

SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Planning Code Text & Zoning Map Amendment HEARING DATE: MARCH 19, 2020

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M-1 & M-2 Rezoning

PLANNING CODE AMENDMENT

Project Name:

The Ordinance would amend the Planning Code and Zoning Map to rezone certain parcels in Industrial Use Districts to Production, Distribution, and Repair and other Use Districts

The Way It Is Now:

Several properties in the Rincon Hill, Potrero Hill, Bayview, Portola, Visitacion Valley and Little Hollywood neighborhoods are in the Light Industrial (M-1) and Heavy Industrial (M-2) zoning districts. (see Exhibit B)

The Way It Would Be:

Properties not owned by the San Francisco Port in the Rincon Hill, Potrero Hill, Bayview, Portola, Visitacion Valley and Little Hollywood neighborhoods and in the M-1 and M-2 zoning districts would be rezoned to other districts. These districts include the Production, Distribution and Repair: Core Production, Distribution, and Repair (PDR-2), and the Public Use (P) zoning districts. In addition, other properties that are split zoned M-1 and Residential House, One-Family (RH-1), Rincon Hill Downtown Residential (RH-DTR) or P would be rezoned to no longer be split zoned. (see Exhibit B)

ISSUES AND CONSIDERATIONS

Zoning Map Maintenance and Relevance

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districts arose, in part, from the realization that the regulatory frameworks of the M-1 and M-2 zoning districts were outdated and no longer satisfied the City's needs.

M Districts

The M Districts are the City's oldest industrially oriented zoning classifications still in use. For decades most of the City's industrial activities occurred in these districts, which covered much of the City's eastern half. This was the case, at least partially, because of the wide array of uses that are allowed within the M Districts and the City's extensive industrial and maritime landscape. These districts allow the gamut of industrial uses, including those involving heavy truck traffic, noise generation or noxious emissions. They also allow uses such as retail and office, and allowed housing at limited densities on a case-by-case basis via the Conditional Use process. When these zoning classifications were created, the market desirability and likelihood of locating non-industrial uses in these districts was low, and so practical and economic conflict between industrial uses and non-industrial uses in these districts was low until the mid- to late-1990s.

The practicality and advisability of this permissiveness, however, has been found obsolete and ineffective in dealing with the City's contemporary issues and dynamics since at least the late 1990s. As the City's economy changed over the last three decades, sensitive and more economically attractive uses like housing and office located within or adjacent to the M Districts. This has raised concerns about compatibility and quality of life for residents in areas not designed for or supportive of residential life; concerns about the ability to practically conduct industrial businesses in such environments; and concerns about the preservation of industrially used land necessary for the City's economic and social diversity and function. It is important to note that generally there are no policies or requirements to retain industrial activities in the M Districts and that, owing to current market conditions, industrial activities are often outbid for the use of property. Further, in the process of long-range planning it is often the case that more tailored zoning districts better serve citywide policy goals, community needs and aspirations.

As a result of these dynamics, the City, through the Eastern Neighborhoods, Bayview, and other comprehensive planning efforts over the past 20 years has substantially rezoned most M-zoned parcels that are not under the jurisdiction of the Port. Those M-zoned parcels that remain today (and not under the jurisdiction of the Port) are largely odd pieces of land and public infrastructure that were accidental omissions or oversights from the rezoning efforts of the past 20 years. This rezoning cleans up and rezones most of these remaining parcels, leaving a small number to be scrutinized through more focused community efforts in the Bayview and other neighborhoods.

Of the parcels being proposed for rezoning here, most are being rezoned to PDR. This is done to reflect their character and locations, which are generally surrounded by or adjacent to PDR districts with substantial active PDR uses and districts, or otherwise encumbered by active infrastructure or industrial uses. Other parcels are being rezoned to P (Public) to reflect their existing ownership and/or use as public infrastructure or uses. A small number of parcels are being rezoned to Urban Mixed Use (UMU) or Residential, House, Single Family (RH-1), owning to the existing residential uses on the properties.

Accepted Applications on M-zoned properties

The Department receives development applications on a continuous basis, including in instances where a rezoning is being contemplated or proposed. Often a project sponsor is unaware of a proposed rezoning and has already made a set of financial, programmatic and design commitments that conflict with the forthcoming zoning change. In these cases, it is sometimes reasonable to allow projects with filed applications the ability to proceed under the rules of the former zoning district.

