



# SAN FRANCISCO PLANNING DEPARTMENT

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## Executive Summary Mission 2015 Interim Controls

HEARING DATE: NOVEMBER 19, 2015

*Project Name:* **Mission 2015 Interim Controls related to the Mission Action Plan 2020**  
*Case No.:* **2015-000988CWP**  
*Staff Contact:* Claudia Flores  
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*Reviewed by:* AnMarie Rodgers, Senior Policy Advisor  
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*Recommendation:* **Adopt Interim Controls with Proposed Modifications**

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On July 9, 2015 the Planning Commission adopted a Resolution to Initiate Interim Controls in the Mission District. Subsequent to the Commission's July 9<sup>th</sup> initiation action, notice of the approval hearing was published, as required by the Planning Code. On August 6, the Planning Commission adopted an interim policy and on September 24, 2015, the Commission continued consideration of approval of the interim control for today's hearing – November 19, 2015.

This case report includes a summary of potential changes to the interim controls published on July 9 based on public and Commissioner comments, should the Commission wish to proceed with adoption.

### 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): 13<sup>th</sup> and Division Streets to Mission Street, to Cesar Chavez Street, to Potrero Avenue, and back to 13<sup>th</sup> 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 nine months. By law, interim controls cannot be more permissive and may only be more restrictive.

The Mission 2015 Interim Controls (hereinafter "Interim Controls") are intended to make explicit the Commission's expectations for a dialogue about affordability; give time to the Department staff to analyze affordable housing needs and to 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. More specifically, the interim controls would allow time for the City to determine if permanent zoning changes could be formulated to accelerate affordable housing goals and for the Mission Action Plan 2020 process to complete a package of comprehensive, permanent solutions.

### **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, 100% affordable housing, projects that provide at least 33% of the units affordable to low and moderate income households, and PDR would continue to be permitted under the existing requirements of the Planning Code; while additional review 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 that result in any of the following:

- 1) The loss of one or more rent-controlled dwelling unit; or
- 2) Projects that are greater than 25,000 square feet or less than 25,000 square feet and displacing an existing tenant or are less than 10 units but have sufficient lot area to trigger the requirements of Section 415 of the Planning Code; or
- 3) Demolition or conversion of certain community, PDR and arts uses.

### **SUMMARY OF KEY ISSUES:**

Below is a summary of key concerns from Commissioners and public comments from all the hearings and meetings with stakeholders:

- The proposal is only meaningful if it captures more projects, particularly larger projects.
- Commissioners would like to ensure that the size threshold is based on past precedent or other meaningful threshold.
- The Commission requested that the controls be simplified, as much as possible.
- Staff had committed to draft findings for future projects after review of the Controller's "Economic Impact of a Market-Rate Housing Moratorium in the Mission" study should it become available.

Staff believes the revised proposal accomplishes these four goals. The Controller's study<sup>1</sup> is now available and could serve as a basis for the new findings for development projects that would be considered if the interim controls were to be adopted. Further, another study<sup>2</sup> that is Mission-specific and has a wealth of research on gentrification and displacement pressures in the neighborhood and was published this year by UC Berkeley's Center for Community Innovation in coordination with regional planning agencies, researchers at UCLA, community based organizations, regional planning agencies and the State of California's Air Resources Board was also reviewed by staff<sup>3</sup>.

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<sup>1</sup> Potential Effects of Limiting Market Rate Housing in the Mission (September 10, 2015). City and County of San Francisco, Office of the Controller- Office of Economic Analysis. From: <http://sfcontroller.org/Modules/ShowDocument.aspx?documentid=6742>

<sup>2</sup> Community Organizing and Resistance in the Mission District: Case Study on Gentrification and Displacement Pressures (2015). UC Berkeley Center for Community Innovation. From: [http://iurd.berkeley.edu/uploads/Mission\\_District\\_Final.pdf](http://iurd.berkeley.edu/uploads/Mission_District_Final.pdf)

<sup>3</sup> The Urban Displacement Project from: <http://www.urbandisplacement.org/>

Should the Commission wish to adopt interim controls, the most substantive changes to the resolution are summarized below:

