



SAN FRANCISCO PLANNING DEPARTMENT

October 24, 2014

Ms. Angela Calvillo, Clerk
Supervisor Jane Kim
Board of Supervisors
City and County of San Francisco
City Hall, Room 244
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San Francisco, CA 94102

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**Re: Transmittal of Board File No. 140951
Planning Case No. 2011.1356
Planning Department Report: Interim Controls on Production, Distribution, and Repair
Conversion in the Proposed Central South of Market Plan**

Dear Ms. Calvillo and Supervisor Kim;

On October 9, 2014, the San Francisco Board of Supervisors (hereinafter "Board") passed an Ordinance (BF 140951) established interim controls that prohibit the conversion of any production, distribution, or repair (PDR) use within the proposed Central SoMa Plan Area bounded by Market Street on the north, Townsend Street on the south, 2nd Street on the east, and 6th Street on the west for 45 days. The Ordinance directs the Planning Department to submit a written report to the Clerk of the Board within 25 days of the Board's approval of the Ordinance describing the measures taken to alleviate the conditions that led to the adoption of the Ordinance. Attached, please find the required report.

Upon receipt of the report, the Ordinance directs the Clerk of the Board to calendar a motion for the full Board to consider and approve this report. 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", with a long horizontal line extending to the right.

Aaron D. Starr
Acting Manager of Legislative Affairs

cc: Andrea Ausberry, Assistant Clerk
April Veneracion Ang, Aide to Supervisor Kim
John Malamut, Deputy City Attorney

Attachments [one copy of each of the following]

Planning Department Report: Interim Controls on Production, Distribution, and Repair Conversion in the Proposed Central South of Market Plan



SAN FRANCISCO PLANNING DEPARTMENT

Planning Department Report

Date: October 24, 2014
Report Name: Interim Controls on Production, Distribution, and Repair Conversion in the Proposed Central South of Market Plan Area
Case No.: 2011.1356
Initiated by: Supervisor Jane Kim [Board File 140951]
Staff Contact: Steve Wertheim, Planner
(415) 558-6612 steve.wertheim@sfgov.org
Reviewed by: Aaron Starr, Acting Manager of Legislative Affairs
Aaron.Starr@sfgov.org

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STATEMENT OF PURPOSE

This report was prepared in response to an Ordinance (BF 140951), introduced by Supervisor Kim on September 9, 2014, and passed into law on October 9, 2014 (Enactment No. 210-14). This Ordinance established interim controls that prohibit the conversion of any production, distribution, or repair (PDR) use within the proposed Central SoMa Plan Area bounded by Market Street on the north, Townsend Street on the south, 2nd Street on the east, and 6th Street on the west for 45 days. The Ordinance directs the Planning Department to submit a written report to the Clerk of the Board within 25 days of the Board's approval of the Ordinance describing the measures taken to alleviate the conditions that led to the adoption of the ordinance. Upon receipt of the report, the Ordinance directs the Clerk of the Board to calendar a motion for the full Board of Supervisors (Board) to consider and approve this report.

BACKGROUND

This Ordinance was introduced in response to the potential loss of PDR space in the proposed Central SoMa Plan Area. SoMa has been an important industrial neighborhood for over a century, and there is still an important PDR presence in this area. However, the existing zoning in much of this area (i.e. C-3, MUR, MUG, MUO, SSO, M-1, and South Park) permits the conversion of PDR space to other uses. In these districts, PDR can be converted to uses that can pay substantially higher rents than PDR, such as office and residential. In other zoning districts (i.e. SLI and SALI), conversion is limited to a small number of uses, most of which have less ability to pay relative to PDR, such as retail and social services. In the SLI District, PDR uses can also be converted to office with a Conditional Use Authorization in historic buildings.

Planning for the Central SoMa area began in early 2011 and a Draft Plan was published in April 2013. That Draft Plan is currently undergoing refinement and environmental review. The Draft EIR is expected to be published in early 2015, with adoption hearings expected in the latter half of 2015. The Planning process is contemplating allowing more intense development in some areas, including where PDR is currently protected, while evaluating strategies to retain existing PDR space and create new PDR space throughout the Plan area. During the planning for the Central SoMa Plan, which has been coupled with the current economic boom cycle, the Plan Area has

witnessed significant changes in types and scale of development. As a result, development pressure to modify and change existing uses is outpacing the City's ability to establish zoning controls that appropriately respond to and balance these changes. To address this issue, the Ordinance places a temporary moratorium on conversions of PDR uses in the neighborhood in order to provide time for the City to determine if permanent zoning changes could be formulated that minimize the disruption associated with such conversions of use.

During the 45-day moratorium, neither the Planning Department nor the Planning Commission can issue an approval or authorization for any change to or replacement of PDR use by a non-PDR use in the proposed Central SoMa Plan Area, with the following exemptions:

- (1) The C-3 zoned districts;
- (2) Proposed projects that are comprised of 100% affordable housing as defined in Planning Code Sections 415.1 et seq.;
- (3) Properties containing any of the following PDR uses: gas stations, parking lots, or self-storage;
- (4) Projects subject to a development agreement under Administrative Code Chapter 56 and California Government Code Sections 65864 et seq.; and
- (5) Projects that have submitted an environmental evaluation case to the Planning Department on or before September 1, 2014; and
- (6) Projects that received a Planning Commission approval under Planning Code Section 321 and 803.9 on or before September 11, 2014.

REQUIRED BOARD ACTION

The Board may approve or disapprove this report.

ENVIRONMENTAL REVIEW

This Report was determined not to be a project per State CEQA Guidelines, Section 15060(c)(2).

RECOMMENDATION

The Department is recommending that the issues outlined in the Ordinance be addressed via the Central SoMa Plan.

BASIS FOR RECOMMENDATION

The Central SoMa Plan is a multi-year planning process that already has and will continue to involve engagement with hundreds of stakeholders across the Plan Area and with an interest in the Plan Area. The Plan will also require multiple public hearings and ultimately adoption by the Planning Commission and Board of Supervisors. The Central SoMa Plan therefore presents the best opportunity and forum to discuss the issues of focus in the moratorium in a holistic and systematic manner.

The Central SoMa Plan process is exploring multiple options to fulfill the long-term intent of this Ordinance "to balance the need for retaining PDR with the desire to have more affordable

housing, a vibrant small business community, and high density housing and office space in the future Central SoMa Plan Area.” These include such measures as:

- Maintaining the existing zoning on some parcels that are zoned SLI and/or SALI;
- Limiting conversion of all or a percentage of PDR space on existing parcels;
- Creating incentives and/or requirements for new PDR space in the Plan Area.

RECOMMENDATION: Adopt Report
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