On January 23, 2020 the Department surveyed the properties proposed for rezoning for open or pending applications. The survey found one open application on the property at 800 Cesar Chavez Street that could be affected by the rezoning away from an M district designation. The Planning Code is being amended to accommodate this application because it was submitted prior to the initiation of these proposed Zoning Map amendments.

Senate Bill 330

Governor Gavin Newsom signed Senate Bill 330, Housing Crisis Act of 2019, (SB330) into law on October 9, 2019. Among other regulations, SB330 would alter several procedural regulations for how cities permit new housing, including limiting the number of hearings and the rate of development impact fees on housing projects. SB330 also requires that cities, when reducing housing capacity on property, expand it elsewhere at a commensurate level.

While M zoning districts do not principally permit housing, they do allow housing to be considered on a case-by-case basis with Conditional Use authorization, with density limits based on lot area. Some of the proposed zoning districts, such as the PDR districts, do not allow housing. To comply with SB330 staff evaluated possible housing development potential of each property proposed for rezoning within the M districts. Using a minimum Code specified density of one Dwelling Unit per 800 square feet of lot area, staff estimated that no more than 1,000 Dwelling Units of housing capacity would be potentially lost. This estimate is likely higher than the maximum amount of housing that could practically be built. Many of the properties are narrow, small or have odd dimensions, are severely sloped, some are surrounded by other active industrial parcels, and many are encumbered or rendered undevelopable by existing infrastructure. It is important to note that many of the properties are owned by the Peninsula Corridor Joint Powers Board (Caltrain) and these properties abut rail lines; are owned by Caltrans with existing operating Caltrans uses; or are existing manufacturing sites in industrial parks in the vicinity of or that straddle the San Mateo County line. These factors put their practical development potential in doubt.

Staff has identified the Market Octavia Plan Amendment (formerly the Hub) which will be considered at the Board of Supervisors and will result in 1,640 units of net new housing capacity. This new exceeds capacity exceeds what could potentially be lost through this proposed Ordinance, satisfying SB330.

General Plan Compliance

The Ordinance is, on balance, in harmony with the applicable General Plan Objectives and Policies. In particular, the Ordinance aligns with the Commerce and Industry Element policy that directs the City to further the aims of the generalized commercial and industrial land use plan.

Racial and Social Equity Analysis

Understanding the benefits, burdens and opportunities to advance racial and social equity that proposed Planning Code and Zoning Map amendments provide is part of the Department's Racial and Social Equity Initiative. This is also consistent with the Mayor's Citywide Strategic Initiatives for equity and accountability and with the Office of Racial Equity, which requires all Departments to conduct this analysis.

To the extent that the Ordinance protects industrial uses and preserves employment in that sector it can help provide an accessible source of employment for historically and currently disenfranchised communities. This is because employment in this sector often does not require a university degree, but rather vocational training or training from a two-year community college. Given that disenfranchised communities disproportionately lack a traditional four-year university education, they are more likely to attain vocational or community college training. This makes the industrial sector an accessible employment opportunity that generally provides wages above the minimum levels, including above typical retail or service employment, as well as opportunities for advancement. However, because the Ordinance essentially updates the City's Zoning Map without many substantive changes, the Ordinance has little to no effect on racial or social equity. In this way the Ordinance is very much an administrative endeavor.

Implementation

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

RECOMMENDATION

The Department recommends that the Commission *approve* the proposed Ordinance and adopt the attached Draft Resolution to that effect.

BASIS FOR RECOMMENDATION

The Department recommends that the Commission adopt the proposed Ordinance because it will allow for the City to amend the Planning Code and Zoning Map to reflect actual land uses as well as aspirational ones that align with community needs. The M districts no longer serve the evolving needs of the City. Given that the City's economy has changed, and sensitive uses have sprawled into new areas, the City's zoning map must respond. Rezoning properties in the City's eastern half to newer, more relevant zoning districts allows the City an adequate response. Further, the vast majority of these properties should have been rezoned under previous, more comprehensive rezoning efforts. In this context, the Ordinance can be seen largely as an administrative endeavor to correct previous oversights.

REQUIRED COMMISSION ACTION

The proposed Ordinance is before the Commission so that it may approve it, reject it, or approve it with modifications.