ORIGINAL LANGUAGE / PROPOSAL	MODIFICATION & NOTES Key: (-) items now less restrictive, (+) items now more restrictive
<b>Exceptions</b>	(-) Amended the draft resolution to exempt projects that meet 33% affordability for low and moderate income households rather than the RHNA targets.
<p><b>1) Loss of Rent-Controlled Units</b>            i. 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. (Above &amp; beyond BMR units required under Planning Code Section 415.)</p>	<p>(-) The draft resolution does not make the 1:1 replacement of rent-controlled housing a requirement. Replacement is typically only required when there is an Ellis Act eviction or a density bonus or public subsidy is conferred to the project.            NOTE: Staff is currently researching avenues to replace rent-controlled units with below market rate units subject to Code Section 415.</p>
<p><b>2) Creation of 5+ Dwelling Units.</b> Shall discuss the affordability by answering criteria.</p>	<p>(+) Amended the resolution to apply to smaller projects only if they are displacing or have displaced residential tenants in the last 12 months or are not providing inclusionary units but have sufficient lot size to trigger Section 415 of the Planning Code.</p>
<p><b>iii.</b> 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.</p>	<p>(-/+ ) Modified the resolution language to require specific findings. The basis for these findings should be grounded in professional research including but not limited to the recent Controller's Study, UC Berkeley study, or new, independently commissioned work. The proposal urges that this work be published within the last 12 months and be specific to the Mission to the greatest extent possible.</p>

ORIGINAL LANGUAGE / PROPOSAL	MODIFICATION & NOTES Key: (-) items now less restrictive, (+) items now more restrictive
<p>3) If demolishing Assembly, Recreation, Arts and Entertainment or Institutional uses<sup>1</sup> or establish more than 20,000 new square feet of retail use<sup>2</sup> or office type<sup>3</sup> uses or Institutional Healthcare<sup>4</sup> uses in any zoning district;</p>	<p>(-) Modified the resolution for the size threshold to be the same as for residential projects: more than 25,000 gross square feet.</p> <p>(-) Modified the resolution exempt projects that are relocating the existing non-residential use according to the standards of the Relocation Act within San Francisco to not have to do a study and only discuss the relocation benefits provided for the Commission's consideration.</p> <p>(+/-) Modified the resolution language to seek specific findings.</p>
<p>V. APPLICATION. Include all projects that filed an initial application for building permit or environmental application after January 1, 2015.</p>	<p>(+) The interim controls are proposed to apply to all projects in the pipeline that have not received a required entitlement or approval from the Planning Department, Zoning Administrator, or Planning Commission by September 24th, 2015.</p>
<p>Length of controls</p>	<p>(+) Modified the resolution language to increase the length of the controls to nine months instead of six months.</p>

While the Commission adopted an interim policy on August 6<sup>th</sup> both a policy and controls can both be in place and reinforce each other if the Commission wishes to adopt the interim controls.

## RECOMMENDATION

Should the Commission wish to move forward with interim controls, the Department recommends that the Commission *approve* the resolution with the changes above. This would capture all the pipeline projects that have not been reviewed by the Commission (no grandfathering) and make explicit to project sponsor the Commission's expectation for projects to contribute to solutions to the affordability and displacement crisis in the Mission.

## BASIS FOR RECOMMENDATION

The Commission has stated that it is important to acknowledge the extent of the affordable housing crisis in the Mission and the importance of addressing the problems this creates.

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**

Public comment has not changed substantially since the last Commission hearing. As previously reported, the Planning Department received a few written public comments in favor of interim controls, several opposed to controls, and some concerned about the grandfathering date. A high level summary of concerns is below:

- Should be implemented immediately;
- Do not go far enough and would prefer a moratorium;
- Are not fair to projects that have been in the pipeline for some time;
- Should only apply as of the date of initiation;
- Should include small projects;
- Should exempt small projects and vacant lots and buildings;

## **REQUIRED COMMISSION ACTION**

<b>RECOMMENDATION: Approval to Adopt Interim Controls with Modifications</b>
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### **Attachments:**

Exhibit A: Draft Interim Controls Resolution, dated September 24, 2015

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<sup>1</sup> 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; Auto Repair 890.15 and 790.15; Child Care Facility 102, 790.50, 790.51, 890.50 (b); Entertainment General & Other 102, 790.4, 890.4, 790.38, 890.37; Light Manufacturing 890.54(a); 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; Trade Shops 890.124 and 790.124; and Institution, other (Job Training) 890.50(f).

