



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Initiation of Mission 2015 Interim Controls

HEARING DATE: JULY 9, 2015

Project Name: **Mission 2015 Interim Controls related to the Mission Action Plan 2020**
Case No.: **2015-000988CWP**
Staff Contact: Claudia Flores, Project Manager
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Reviewed by: AnMarie Rodgers, Senior Policy Advisor
AnMarie.Rodgers@sfgov.org, (415) 558-6395
Recommendation: **Approve Resolution to Initiate Interim Controls**

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Pursuant to Planning Code Section 306.7(e), the Planning Commission will consider a Resolution of Intention to initiate interim controls in the Mission District. The proposed Mission 2015 Interim Controls are intended to analyze affordable housing needs, assess sites for affordable housing production, and stem the loss of existing income protected units while maintaining production, distribution, and repair (PDR) capacity in PDR zoned lands and preserving vital community resources.

INTERIM CONTROLS

Per Planning Code Section 306.7, interim zoning controls may be imposed by either the Planning Commission or the Board of Supervisors during or preceding a period of study when it is necessary "to ensure that the legislative scheme which may be ultimately adopted is not undermined during the planning and legislative process by the approval or issuance of permits authorizing the alteration, construction or demolition of buildings or the establishment or change of uses which will conflict with that scheme". The area proposed for interim controls has the following boundaries (See map in Exhibit A): 13th and Division Streets to Mission Street, to Cesar Chavez Street, to Potrero Avenue, and back to 13th and Division Streets—except that the Mission Street boundary would include any parcel with a property line on either side of Mission Street. This proposal would enact interim controls for a period of six months.

BACKGROUND

The Mission 2015 Interim Controls (hereinafter "Interim Controls") are intended to afford time to the Department staff to analyze affordable housing needs, assess sites for affordable housing production, and stem the loss of existing income protected units while maintaining PDR capacity in PDR zoned lands and preserving vital community resources. It should be noted that market pressures affecting the neighborhood intensified in a manner not experienced previously in the Mission District over the six years that followed the adoption of the Eastern Neighborhood Area Plans and the recovery from the Great Recession. Therefore, the Planning Commission is obligated to continue to seek solutions, including new interim controls. By law, interim controls cannot be more permissive and may only be more restrictive.

A fine grained analysis of opportunity sites in the Mission District is required to be able to revise the permanent controls established by the Eastern Neighborhoods Planning effort. This analysis should

focus preserving the land capacity for PDR uses as determined through the EN process while exploring whether increased capacity for affordable housing is possible through permanent changes in land use regulation or through mixed use projects containing both housing and PDR.

The Mission has historically been a neighborhood with a substantial proportion of low to moderate income households (those making 30-120% of Area Median Income), and there has been an average decline of 180 of these household per year (since 2010, the decline from previous years was slower but nuanced between the recession years)¹. In addition, within the Mission, there has been an average of 160 eviction notices filed per year since 2009, with 50% of those being Ellis and No Fault evictions. Small businesses are facing lease expirations and substantial rent increases, and there continues to be encroachment of illegal uses on PDR land, making its availability even scarcer. As a result, The Mission Action Plan 2020 (hereinafter MAP 2020) partnership was launched in early 2015 with the intent of having a closer look at the pressures affecting these households, as well as small businesses and nonprofits, and produce a set of solutions for implementation.

MAP 2020 is a collaboration, initiated by the community, between community organizations and the City of San Francisco to create more housing and economic stability in the Mission. To date, the partners include Dolores Street Community Services (DSCS), Mission Economic Development Agency (MEDA), the Planning Department, the Mayor's Office of Housing and Community Development (MOHCD), the Health Services Agency (HSA), and the Office and Economic and Workforce Development (OEWD). The collaboration is challenging given the complexities of the issue and we are working to improve the process and expand it in order to be more inclusive by adding other relevant partners and stakeholders affected by and responsible for the solutions that will be part of the Plan. These may include implementing parties such as tenant's rights organizations, the Building Department, philanthropic organizations, and the private sector. District Supervisor Campos and the Mayor's Office have been supportive of this effort.

The purpose of the MAP 2020 is to retain low to moderate income residents and community-serving businesses and nonprofits in order to preserve the socioeconomic diversity of the Mission neighborhood.

MAP 2020 will set targets and define housing and job strategies for neighborhood sustainability at various income levels for 2020 and beyond. The strategies may encompass land use and zoning, financing, identifying opportunity sites, and programs, as well as monitoring mechanisms.

This first phase of MAP 2020 focuses on strategy development and is still underway. It will not be complete for another 3-6 months. As a result, market pressures on the neighborhood are outpacing the ability to develop more permanent solutions (controls and programs) that appropriately respond to and balance these issues. To address this issue, the interim control places a temporary pause in order to

¹ The estimated household decline is complicated and may be best understood by exploration of these numbers in more detail. For instance, MOHCD estimates that 1) between 2000 and 2009 the annual average loss in households earning between 30% and 120% AMI was 113 households; 2) from 2009 to 2010 the number of households earning between 30% and 120% AMI grew by an estimated 242 households; 3) for that income group, the greatest decline was from 2010 to 2011 of 525 households total; and 4) there has been a continued decline in 2012 and 2013, 223 and 98 households respectively.

provide time for the City to determine if permanent zoning changes could be formulated to accelerate affordable housing goals and for the collaboration to complete the planning process.

The Way It Is Now:

Proposed projects in the Mission District are reviewed under the existing requirements of the Planning Code.

The Way It Would Be:

During this interim period, affordable housing would continue to be permitted under the existing requirements of the Planning Code; while additional scrutiny would be applied to certain other housing, large retail, and office projects through a Conditional Use authorization process described below. New Conditional Use requirements would be established for projects which result in any of the following:

- 1) The loss of more than one rent-controlled dwelling unit; or
- 2) The production of five or more dwelling units; or
- 3) Demolition or conversion of certain community and arts uses.

Further, the loss of more than one rent-controlled dwelling unit would require the 1:1 replacement of rent-controlled units in new rental buildings and the Commission would consider whether the loss of certain newly protected community and arts use types have been provided with relocation benefits consistent with the standards of the Uniform Relocation Act.

Among other requirements, the Conditional Use authorizations for either the production of five or more dwelling units or the loss of certain community and arts uses would trigger requirements for economic studies under the proposed Interim Controls. To review the complete proposal for Interim Controls, see Exhibit C.

The Interim Controls are proposed for a period of six months and would apply to all projects that have filed an initial application for building permit or environmental application after January 1, 2015. The date of applicability of these controls is anticipated to generate a great deal of discussion. To assist the public and the Commissioners in understanding which proposed projects may be subject to the Interim Controls, see Exhibit D.

REQUIRED COMMISSION ACTION

The proposed Resolution is before the Commission so that it may approve or disapprove initiation of the interim controls and schedule a public hearing to consider adoption of the interim controls. By formally initiating the process the Commission directs staff to begin a required 9-day notice period and to calendar an approval hearing. Notice of the approval hearing will be published in the newspaper as required by section 306.3 of the Planning Code. Please note that by initiating these amendments today, the Commission does not make any decision regarding the substance of the proposals. It retains full rights to accept, reject, or modify any and all parts of the proposal at such future hearing.

RECOMMENDATION

The Department recommends that the Commission recommend *approval* of the resolution to initiate the Planning Code amendments (See Exhibit B Initiation Resolution).

BASIS FOR RECOMMENDATION

As mentioned, the Interim Controls are intended to analyze affordable housing needs, assess sites for affordable housing production, and stem the loss of existing income protected units while maintaining production, distribution, and repair (hereinafter "PDR") capacity in PDR zoned lands and preserving vital community resources. During this six month period a suite of proposals are expected to develop from the MAP 2020 process that would extend far beyond, but may include, zoning ideas.

The MAP 2020 framework is exploring multiple options to fulfill the long-term intent of these controls. These include such measures as:

- Applying the Affordable Housing Density Bonus program to Plan Areas.
- Expanding the Urban Mixed Use zoning and increase capacity on some parcels, as appropriate.
- Apply a new neighborhood preference program.
- Increased assistance for lease strengthening and negotiation.
- Interim commercial controls to retain key neighborhood services provided by small businesses.
- Displacement and relocation fund for nonprofits.
- Free technical assistance programs for PDR, small businesses and nonprofits;
- Inclusion of a Housing Bond in the regular Capital Planning Cycle
- Dedication of housing bond funds to neighborhoods with highest eviction and loss of low- to moderate-income households

MAP 2020 is a community planning process that already has and will continue to involve engagement with stakeholders. The MAP 2020 therefore presents a forum to discuss and develop responses to the issues in these Interim Controls in a holistic and systematic manner. Further, many from the community have stated that they will demand extra scrutiny of projects in the Mission District during the MAP 2020 process. For this reason, the Department believes it is appropriate to be explicit with both community members and potential developers about the expectation for increased scrutiny, with an eye towards housing affordability and protecting vital community services.

PUBLIC COMMENT

As of the date of this report, the Planning Department has received no written public comment on the proposal. Some Mission community members have expressed concern about which, if any, pipeline projects should be exempted from the Interim Controls.

RECOMMENDATION: Approval to Initiate Interim Controls for Hearing on or After July 9, 2015

Attachments:

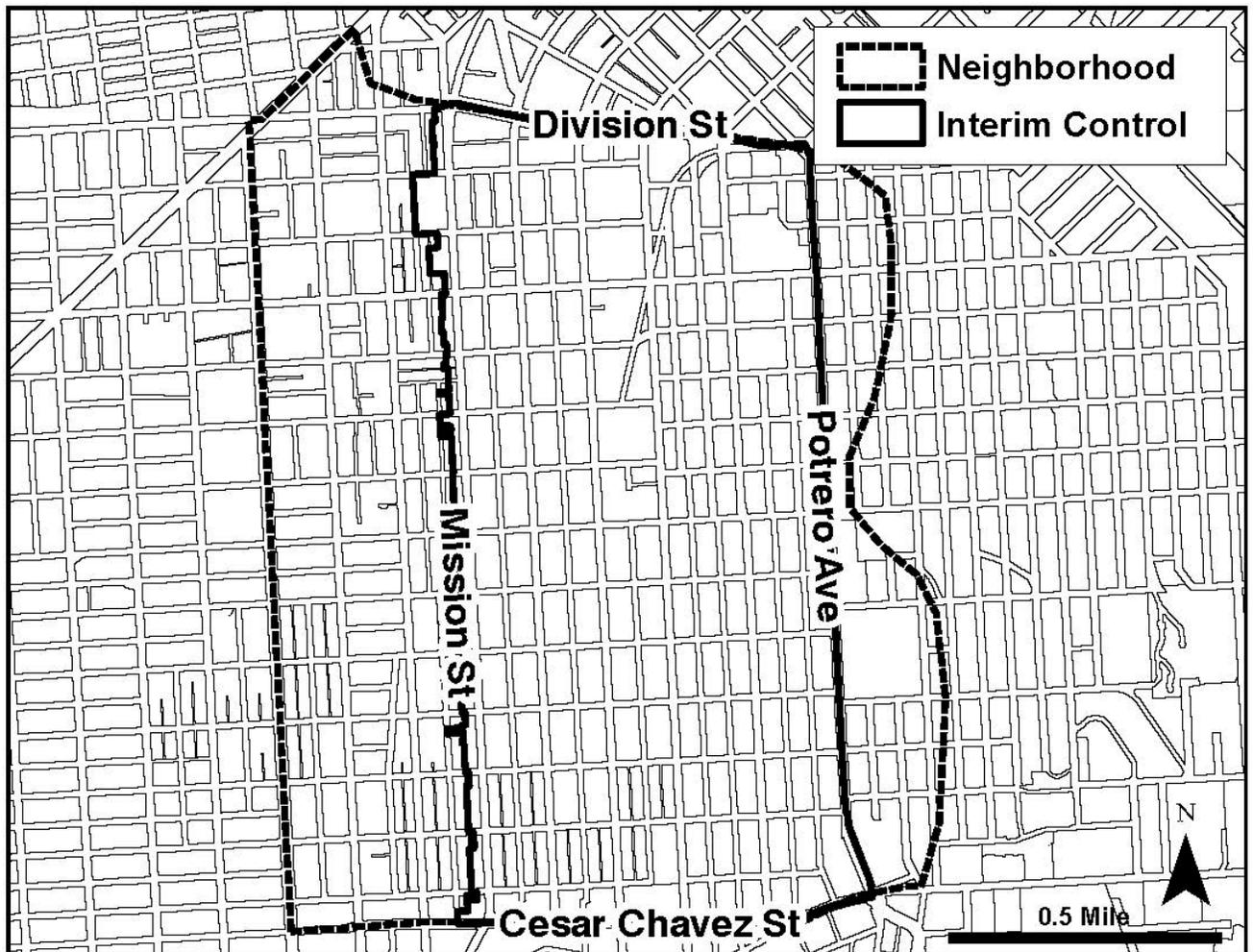
- Exhibit A: Map of Proposed Area for the Interim Controls
- Exhibit B: Draft Planning Commission Initiation Resolution
- Exhibit C: Draft Interim Controls (Draft Adoption Resolution)
- Exhibit D: Pipeline Project List

Exhibit A: Map of the Area Proposed for Mission 2015 Interim Controls

Case No. 2015-000988CWP

Hearing Date: July 9, 2015

Initiation of Interim Controls





SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. _____

HEARING DATE: JULY 9, 2015

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Project Name: COMMISSION-SPONSORED MISSION 2015 INTERIM CONTROLS RELATED TO THE MISSION ACTION PLAN (MAP) 2020
Case Number: 2015-000988CWP
Initiated by: Planning Commission
Staff Contact: Claudia Flores, MAP 2020 Manager
Claudia.flores@sfgov.org, 415-558-6473
Reviewed by: AnMarie Rodgers, Senior Policy Advisor
anmarie@sfgov.org, 415-558-6395

Recommendation: **Recommend Initiation of Mission 2015 Interim Controls**

INITIATING COMMISSION-SPONSORED MISSION 2015 INTERIM CONTROLS RELATED TO THE MISSION ACTION PLAN (MAP) 2020. THE INTERIM CONTROLS ARE INTENDED TO ALLOW TIME FOR STAFF ANALYSIS OF AFFORDABLE HOUSING NEEDS AND POTENTIAL LOCATIONS FOR AFFORDABLE HOUSING PRODUCTION AND STEM THE LOSS OF EXISTING INCOME PROTECTED UNITS WHILE MAINTAINING PRODUCTION, DISTRIBUTION, AND REPAIR (PDR) CAPACITY IN PDR ZONED LANDS AND PRESERVING VITAL COMMUNITY RESOURCES. THE PROPOSED CONTROLS WOULD REQUIRE A CONDITIONAL USE AUTHORIZATION FOR CERTAIN PROJECTS THAT RESULT IN ANY OF THE FOLLOWING: 1) THE LOSS OF MORE THAN ONE RENT-CONTROLLED DWELLING UNIT; OR 2) THE PRODUCTION OF FIVE OR MORE DWELLING UNITS; OR 3) DEMOLITION OR CONVERSION OF CERTAIN ASSEMBLY, RECREATION, ARTS AND ENTERTAINMENT OR INSTITUTIONAL USES. THE AREA PROPOSED FOR INTERIM CONTROLS IS GENERALLY DEFINED BY THE FOLLOWING BOUNDARIES: 13TH AND DIVISION STREETS TO MISSION STREET, TO CESAR CHAVEZ STREET, TO POTRERO AVENUE, AND BACK TO 13TH AND DIVISION STREETS. THE MISSION STREET BOUNDARY WOULD INCLUDE ANY PARCEL WITH A PROPERTY LINE ON EITHER SIDE OF MISSION STREET. THE INTERIM CONTROLS WOULD BE PROPOSED FOR A PERIOD OF SIX MONTHS.