ENVIRONMENTAL REVIEW

The proposed amendments are exempt from environmental review under the Common Sense Exemption (CEQA Guidelines Section 15061(b)(3).

PUBLIC COMMENT

As of the date of this report, the Planning Department has not received any public comment regarding the proposed Ordinance.

Attachments:

Exhibit A:	Draft Planning Commission Resolution
Exhibit B:	Maps of Properties for Rezoning
Exhibit C:	Proposed Ordinance



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Draft Resolution

HEARING DATE MARCH 19, 2020

Project Name:	M-1 & M-2 Rezoning
Case Number:	2018-001443MAP [Board File No. TBD]
Initiated by:	Planning Commission
Staff Contact:	Diego Sanchez, Legislative Affairs
	diego.sanchez@sfgov.org, 415-575-9082
Reviewed by:	Aaron D Starr, Manager of Legislative Affairs
	aaron.starr@sfgov.org, 415-558-6362

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RESOLUTION APPROVING A PROPOSED ORDINANCE THAT WOULD AMEND PLANNING CODE AND THE ZONING MAP TO REZONE CERTAIN PARCELS IN INDUSTRIAL USE DISTRICTS; ADOPTING FINDINGS, INCLUDING ENVIRONMENTAL FINDINGS, PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.

WHEREAS, on February 13, 2020 the Planning Commission (hereinafter "Commission") initiated a Resolution No. 20652 to amend the Planning Code and Zoning Map to rezone certain parcels in Industrial Use Districts;

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15061(b)(3); and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed amendment; and

MOVED, that the Planning Commission hereby **approves** the proposed ordinance.

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. Given that the City's economy has changed, and sensitive uses have sprawled into new areas, the City's zoning map must respond. Rezoning properties in the City's eastern half to newer, more relevant zoning districts allows the City an adequate response.
- 2. **General Plan Compliance.** The proposed Ordinance is consistent with the following Objectives and Policies of the General Plan:

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 1

MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

Policy 1.3

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

The proposed Ordinance seeks to further the existing commercial and industrial land use plan by rezoning specific properties to appropriate zoning districts based on their location in the City, their relation to other existing uses and zoning districts, and their current use. The proposed Ordinance aligns with the principles of (1) maintaining a functional area for production, distribution and services and another for residential purposes and the community facilities closely related to residential activities; (2) defining the working areas of the City so as to increase its efficiency as a specialized center of management, production, service or distribution; and (3) relating the working areas to the trafficways and transit systems so as to minimize time and distance in the journey to work from each of the community areas of the city and from within the San Francisco Bay Region. These three principles are integral elements of citywide land use planning for commerce and industry.

- 3. **Planning Code Section 101 Findings.** The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:
 - 1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail because the Ordinance generally seeks to rezone industrially used property.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The proposed Ordinance would not have a negative effect on housing or neighborhood character because the Ordinance proposes to rezone industrially used properties to an industrial zoning district.

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

The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing as the Ordinance seeks to rezone industrially zoned property to an appropriate industrial zoning district.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking because the Ordinance seeks to rezone property used for industrial purposes to an appropriate industrial zoning district.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired as the Ordinance generally proposes to rezone industrially used properties to an appropriate industrial zoning district.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The proposed Ordinance would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake because the Ordinance seeks to amend the Zoning Map.

7. That the landmarks and historic buildings be preserved;

The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings because the Ordinance generally rezones property to match its current use.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas since the Ordinance generally seeks to rezone property for industrial purposes.

4. **Planning Code Section 302 Findings.** The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby APPROVES the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on March 19, 2020.