<sup>2</sup> As defined in Planning Code Section 102 as Retail Use.

<sup>3</sup> 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.

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



# SAN FRANCISCO PLANNING DEPARTMENT

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## Exhibit A: Draft Adoption Resolution for Mission Interim Controls 2015

Planning Commission Resolution No. \_\_\_\_\_

HEARING DATE: SEPTEMBER 24, 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

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*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 ONE OR MORE RENT-CONTROLLED DWELLING UNITS; OR 2) THE NET ADDITION OR NEW CONSTRUCTION OF MORE THAN 25,000 GROSS SQUARE FEET OR THE NET ADDITION OF LESS THAN 25,000 THAT WOULD DISPLACE A RESIDENTIAL TENANT OR INCLUDES LESS THAN 10 RESIDENTIAL UNITS BUT HAS SUFFICIENT LOT AREA TO TRIGGER SECTION 415 OF THE PLANNING CODE; OR 3) DEMOLITION OR CONVERSION OF CERTAIN ASSEMBLY, RECREATION, ARTS AND ENTERTAINMENT, LIGHT MANUFACTURING, TRADE SHOPS, AUTO REPAIR OR INSTITUTIONAL USES. THE AREA PROPOSED FOR INTERIM CONTROLS IS GENERALLY DEFINED BY THE FOLLOWING BOUNDARIES: 13<sup>TH</sup> 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 NINE 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.

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) in the Mission from 2009-2013 was 150 household per year and decline could accelerate to 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 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 August 6, 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: 13<sup>th</sup> and Division Streets to Mission Street, to Cesar Chavez Avenue, to Potrero Avenue, and back to 13<sup>th</sup> 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 nine months from the date of this Motion.

## 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 under the requirements of the Planning Code; while additional requirements would be applied to certain other housing, large retail, and office projects through Conditional Use authorization.

## IV. CONTROLS.

a. **Exemptions.** The following types of project are exempt from these interim controls, even if such project would otherwise be subject to them under the requirements of subsection (b) below:

1. Residential and mixed use projects that provide 100% of their residential units as affordable.
2. Residential and mixed use projects that provide at least 50% of the residential units as affordable for Middle Income and lesser income households, of which no less than 33% must be affordable for Households of Low and Moderate Income, all as defined in Planning Code Section 401.
3. Production, distribution, and repair uses if exclusively PDR or that are mixed-use and include PDR uses and meet either of the two criteria above.

b. **Conditional Use Requirement.** The following would require conditional use authorization under Planning Code Section 303(c). Additionally, the Planning Commission shall apply the following additional criteria and requirements:

1. **Loss of Rent-Controlled Units.** Any project that would result in the loss of one or more existing rent-controlled dwelling unit.

A. **Application.** As part of the Conditional Use Permit application, the developer shall describe whether any of the new units:

- (i) would be subject to the San Francisco Rent Stabilization and Arbitration Ordinance, San Francisco Administrative Code Section 37;
- (ii) are qualified replacement units to be occupied by households of low or very low income, under the Government Code section 65915(c)(3) (the State Density Bonus Law); or
- (iii) would be counted as BMR units for the purposes of meeting the City's Inclusionary Housing requirements under Section 415 of the Planning Code.

**B. Findings.** The Commission shall find in making a determination to approve 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.

**2. Project needing review of housing production and residential displacement.** Any project that: would include the net addition or new construction of more than 25,000 gross square feet; or any project less than 25,000 square feet that is requesting a temporary eviction of existing residential tenants for capital improvements for more than 90 days or has served an eviction notices within the last 12 months; or includes less than 10 residential units but has a sufficiently large lot area to accommodate a project that would trigger the City's Inclusionary Housing requirements, under Section 415 of the Planning Code. In making its Conditional Use Application, such a project shall include the following analysis:



- A. **Demographic Changes:** Discuss the socio-economic characteristics of the neighborhood and evaluate how the proposed project would affect existing and future residents, businesses and community-serving providers of the area.
  - B. **Economic Pressure:** Discuss the provision of additional housing supply provided by the project and evaluate how that may affect affordability of newly vacant units housing (indirect displacement) and the rate of evictions (direct displacement) within the neighborhood.
  - C. **Total Housing Production:** Discuss i) the maximum allowable dwelling unit density the site could accommodate and ii) the density of the proposed project, then iii) evaluate how effectively the proposed project would house future residents.
  - D. **Affordable Housing Production:** Discuss whether i) the proposed site would be suitable for 100% affordable housing production (including disclosing if the site was identified in the San Francisco Board Budget and Legislative Analyst's May 29, 2015 Report) and ii) whether utilizing the State Density Bonus Law, Government Code Section 65915 or other applicable affordable housing incentive program would incentivize additional affordable units.
  - E. **Housing Preservation:** Discuss existing housing on the project site in terms of occupancy types, relative affordability, adaptability, rent-control and other features and disclose whether similar tenant-friendly features will be provided by the proposed project.
3. **Projects needing review of jobs and non-residential displacement.** Any project that would demolish or convert Assembly, Recreation, Arts and Entertainment, Light Manufacturing, Auto Repair, Trade Shops or Institutional uses<sup>1</sup> in any zoning district; or any project less than 25,000 square feet where any existing commercial tenant has not yet signed a lease in the proposed development. In making its Conditional Use Application, such a project shall include the following analysis:
- A. **Relocation:** Discuss the existing or last-known residential or commercial tenants and disclose whether relocation benefits have been or will be provided according to the standards of the Uniform Relocation Act.
  - B. **Findings for Sensitive Businesses and Community Building-Uses.** If the existing non-residential use has not been relocated then the applicant shall

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<sup>1</sup> 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; Auto Repair 890.15 and 790.15; Child Care Facility 102, 790.50, 790.51, 890.50 (b); Entertainment General & Other 102, 790.4, 890.4, 790.38, 890.37; Light Manufacturing 890.54(a); 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; Trade Shops 890.124 and 790.124; and Institution, other (Job Training) 890.50(f).

provide the Planning Commission with additional discussion regarding potential impacts and benefits to the community as described below:

- i. **Jobs & Economic Profile.** Discuss whether the economic and fiscal impact of the proposed project is beneficial to residents in the area. Towards this end, the application shall include an analysis of the loss of the existing use compared to the benefit of the proposed use, including an estimate, if known, of permanent job creation and/or job retention in the community of the proposed use compared to the existing use and associated wages and benefits for both;
- ii. **Available Space in the Mission.** Discuss whether sufficient vacant space for the use type being demolished or removed exists in the neighborhood; and
- iii. **Affordability of Community-Building Uses.** Provide an assessment of the affordability of community-building uses. Community-building uses shall include but not be limited to arts, nonprofit services and childcare uses. This assessment should discuss the nature of the community-building uses, the affordability of the uses and the amount of space provided for such uses on the existing site compared to similar uses associated with the proposed project.
- iv. **Non-Residential Displacement.** Discuss existing businesses or non-profit organizations that will not be retained in the proposed project in terms of length of lease, number of employees, whether the use is minority owned and a non-restaurant or bar use, and if a business is retail whether that business is formula retail.

c. **Basis for Analysis.** The analysis required under (b)(2) or (b)(3) above, shall be based upon independent study by a qualified professional. Studies that have been completed within 18 months from the date of the project's scheduled hearing at the Planning Commission and that are specific to San Francisco and Mission District conditions are preferable. Existing studies that may be used include but shall not be limited to "Potential Effects of Limiting Market-Rate Housing in the Mission" by the San Francisco Office of Economic Analysis, the "Housing Inventory" or other publications by the San Francisco Planning Department or publications that are part of the "The Urban Displacement Project" a research and action initiative of UC Berkeley in collaboration with researchers at UCLA, community based organizations, regional planning agencies and the State of California's Air Resources Board.

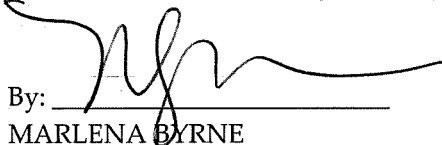
**d. Disapprovals of Housing Projects.**

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 shall include all projects that have not received a required entitlement or approval from the Planning Department, Zoning Administrator, or Planning Commission by September 24th, 2015.

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 \_\_\_\_.

Jonas Ionin  
Commission Secretary

AYES:

NOES:

ABSENT: