater than 5,000 Gross Square Feet that submitted a development
3 application on or before December 31, 2021 shall be Principally Permitted. This exception for Social
4 Service and Philanthropic Facilities Uses greater than 5,000 Gross Square Feet in this note (8) shall
5 expire by operation of law on December 31, 2026, unless the City enacts an ordinance with an effective
6 date on or before that date that extends or re-enacts this exception. Any authorizations granted under
7 this exception for Social Service and Philanthropic Facility Uses greater than 5,000 Gross Square Feet
8 shall be valid for such period of time as the conditions of approval of such authorization provide,
9 notwithstanding the expiration of this exception. Following the expiration of this exception, the City
10 Attorney shall cause this exception to be removed from note (8), which will henceforth denote that Uses
11 greater than 5,000 Gross Square Feet are permitted subject to a Conditional Use Authorization.

12 * * * *

13
14 Section 5. The San Francisco Zoning Map is hereby amended by deleting the
15 “Industrial Protection Zone Special Use District” from Zoning Map Sheets SU 08, SU 10 and
16 SU 11.

17
18 Section 6. Effective Date. This ordinance shall become effective 30 days after
19 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
20 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
21 of Supervisors overrides the Mayor’s veto of the ordinance.

22
23 Section 7. Scope of Ordinance. Except as stated in Section 5 of this ordinance
24 regarding amendment of the Zoning Map, in enacting this ordinance, the Board of Supervisors
25 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,

1 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
2 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
3 additions, and Board amendment deletions in accordance with the "Note" that appears under
4 the official title of the ordinance.

5

6 APPROVED AS TO FORM:
7 DAVID CHIU, City Attorney

8 By: _____ /s/
9 AUSTIN M. YANG
Deputy City Attorney

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