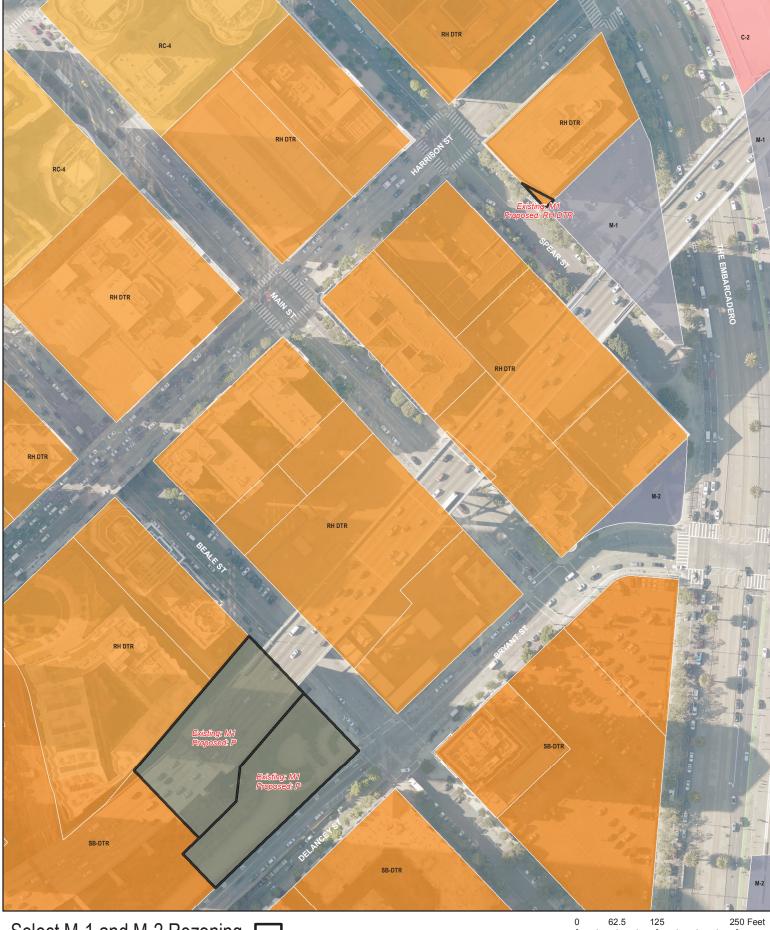
Jonas P. Ionin Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED: March 19, 2020