PREAMBLE

WHEREAS, the same conditions observed in the Mission District over 15 years ago that justified enacting interim land use controls to reduce the displacement of PDR uses while rezoning some industrial land for housing production at higher affordable levels persist today; and

WHEREAS, the Planning Commission is obligated to continue to seek solutions, including new interim controls; and

WHEREAS, since 1994, the City has recognized the effect of market forces and changing land use patterns upon the viability of light industrial activity and residential affordability in the Mission District. For example the Planning Commission and/or Board of Supervisors found the following:

1995 Planning Commission Resolution Number 13794:

- Proposals for housing and live/work developments, both new construction and conversion of former industrial buildings are increasingly being proposed in industrially zoned districts.
- There are other strategies that could be explored to promote both appropriate housing locations and industrial stability and the opportunity for economic development, such as the “swapping” of opportunity sites.

1999 Planning Commission Resolution 14861:

- Interim controls [are required] to temporarily eliminate the threat to the supply of industrially zoned land and building space available to PDR businesses, while providing adequate space and direction for the location of residential and live/work development.

2001 Planning Commission Resolution 16202:

- Office and live/work housing uses began to compete with PDR uses for land and building space in large part because market pressures favored this type of development.
- As a result of this, the supply of industrially zoned land and building space available to PDR uses was expected to continue to diminish in the future unless protected.

2001 Board of Supervisors Resolution 518-01

- Construction of housing has not occurred in the North East Mission Industrial Zone because it is less favored than “artist live/work” use, skewing the production of new housing to upper-income, non-family, non-affordable housing in an area where low-income, family housing predominates.
- There was a 41% increase in average commercial lease rates in the Mission District between 1997-1999.
- It is necessary to create a “community service” use category, which allows nonprofits, arts activities and community-serving small businesses to be located where commercial uses which do not provide direct services to Mission District residents may be inappropriate.
- In recent years, construction of lower-income housing in the Mission District has fallen considerably short of demand.
- The largest amount of new housing in the Mission District has been in live/work units, which are not affordable, do not provide family housing, and occupy land that will never be available for affordable housing.

2002 Board of Supervisors Resolution 500-02:

- Construction of lower-income housing in the Mission District has fallen considerably short of demand.
- Lower-income households in the Mission District have become even more overcrowded, face ever escalating rents, and are being forced to leave the City.

2004 Planning Commission Resolution 16727:

- There is a constant need for new housing and new housing opportunity sites.
- The General Plan calls for a balanced economy in which good paying jobs are available for the widest breadth of the San Francisco labor force.
- Arts activities—a thriving element of San Francisco that contributes to tourism and attracting new businesses and new industries to this city—are also in need of attention/protection; and

WHEREAS, in response to these findings, the Commission authorized the launching of the Eastern Neighborhoods Plans (EN Plan) in 2001 through Resolution Number 16201; and

WHEREAS, the EN Plan, a large scale community planning effort encompassing four neighborhoods including the Mission District, sought to balance the growth of residential and office development with the need to preserve land for PDR activities; and

WHEREAS, six years after the adoption of the EN Plan many of the same conditions observed in the past persist, without any indication of their easing. This situation compels new action on the part of the City. A finer grained analysis of opportunity sites for PDR use and affordable housing in the Mission District is required. This analysis should focus on preserving the land capacity for PDR uses as determined through the EN process while exploring whether increased affordable housing capacity is possible; and

WHEREAS, there are a number of sites where PDR activities could be preserved through permanent changes in land use regulation or through mixed use projects containing both affordable housing and PDR; and

WHEREAS, the preface to Housing Element of the General Plan states, “San Francisco’s share of the regional housing need for 2015 through 2022 has been pegged at 28,870 new units, with almost 60% to be affordable.” Meaning, the need for housing production is high and the need for this housing to be affordable is severe; and

WHEREAS, the City should explore where new affordable housing could be developed at an economically feasible scale; and

WHEREAS, the average annual decline of low-income and moderate-income households (those earning 30%-120% Area Median Income) since 2010, when the economy showed more signs of recovery after the crisis, is estimated to be about 180 households/year; and

WHEREAS, Approximately 900 low- and moderate-income households left the Mission District from 2010-2015; if this trend continues unabated about 900 additional low- and moderate-income households could be lost from 2016-2020; and

WHEREAS, within the Mission, an average of 160 evictions notices have been filed per year since 2009, of which about 50% were Ellis and No Fault evictions; and

WHEREAS, small businesses are facing lease expirations and substantial rent increases that often double or triple their rents; and

WHEREAS, Planning Code Section 306.7 authorizes the Planning Commission to impose interim controls temporarily heightening the scrutiny applied to projects to enable Planning Department study of the impacts and to propose permanent changes to the San Francisco Municipal Code; and

WHEREAS, Planning Department and other City staff are currently working with the community on the Mission Action Plan (MAP) 2020; and

WHEREAS, Mission Action Plan (MAP) 2020 is a collaboration, initiated by the community, between community organizations and the City of San Francisco to create more housing and economic stability in the Mission; and

WHEREAS, The purpose of the MAP 2020 Plan is to retain low to moderate income residents and community-serving businesses and nonprofits in order to preserve the socioeconomic diversity of the Mission neighborhood; and

WHEREAS, the Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting and initiated the proposed Interim Controls on July 9, 2015; and

WHEREAS, the 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 Commission has reviewed the proposed draft Interim Controls (Exhibit C). Now therefore be it

MOVED, that pursuant to Planning Code Section 306.7, the Planning Commission Adopts a Resolution of Intent to Initiate amendments to the Planning Code.

AND BE IT FURTHER RESOLVED, That pursuant to Planning Code Section 306.3, the Planning Commission authorizes the Department to provide appropriate notice for a public hearing to consider the above referenced Planning Code amendments contained in the draft ordinance, approved as to form by the City Attorney in **Exhibit C**, to be considered at a publicly noticed hearing on or after July 23, 2015.

I hereby certify that the foregoing Resolution was ADOPTED by the San Francisco Planning Commission on July 9, 2015.

Jonas Ionin
Commission Secretary

AYES:

NOES:

ABSENT:



SAN FRANCISCO PLANNING DEPARTMENT

Exhibit C: Draft Adoption Resolution for Mission Interim Controls 2015 Planning Commission Resolution No. _____

HEARING DATE: JULY 23, 2015

Project Name: COMMISSION-SPONSORED MISSION 2015 INTERIM CONTROLS
RELATED TO THE MISSION ACTION PLAN (MAP) 2020

Case Number: 2015-000988CWP

Initiated by: Planning Commission

Staff Contact: Claudia Flores, MAP 2020 Manager
Claudia.flores@sfgov.org, 415-558-6473

Reviewed by: AnMarie Rodgers, Senior Policy Advisor
anmarie@sfgov.org, 415-558-6395

Recommendation: Adoption of Mission 2015 Interim Controls

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ADOPTING COMMISSION-SPONSORED MISSION 2015 INTERIM CONTROLS RELATED TO THE MISSION ACTION PLAN (MAP) 2020. THE INTERIM CONTROLS ARE INTENDED TO ALLOW TIME FOR STAFF ANALYSIS OF AFFORDABLE HOUSING NEEDS AND POTENTIAL LOCATIONS FOR AFFORDABLE HOUSING PRODUCTION AND STEM THE LOSS OF EXISTING INCOME PROTECTED UNITS WHILE MAINTAINING PRODUCTION, DISTRIBUTION, AND REPAIR (PDR) CAPACITY IN PDR ZONED LANDS AND PRESERVING VITAL COMMUNITY RESOURCES. THE PROPOSED CONTROLS WOULD REQUIRE A CONDITIONAL USE AUTHORIZATION FOR CERTAIN PROJECTS THAT RESULT IN ANY OF THE FOLLOWING: 1) THE LOSS OF MORE THAN ONE RENT-CONTROLLED DWELLING UNIT; OR 2) THE PRODUCTION OF FIVE OR MORE DWELLING UNITS; OR 3) DEMOLITION OR CONVERSION OF CERTAIN ASSEMBLY, RECREATION, ARTS AND ENTERTAINMENT OR INSTITUTIONAL USES. THE AREA PROPOSED FOR INTERIM CONTROLS IS GENERALLY DEFINED BY THE FOLLOWING BOUNDARIES: 13TH AND DIVISION STREET TO MISSION STREETS, TO CESAR CHAVEZ AVENUE, TO POTRERO AVENUE, AND BACK TO DIVISION STREET. THE MISSION STREET BOUNDARY WOULD INCLUDE ANY PARCEL WITH A PROPERTY LINE ON EITHER SIDE OF MISSION STREET. THE INTERIM CONTROLS WOULD BE PROPOSED FOR A PERIOD OF SIX MONTHS.

PREAMBLE

WHEREAS, the same conditions observed in the Mission District over 15 years ago that justified enacting interim land use controls to reduce the displacement of PDR uses while rezoning some industrial land for housing production at higher affordable levels persist today; and

WHEREAS, the Planning Commission is obligated to continue to seek solutions, including new interim controls; and

WHEREAS, since 1994, the City has recognized the effect of market forces and changing land use patterns upon the viability of light industrial activity and residential affordability in the Mission District. For example the Planning Commission and/or Board of Supervisors found the following:

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- Proposals for housing and live/work developments, both new construction and conversion of former industrial buildings are increasingly being proposed in industrially zoned districts.
- There are other strategies that could be explored to promote both appropriate housing locations and industrial stability and the opportunity for economic development, such as the “swapping” of opportunity sites.

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- As a result of this, the supply of industrially zoned land and building space available to PDR uses was expected to continue to diminish in the future unless protected.

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- There was a 41% increase in average commercial lease rates in the Mission District between 1997-1999.
- It is necessary to create a “community service” use category, which allows nonprofits, arts activities and community-serving small businesses to be located where commercial uses, which do not provide direct services to Mission District residents, may be inappropriate.
- In recent years, construction of lower-income housing in the Mission District has fallen considerably short of demand.
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- The General Plan calls for a balanced economy in which good paying jobs are available for the widest breadth of the San Francisco labor force.
- Arts activities—a thriving element of San Francisco that contributes to tourism and attracting new businesses and new industries to this city—are also in need of attention/protection.

WHEREAS, in response to these findings, the Commission authorized the launching of the Eastern Neighborhoods Plans (EN Plan) in 2001 through Resolution Number 16201; and

WHEREAS, the EN Plan, a large scale community planning effort encompassing four neighborhoods including the Mission District, sought to balance the growth of residential and office development with the need to preserve land for PDR activities; and

WHEREAS, six years after the adoption of the EN Plan many of the same conditions observed in the past persist, without any indication of their easing. This situation compels new action on the part of the City. A fine grained analysis of opportunity sites for PDR use and affordable housing in the Mission District is required. This analysis should focus on preserving the land capacity for PDR uses as determined through the EN process while exploring whether increased affordable housing capacity is possible; and

WHEREAS, there are a number of sites where PDR activities could be preserved through changes in land use regulation or through mixed use projects containing both housing and PDR; and

WHEREAS, the preface to Housing Element of the General Plan states, “San Francisco’s share of the regional housing need for 2015 through 2022 has been pegged at 28,870 new units, with almost 60% to be affordable.” Meaning, the need for housing production is high and the need for this housing to be affordable is severe.

WHEREAS, the City should explore where new affordable housing could be developed at an economically feasible scale; and

WHEREAS, the average annual decline of low-income and moderate-income households (those earning 30%-120% Area Median Income) since 2010 is estimated to be about 180 households/year; and

WHEREAS, Approximately 900 low- and moderate-income households left the Mission District from 2010-2015; if this trend continues unabated about 900 additional low- and moderate-income households could be lost from 2016-2020; and

WHEREAS, within the Mission, an average of 160 evictions notices have been filed per year since 2009, of which about 50% were Ellis and No Fault evictions; and

WHEREAS, small businesses are facing lease expirations and substantial rent increases that often double or triple their rents;

WHEREAS, the Planning Code Section 306.7 authorizes the Planning Commission to impose interim controls temporarily heightening the scrutiny applied to projects to enable Planning Department study of the impacts and to propose permanent changes to the San Francisco Municipal Code;

WHEREAS, Planning Department and other City staff are currently working with the community on the Mission Action Plan (MAP) 2020;

WHEREAS, Mission Action Plan (MAP) 2020 is a collaboration, initiated by the community, between community organizations and the City of San Francisco to create more housing and economic stability in the Mission;

WHEREAS, The purpose of the MAP 2020 Plan is to retain low to moderate income residents and community-serving businesses and nonprofits in order to preserve the socioeconomic diversity of the Mission neighborhood.

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. **General Plan Compliance.** This Resolution is consistent with the following Objectives and Policies of the General Plan:

I. HOUSING ELEMENT

OBJECTIVE 1

IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

POLICY 1.1

Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

POLICY 1.3

Work proactively to identify and secure opportunity sites for permanently affordable housing.

POLICY 1.4

Ensure community based planning processes are used to generate changes to land use controls.

POLICY 1.7

Consider public health objectives when designating and promoting housing development sites.

POLICY 1.9

Require new commercial developments and higher educational institutions to meet the housing demand they generate, particularly the need for affordable housing for lower income workers and students.

POLICY 2.1

Discourage the demolition of sound existing housing, unless the demolition results in a net increase in affordable housing.

POLICY 3.1

Preserve rental units, especially rent controlled units, to meet the City's affordable housing needs.

POLICY 3.2

Promote voluntary housing acquisition and rehabilitation to protect affordability for existing occupants.

POLICY 3.5

Retain permanently affordable residential hotels and single room occupancy (SRO) units.

POLICY 3.4

Preserve "naturally affordable" housing types, such as smaller and older ownership units.

POLICY 4.4

Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.

POLICY 4.5

Ensure that new permanently affordable housing is located in all of the city's neighborhoods, and encourage integrated neighborhoods, with a diversity of unit types provided at a range of income levels.

POLICY 4.6

Encourage an equitable distribution of growth according to infrastructure and site capacity.

POLICY 4.7

Consider environmental justice issues when planning for new housing, especially affordable housing.

POLICY 5.5

Minimize the hardships of displacement by providing essential relocation services.

POLICY 5.6

Offer displaced households the right of first refusal to occupy replacement housing units that are comparable in size, location, cost, and rent control protection.

POLICY 6.1

Prioritize permanent housing and service-enriched solutions while pursuing both short- and long-term strategies to eliminate homelessness.

POLICY 6.2

Prioritize the highest incidences of homelessness, as well as those most in need, including families and immigrants.

OBJECTIVE 7

SECURE FUNDING AND RESOURCES FOR PERMANENTLY AFFORDABLE HOUSING, INCLUDING INNOVATIVE PROGRAMS THAT ARE NOT SOLELY RELIANT ON TRADITIONAL MECHANISMS OR CAPITAL.

POLICY 7.1

Expand the financial resources available for permanently affordable housing, especially permanent sources.

POLICY 7.4

Facilitate affordable housing development through land subsidy programs, such as land trusts and land dedication.

POLICY 7.5

Encourage the production of affordable housing through process and zoning accommodations, and prioritize affordable housing in the review and approval processes.

OBJECTIVE 8

BUILD PUBLIC AND PRIVATE SECTOR CAPACITY TO SUPPORT, FACILITATE, PROVIDE AND MAINTAIN AFFORDABLE HOUSING.

POLICY 8.1

Support the production and management of permanently affordable housing.

POLICY 8.2

Encourage employers located within San Francisco to work together to develop and advocate for housing appropriate for employees.

POLICY 10.1

Create certainty in the development entitlement process, by providing clear community parameters for development and consistent application of these regulations.

POLICY 10.2

Implement planning process improvements to both reduce undue project delays and provide clear information to support community review.

OBJECTIVE 11

SUPPORT AND RESPECT THE DIVERSE AND DISTINCT CHARACTER OF SAN FRANCISCO'S NEIGHBORHOODS.

POLICY 11.3

Ensure growth is accommodated without substantially and adversely impacting existing residential neighborhood character.

POLICY 11.9

Foster development that strengthens local culture sense of place and history.

POLICY 12.2

Consider the proximity of quality of life elements, such as open space, child care, and neighborhood services, when developing new housing units.

II. COMMERCE AND INDUSTRY ELEMENT

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.

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.

POLICY 3.3

Emphasize job training and retraining programs that will impart skills necessary for participation in the San Francisco labor market.

OBJECTIVE 4

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

POLICY 4.3

Carefully consider public actions that displace existing viable industrial firms.

POLICY 4.4

When displacement does occur, attempt to relocate desired firms within the city.

POLICY 4.5

Control encroachment of incompatible land uses on viable industrial activity.

OBJECTIVE 6

MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.

POLICY 6.1

Ensure and encourage the retention and provision of neighborhood-serving goods and services in the city's neighborhood commercial districts, while recognizing and encouraging diversity among the districts.

III. COMMUNITY FACILITIES ELEMENT

OBJECTIVE 3

ASSURE THAT NEIGHBORHOOD RESIDENTS HAVE ACCESS TO NEEDED SERVICES AND A FOCUS FOR NEIGHBORHOOD ACTIVITIES.

2. The Planning Commission finds from the facts presented that the impact on the public health, safety, peace and general welfare as set forth in Section 306.7(a) require the proposed Interim Controls.
3. This Resolution is consistent with the eight General Plan priority policies set forth in Section 101.1 in that:
 - A) The existing neighborhood-serving retail uses will be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses will be enhanced.
 - B) The existing housing and neighborhood character will be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.
 - C) The City's supply of affordable housing will be preserved and enhanced.
 - D) The commuter traffic will not impede MUNI transit service or overburden our streets or neighborhood parking.

- E) A diverse economic base will be maintained by protecting our industrial and service sectors from displacement due to commercial office development. And future opportunities for resident employment and ownership in these sectors will be enhanced.
- F) The City will achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.
- G) That landmark and historic buildings will be preserved.
- H) Parks and open space and their access to sunlight and vistas will be protected from development.

WHEREAS, the Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting and initiated proposed Interim Controls on July 9, 2015; and

WHEREAS, the proposed controls has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section _____; and

WHEREAS, the 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 Commission has reviewed the proposed Interim Controls at a duly-noticed hearing on July 23, 2015.

MOVED, that pursuant to Planning Code Section 306.3, the Planning Commission adopts the below referenced Interim Controls, approved as to form by the City Attorney.

MISSION 2015 INTERIM ZONING CONTROLS

I. BOUNDARIES.

The area proposed for interim controls is generally defined by the following boundaries: 13th and Division Streets to Mission Street, to Cesar Chavez Avenue, to Potrero Avenue, and back to 13th and Division Streets—except that the Mission Street boundary would include any parcel with a property line on either side of Mission Street.

II. DURATION.

The interim controls shall be in effect for six months from July 23, 2015.

III. INTENT.

These Interim Controls are intended to afford time to the Department staff to analyze affordable housing needs, assess sites for affordable housing production, and stem the loss of existing income protected units while maintaining PDR capacity in PDR zoned lands and preserving vital community resources. During this interim period, affordable housing and production, distribution, and repair uses would continue to be permitted as-of-right; while additional scrutiny would be applied to certain other housing, large retail, and office projects through Conditional Use authorization.

IV. CONTROLS.

In addition to the criteria listed in Planning Code Section 303(c) (Conditional Uses), the Planning Commission shall also apply the following additional criteria and requirements:

a. If the project would result in the loss of more than one existing rent-controlled dwelling unit:

- a. If the project proposes to construct new rental units, the project shall replace the lost rent-controlled units 1:1 with new rent-controlled units. Any such new rent-controlled units would not be counted as BMR units for the purposes of meeting the City's Inclusionary Housing requirements.
- b. The Commission shall find in making its determination on the project that the project meets the majority of the following Planning Code Section 317(d)(3)(C) criteria:
 - (i) the property is free of a history of serious, continuing Code violations;
 - (ii) the housing has been maintained in a decent, safe, and sanitary condition;
 - (iv) if the project is a "historical resource" under CEQA, that the removal of the resource will not have a substantial adverse impact under CEQA;
 - (v) that the project does not convert rental housing to other forms of tenure or occupancy.
 - (vii) the project conserves existing housing to preserve cultural and economic neighborhood diversity;
 - (viii) the project conserves neighborhood character to preserve neighborhood cultural and economic diversity;
 - (ix) that the project protects the relative affordability of existing housing;
 - (x) the project increases the number of permanently affordable units as governed by Section 415;
 - (xi) the project locates in-fill housing on appropriate sites in established neighborhoods;
 - (xii) the project increases the number of family-sized units on-site;

- (xiv) the project is of superb architectural and urban design, meeting all relevant design guidelines, to enhance existing neighborhood character;
- (xv) the project increases the number of on-site dwelling units;
- (xvi) the project increases the number of on-site bedrooms.

b. If the project would result in the production of 5 or more new dwelling units, it shall comply with one of the following requirements:

- 1) The project meets or exceeds the San Francisco RHNA targets for the production of low housing income categories within the project (at least 40% Very Low & low income and no more than 45% Above Moderate); or
- 2) The project provides 100% of its units as housing that would be affordable to households with Moderate or below incomes; or
- 3) The applicant shall provide the Planning Department with a displacement study. The study shall show the degree to which the proposed new housing increases or decreases the economic pressures that underlie the shifting demographic characteristics of the Mission District. Among other issues, the study must analyze how the project may affect the cost of nearby housing and property values, the number of units available to lower-income groups, and the likely demographics of the project's new residents, and must project associated changes to commercial and community uses within the neighborhood that may result given these changes. Further, this report should include an estimate of the anticipated Housing Balance within the area of the interim controls and whether the anticipated net housing construction would result in 33% or greater levels of affordability as described in Planning Code Section 103(c)(1). This calculation shall include the proposed project, the Planning Department's pipeline current pipeline report, and may include pending projects under the purview of Mayor's Office of Housing and Community Development where the land has been acquired.

c. If the project would demolish or convert Assembly, Recreation, Arts and Entertainment or Institutional uses¹ or establish more than 20,000 new square feet of

¹ As defined for each use respectively in the Planning Code: Arts Activity Section 102, Amusement Arcade 790.4 and 890.4, Movie Theater 102, 790.64 and 890.64, Community Facility 102, 790.50, 890.50; Child Care Facility 102, 790.50, 790.51, 890.50 (b); Entertainment General & Other 102, 790.4, 890.4, 790.38, 890.37; Nighttime Entertainment, 102, 790.38, 890.37; Recreation Building 843.62; Educational Services 790.50 (c) and 890.50(c), Religious Institution or Facility 102, 790.50(d), 890.50(a&d); Entertainment, other 890.37; Entertainment, General, 102; Entertainment, Arts and Recreation Uses, 102; and Institution, other (Job Training) 890.50(f).

retail use² or office type³ uses or Institutional Healthcare⁴ uses in any zoning district; the Commission shall consider whether:

- 1) Sufficient available space for the use type exists in the surrounding neighborhood and that negative impacts of displacement of any existing tenants from the building are minimized;
- 2) Tenants have been provided with relocation benefits according to the standards of the Uniform Relocation Act; and
- 3) The economic and fiscal impact of the proposed use is beneficial to residents in the area. To this end, the conditional use application shall include a complete economic impact analysis of the relocation or the loss of the existing use compared to the benefit of the proposed use, prepared by an independent professional; and this analysis shall show the degree to which
 - The proposed new use provides for permanent job creation and/or job retention in the community compared to the existing use and associated wages and benefits for both.
 - The proposed use increases community-serving uses such as arts, nonprofit services and childcare available to all income levels.
 - The proposed use promotes a sense of community and provides spaces for community gatherings and community serving uses that would be available and accessible to all income levels.

d. Disapprovals of Housing Projects.

In the event the Planning Commission disapproves or reduces the density of any housing project, it shall make written findings supported by substantial evidence explaining how the project as proposed would have a significant, quantifiable, direct, and unavoidable impact based on objective, identified written public health or safety standards, policies, or conditions upon the public health and safety of the City and the area governed by these Interim Controls.

V. APPLICATION.

These Interim Controls would include all projects that filed an initial application for building permit or environmental application after January 1, 2015.

² As defined in Planning Code Section 102 as Retail Use.

³ As defined in the Planning Code to include but not be limited to the following: Office Use: 102, 790.68, 890.70; Service, Business: 890.111 and to include but not be limited to the following definitions from Planning Code Section 102: Design Professional, Non-Retail Professional Service, Business Services, and Fringe Financial Service.

⁴ To include but not be limited to the definition of Health Service Use in Planning Code Section 102.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: 
MARLENA BYRNE
Deputy City Attorney

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on July 23, 2015.

Jonas Ionin
Commission Secretary

AYES:

NOES:

ABSENT:

PROJECTS THAT MAY BE CONSIDERED FOR APPROVAL WITHIN SIX MONTHS AND THEIR ESTIMATED FILED DATE				
		Dwelling Units		
Project Address(es)	Estimated Planning Department file date	Grandfathered under Proposal (Interim Controls NOT Applicable)	Interim Controls Applicable (filed after 1/1/15)	Grand Total
1801 & 1863 MISSION ST	10/23/2009	54		54
2100 MISSION ST	09/21/2009	29		29
685 FLORIDA ST	11/25/2012	274		274
1800 MISSION STREET	01/21/2014	0 (office)		0
2600 HARRISON ST	06/20/2014	20		20
854 CAPP ST	2/24/2015		6	6
3314 CESAR CHAVEZ	2/25/2015		52	52
Units Grand Total		377	58	435
PROJECTS THAT MAY BE CONSIDERED FOR APPROVAL AFTER SIX MONTHS AND THEIR ESTIMATED FILED DATE				
		Dwelling Units		
Project Address(es)	Estimated Planning Department file date	Grandfathered under Proposal (Interim Controls NOT Applicable)	Interim Controls Applicable (filed after 1/1/15)	Grand Total
344 14TH ST (1463 STEVENSON ST)	10/23/2009	69		69
953 TREAT AVE	5/25/2012	9		9
1979 MISSION ST	10/18/2013	331		331
1515 SOUTH VAN NESS AV	6/1/2014	160		160
2435-2445 MISSION ST	7/1/2014	53		53
2918 MISSION ST	03/11/2014	28		28
2750 19TH ST	11/13/2014	60		60
1726 - 1730 MISSION ST	11/24/2014	36		36
1726 MISSION ST	11/24/2014	36		36
2675 FOLSOM ST (970 TREAT AV)	1/10/2015		117	117
793 SOUTH VAN NESS AVE	02/06/2015		54	54
Units Grand Total		676	277	953