



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Proposed Planning Code Amendment HEARING DATE: OCTOBER 19, 2017

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Project Name: **Amendments to the Mission Street Neighborhood Commercial Transit District related to the Mission Action Plan 2020**

Case Number: **2015-000988PCA-03**

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Recommendation: **Approval with modifications**

PLANNING CODE AMENDMENT

On July 20, the Commission initiated amendments to the Planning Code controls for the Mission Neighborhood Commercial Transit (NCT) District. The proposed Ordinance would amend the Planning Code to achieve the following: 1) remove Non-Retail Professional Services (previously known as Administrative Services) as a permitted use in the Mission Street Neighborhood Commercial Transit District (NCT); 2) limit the merging of lots in the Mission Street NCT; 3) allow compatible Production, Distribution, and Repair (PDR) uses in the Mission Street NCT and the 24th Street – Mission NCT. Through the Department's ongoing dialogue with Mission community members, Department staff has revised the set of Planning Code amendments for Commission consideration. Staff recommends modifications to the initiated Ordinance that would limit lot mergers resulting in frontages on Mission Street above 100 feet (rather than 150 feet), and place requirements on mergers resulting in street frontages between 50 and 100 feet; remove 24th Street – Mission NCT from the scope of the amendments; and limit the expansion of permitted uses in the Mission Street NCT to Arts Activities and Catering.

The Way It Is Now:

1. Section 121.2 of the Planning Code limits uses on Mission Street above 6,000 square feet
2. Section 121.7 of the Planning Code does not limit lot mergers in the Mission Street NCT
3. Section 754 of the Planning Code (Mission Street NCT) controls the following uses as such:
 - a) Non-Retail Professional Services are permitted as a conditional use
 - b) Arts activities and catering are not permitted

The Way It Would Be:

1. Section 121.2 of the Planning Code will be modified to limit the merger of spaces resulting in merged spaces greater than 2,500 square feet in buildings located on parcels that were created from lot mergers after adoption of this ordinance.

2. Section 121.7 of the Planning Code will be modified to restrict lot mergers in the Mission Street NCT to a limit of 100 feet of lot frontage on Mission Street. Lot mergers that result in street frontages between 50 and 100 feet will be required to provide at least one space fronting Mission Street of no more than 2,500 square feet.
3. The following changes will be made to section 754 of the Planning Code (Mission Street NCT):
 - a) Non-Retail Professional Services will be removed as a permitted use
 - b) Arts activities and catering will be permitted on all floors

BACKGROUND

The Eastern Neighborhoods Area Plans (EN Plan), adopted by the Board of Supervisors in 2008, established the Mission Street NCT as a walkable, transit rich corridor featuring a diversity of commercial activities and employment opportunities. Since early 2015, the City has engaged with the Mission neighborhood community groups on the Mission Action Plan 2020 (MAP 2020) in order to address issues related to gentrification and displacement. MAP 2020 included strategies in seven categories, including tenant protections, affordable housing, and economic development, the latter of which places a strong emphasis on maintaining and strengthening arts and food production activities in the neighborhood. The Planning Commission endorsed the recommendations of MAP 2020 on March 2, 2017.

ISSUES AND CONSIDERATIONS

The legislative changes proposed in these Planning Code amendments would further many of the goals of the EN Plan and MAP 2020. The removal of Non-Retail Professional Services (formerly known as Administrative Services) as a conditionally permitted use in the Mission Street NCT will reduce the land use and economic pressures created by business-to-business activities on the types of customer-facing commercial activities envisioned for the corridor. The proposed additions of Arts Activities and Catering uses to the Mission Street NCT will broaden the range of activities allowed on those corridors as well as the range of locational options those businesses in the neighborhood.

To ensure that the street-level experience on these streets maintains their pedestrian and neighborhood-serving orientation, the amendments require that any PDR activities located on the ground floor maintain active commercial uses facing Mission Street, per Section 145.4 of the Planning Code. Finally, the restriction on lot mergers in the Mission Street NCT will prevent large-scale projects from breaking the pedestrian orientation of the corridor. The lot frontage limit of 100 feet will continue to allow for the development of moderate density housing that can accommodate a significant number of below market rate units. Lot mergers that result in street frontages between 50 and 100 are required to provide at least one space, fronting Mission Street, of 2,500 square feet or less, breaking up large facades and providing commercial space to local small businesses.

Compliance with Mission Area Plan

The legislative changes proposed in these Planning Code amendments would further several of the policy objectives outlined in the Mission Area Plan, such as strengthening the Mission's mixed use character (Objective 1.1), maintain and strengthen the Mission's neighborhood commercial corridors (Objective 1.8) promoting architecture and urban form that support the neighborhood's walkability (Objective 3.2).

RECOMMENDATION

The Department recommends that the Commission recommend approval with modifications of the proposed Ordinance and adopt the attached Draft Resolution to that effect. The modifications include the following:

- Amending Planning Code Section 121.2 to add the following language:

“(c) In order to protect the pedestrian scale and provide space for small businesses in the Mission Street NCT, projects meeting all of the following criteria shall be subject to this subsection:

 - 1) **Applicability.** Projects in buildings located on parcels that were created as a result of lot mergers pursuant to Section 121.7 after [DATE OF ADOPTION].
 - 2) **Control.** The project must include at least one non-residential space of no more than 2,500 square feet. Such space must be located on the ground floor and front directly onto Mission Street. Proposals to merge spaces in these developments resulting in a merged space of more than 2,500 feet must receive conditional use authorization that considers the criteria in Sections 121.2(a) and 303(c).”
- Amending Planning Code Section 121.7 to limit lot mergers resulting in street frontages of more than 100 feet (the initiated Ordinance limited mergers resulting in street frontages of more than 150 feet). Section 121.7 would be further amended to add the following language:

“(f) In the Mission Street NCT, projects that propose lot mergers resulting in street frontages on Mission Street between 50 and 100 feet and are required to provide at least one leasable non-residential space of no more than 2,500 square feet on the ground floor fronting Mission Street.”
- Remove the proposed changes to the 24th Street – Mission NCT (Planning Code Section 763) in the initiated Ordinance from the scope of the amendments.
- Limit the changes to the Mission Street NCT (Planning Code Section 754) to the removal of Non-retail Professional Services as a conditionally permitted use and the addition of Arts Activities and Catering uses as principally permitted activities.

BASIS FOR RECOMMENDATION

The Department recommends that the Commission adopt the proposed ordinance because it will move forward several of the legislative objectives of MAP 2020 to maintain the character of the Mission and curb displacement pressures and further the policy objectives of the Mission Area Plan.

REQUIRED COMMISSION ACTION

The proposed Ordinance is before the Commission so that it may recommend adoption, rejection, or adoption with modifications to the Board of Supervisors.

IMPLEMENTATION

The Department has determined that this ordinance will not impact our current implementation procedures.

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

This package of amendments is related to the broader MAP 2020 efforts, which has been a multi-year process with extensive community outreach and opportunities for public comment. The amendments have been drafted as a direct response to community input during the MAP 2020 process. Since the amendments were initiated on July 20, 2017, staff has continued dialogue with the MAP 2020 PDR working group and Calle 24, resulting in the removal of the 24th Street – Mission NCT from the scope of the amendments, limiting the expansion of permitted uses in the Mission Street NCT to Arts Activities and Catering, and tightening the limits on lot mergers on Mission Street. The Ordinance before the Commission today does not reflect these changes. The changes will be made to the Ordinance that is presented to the Board of Supervisors.

RECOMMENDATION: Approval with modifications

Attachments:

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: Proposed Ordinance