Select M-1 and M-2 Rezoning SAN FRANCISCO

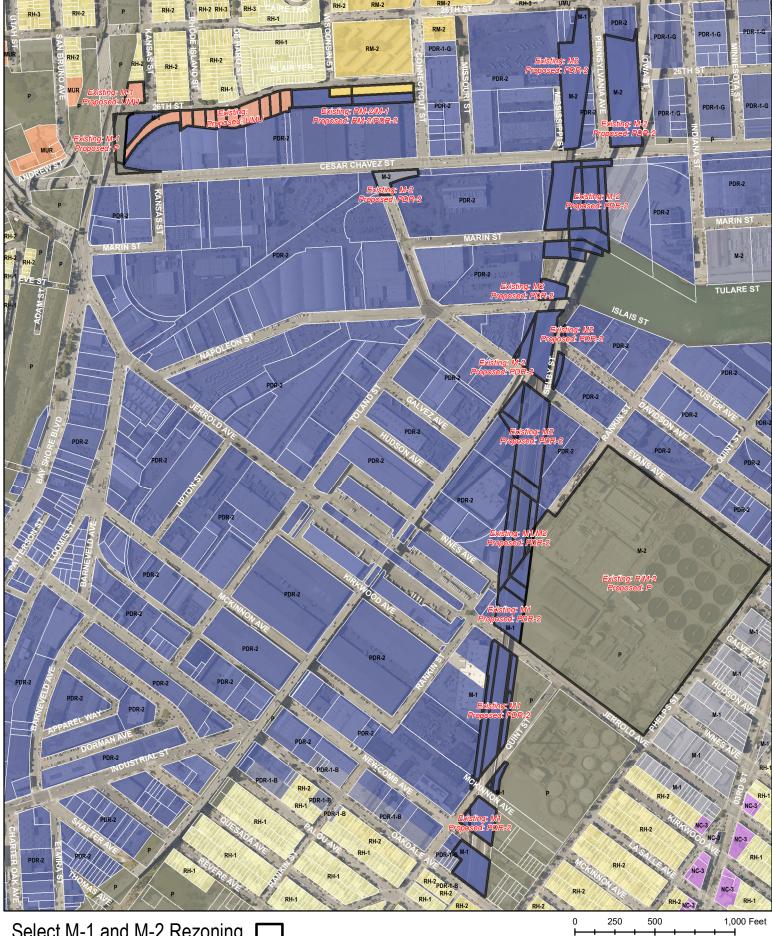
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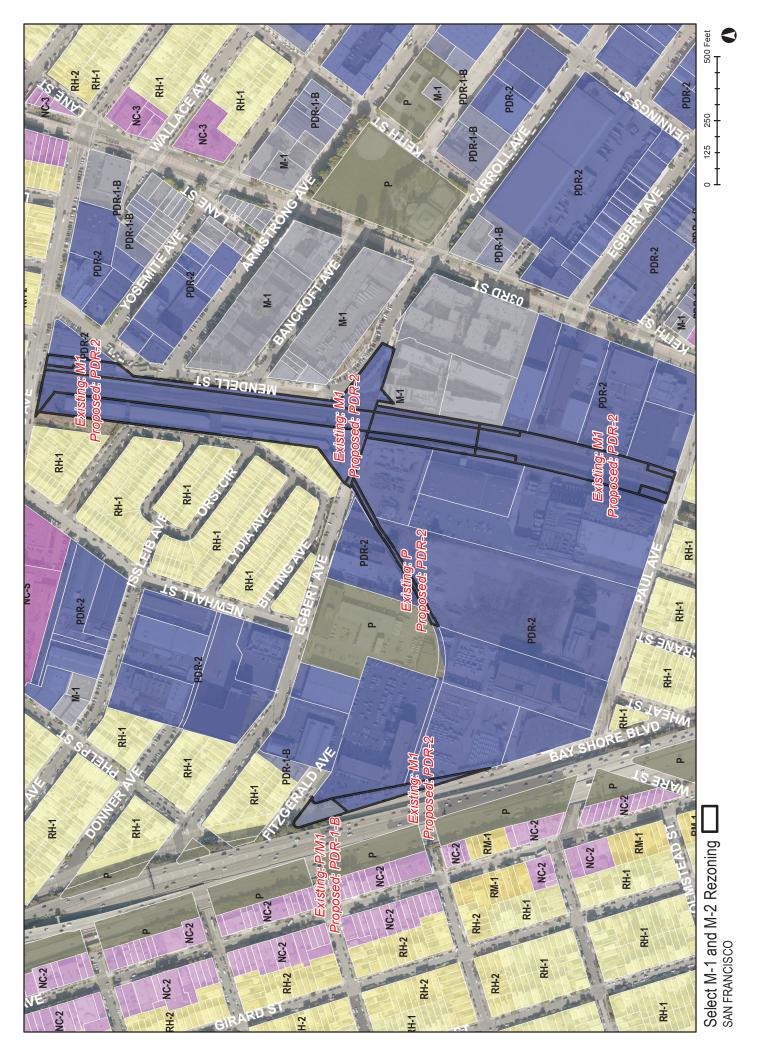
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Select M-1 and M-2 Rezoning SAN FRANCISCO

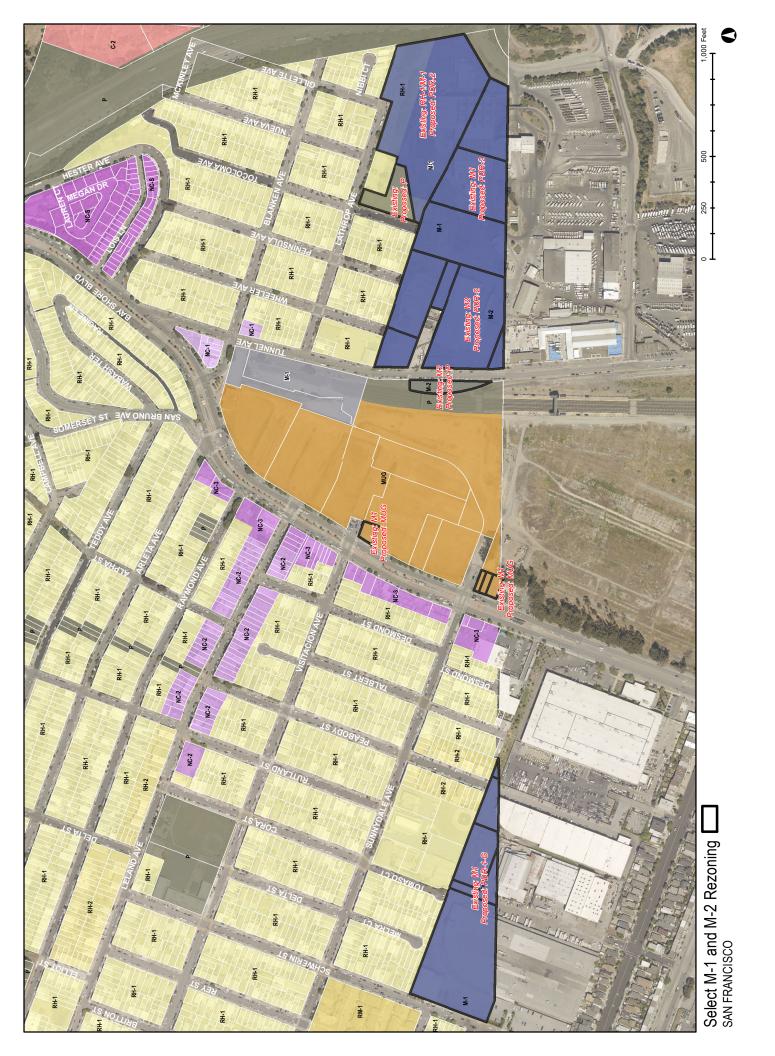


Select M-1 and M-2 Rezoning SAN FRANCISCO

1,000 Feet







FILE NO.

ORDINANCE NO.

[Planning Code, Zoning Map - Rezone Certain Industrial Parcels] Ordinance amending the Planning Code and Zoning Map to rezone certain parcels in

Industrial Use Districts to Production, Distribution, and Repair and other Use Districts; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public

necessity, convenience, and welfare under Planning Code, Section 302.

NOTE: Unchanged Code text and uncodified text are in plain Arial font. Additions to Codes are in <u>single-underline italics Times New Roman font</u>. Deletions to Codes are in <u>strikethrough italics Times New Roman font</u>. Board amendment additions are in <u>double-underlined Arial font</u>. Board amendment deletions are in <u>strikethrough Arial font</u>. Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Environmental and Planning Code Findings.

(a) The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. _____ and is incorporated herein by reference. The Board affirms this determination.

(b) On _____, the Planning Commission, in Resolution No. _____,

recommended the Planning Code and Zoning Map amendments in this ordinance for approval and adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the City's General Plan and eight priority policies of Planning Code Section 101.1. The Board adopts these findings as its own. A copy of said Resolution is on file with

the Clerk of the Board of Supervisors in File No. _____, and is incorporated herein by reference.

(c) Pursuant to Planning Code Section 302, the Board of Supervisors finds that the Planning Code and Zoning Map amendments in this ordinance will serve the public necessity, convenience, and welfare for the reasons set forth in Planning Commission Resolution No. ______, and the Board incorporates such reasons herein by reference.

Section 2. The Planning Code is hereby amended by revising Zoning Use District Maps ZN01, ZN08, and ZN10, as follows:

Description of Property		Use Districts to be	Use Districts	
Assessor's	Lot	Superseded	Hereby Approved	
Block				
3766	010	RH-DTR/M-1	Р	
	011	M-1	Р	
3769	002	M-1	RH-DTR	
4280	025	M-1	UMU	
4290	018	M-1 / M-2	PDR-2	
4291	017, 018	M-2	PDR-2	
4310	003	M-2	PDR-2	
4324	003, 004	M-1 / RM-2	PDR-2 / RM-2	
4327A	020, 021, 022, 023, 024,	M-1	PDR-2	
	025, 026, 027, 028, 029,			
	030, 031, 032, 033, 034,			
	035, 036, 037, 038, 039,			

040, 041, 042, 043, 044, 1 2 045, 046, 047, 048, 049, 050, 051, 052, 053, 054, 3 055, 056, 057, 058, 059, 4 060, 061, 062, 063, 064, 5 6 065, 066, 067, 068, 069, 070, 071, 072, 073, 074, 7 8 075 9 4329 M-1 010, 011, 012 Ρ 10 008, 018, 019, 020, 021, M-1 PDR-2 11 022, 023, 024, 025, 026, 12 027, 028 13 M-2 4346 001 PDR-2 14 4347B 005,007 M-2 PDR-2 15 4349 001, 002, 002A, 003A, 003B, M-2 PDR-2 16 004, 004A, 012, 013, 014 17 4356 001A M-2 PDR-2 18 4382 003,005 M-2 PDR-2 19 4991 007 M-1 PDR-2 20 008,009 M-1 / M-2 PDR-2 21 953 Ρ RH-1 / M-1 22 954 RH-1 / M-1 PDR-2 23 5091 010 M-1 PDR-2 24 011 M-2 PDR-2

Planning Department BOARD OF SUPERVISORS

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5099	002	M-1	PDR-2
5100	007	M-1	MUG
5102	010	M-2	Р
5104	001, 004, 005	M-2	PDR-2
5107	003, 004, 005	M-1	MUG
5214	001, 004	M-2	PDR-2
5215	020	M-2	PDR-2
5228	012	M-2	PDR-2
5232	004, 008, 012	M-2	PDR-2
	011	M-1 / M-2	PDR-2
5250	019, 020, 026	M-2	PDR-2
	024	M-1 / M-2 / PDR-2	PDR-2
5262	002	M-1 / M-2	PDR-2
	010, 011	M-1	PDR-2
	009	P / M-1 / M-2	Р
5280	003, 004, 005	M-1	PDR-2
5281	007, 008, 009, 010, 011	M-1	PDR-2
5303	004	M-1	PDR-2
5304	015, 031, 032	M-1	PDR-2
5313	033, 034	M-1	PDR-2
5415	004, 006, 007, 008, 011,	M-1	PDR-2
	012, 013, 014, 015		

5431A			PDR-2
	010, 019, 021, 022, 026,	M-1	
	027, 028, 029, 031		
5451	019	P / M-1	PDR-1-B
5853	042, 043	M-1 / RH-1	RH-1
	046	M-1	Р
	047	P / M-1	Р
6309	004A, 056, 057, 102, 103	M-1	PDR-1-G

Section 3. Article 2 of the Planning Code is hereby amended by revising Sections 210.3 and 210.3A, to read as follows:

SEC. 210.3. PDR DISTRICTS.

* * * *

Table 210.3

ZONING CONTROL TABLE FOR PDR DISTRICTS

Zoning	§ References	PDR-1-B	PDR-1-D	PDR-1-G	PDR-2
Category					
* * * *					
	ITIAL STANDARD		•		
NON-RESIDEN	IIIAL STANDARL	S AND USES)		
* * * *					

Retail Sales and Service Uses*	§§ 102, 202.2(a)	P (1)	P (10)	P (9)	P (1)
* * * *	* * * *	* * * *	* * * *	* * * *	* * * *
Storage, Self	§§ 102	NP	NP	NP	NP <u>(22)</u>
* * * *	* * * *	* * * *	* * * *	* * * *	* * * *

(22) NP except that a proposed Self Storage use is Principally Permitted on a lot adjacent to an M-2 District if a Development Application, as defined in Section 401, for the establishment of such use was submitted to the City by October 31, 2019.

SEC. 210.3A. NON-ACCESSORY USE SIZE LIMITS FOR <u>CERTAIN</u> RETAIL AND OFFICE USES IN PDR-1-B AND PDR-2 DISTRICTS.

In order to preserve land and building space for light industrial activities, <u>certain</u> nonaccessory Retail and Office Uses that exceed the square footage stated in the table below shall not be permitted in PDR-1-B and PDR-2 Districts. The use area shall be measured as the Occupied Floor Area of all retail or offices activities on a lot that have a (1) or (2) in the respective zoning district's use control column in Table 210.3 (Zoning Control Table for PDR Districts). Additionally, a cumulative use size maximum applies in PDR-1-B and PDR-2 Districts, such that the combined floor area of any and all uses permitted by Table 210.3 with a (1) or (2) in the respective zoning district's use control column may not exceed the limits stated in the table below for any given lot. <u>The size limits in this Section 210.3A shall not apply to uses permitted by Table 210.3 that do not have a (1) or (2) in the respective zoning district's use control column.</u>

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Section 4. Operative and Effective Date.

(a) Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

(b) Operative Date. This ordinance shall become operative on its effective date stated in subsection (a), or on the effective date of the ordinance in Board of Supervisors File No. , the Market Octavia Plan Amendment, whichever is later.

Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the ordinance.

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

By:

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PETER R. MILJANICH Deputy City Attorney

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