



# EXECUTIVE SUMMARY

## PLANNING CODE TEXT AMENDMENT

**HEARING DATE:** December 3, 2020

**90-Day Deadline:** December 20, 2020

**Project Name:** Light Manufacturing and Wholesale Storage uses in the 24<sup>th</sup> Street-Mission Street Neighborhood Commercial Transit District

**Case Number:** 2020-009008PCA [Board File No. 201060]

**Initiated by:** Supervisor Ronen / Introduced September 15, 2020

**Staff Contact:** Veronica Flores, Legislative Affairs  
Veronica.Flores@sfgov.org, 628-652-7525

**Reviewed by:** Aaron Starr, Manager of Legislative Affairs  
aaron.starr@sfgov.org, 628-652-7533

**Recommendation:** Approval

### Planning Code Amendment

Ordinance amending the Planning Code to allow Light Manufacturing and Wholesale Storage uses in the 24<sup>th</sup> Street-Mission Street Neighborhood Commercial Transit (NCT) District, in specific circumstances.

#### The Way It Is Now:

Light Manufacturing and Wholesale Storage uses are not permitted in the 24<sup>th</sup> Street-Mission Street NCT District.

#### The Way It Would Be:

Light Manufacturing and Wholesale Storage uses would be permitted in the 24<sup>th</sup> Street-Mission Street NCT District if the property does not have any frontage on 24<sup>th</sup> Street and the subject building was originally constructed for a Production, Distribution or Repair (PDR) use. Such uses would not be subject to the active street frontage and transparency requirements.

## Background

The proposed Ordinance protects existing businesses in the Mission, including that at 1174-1176 Potrero Avenue which currently has a Wholesale Storage use on site. PDR uses are appropriate in the Mission, and the proposed Ordinance provides more flexibility in the entire 24<sup>th</sup> Street-Mission Street NCT to preserve them.

## Issues and Considerations

### Preserving Production, Distribution and Repair (PDR) Uses

The proposed Ordinance would ensure that PDR uses would be permitted at 1174-1176 Potrero Avenue, which was originally built for a PDR use. This property is also located in the Mission Area Plan, which seeks to retain PDR businesses. PDR jobs constitute a significant portion of all jobs in the Mission. The proposed Ordinance's goal to permit Light Manufacturing and Wholesale Storage is in keeping with the concentration of PDR businesses in the Mission and compatible with the neighborhood context.

The Mission Action Plan 2020 (MAP2020) includes an objective to: Retain and promote Production, Distribution, and Repair (PDR) and other high-paying jobs for entry level and limited skilled workers.

The Mission Action Plan 2020 (MAP2020), which seeks to ensure that existing residents have a choice to stay are not forcibly displaced, includes an objective stating: Retain and promote Production, Distribution, and Repair (PDR) and other high-paying jobs for entry level and limited skilled workers. Both MAP2020 and the Mission Area Plan also align with the Department's larger efforts to preserve existing PDR uses and affordable PDR spaces when possible. Retro City has operated as a Wholesale Storage use at the property since November 2009; however, without the subject Ordinance, Retro City would need to close their business or change their operations to a permitted use in this district.

### Neighborhood Commercial Vacancies

Vacancy rates in Neighborhood Commercial Districts has been a growing issue in recent years. This is exacerbated by the shelter in place orders due to COVID-19. The Ordinance helps address some of these issues by allowing the current business to continue operations at this property. If the Ordinance is not enacted, the 24<sup>th</sup> Street-Mission Street NCT District may potentially see another vacant property instead of a neighborhood amenity. This Ordinance eliminates that gap even if there was potential development or new business at the site.

Recommendation No. 4 states: Preserve Operations and Lessen Regulatory Burdens: create flexibility for businesses to operate and consider reducing or eliminating regulatory burdens.

Additionally, the proposed Ordinance aligns with the fourth policy recommendation from the [Economic Recovery Taskforce Report](#), which states: Preserve Operations and Lessen Regulatory Burdens: create flexibility for businesses to operate and consider reducing or eliminating regulatory burdens." This Ordinance would help

preserve an existing business and will create more flexibility in the 24<sup>th</sup> Street-Mission Street NCT by modifying use controls.

### **Light Manufacturing**

Retro City currently focuses on wholesale storage to store inventory at this property until it is ready to be distributed to other stores. The proposed Ordinance would also permit Light Manufacturing, a use that is appropriate for this building and the district. This provides flexibility for the sponsor to expand their clothing repair portion of the business beyond the accessory use size limitations. This further supports the Economic Recovery Taskforce Report recommendation described above.

### **No Frontage Along 24<sup>th</sup> Street**

The 24<sup>th</sup> Street-Mission Street NCT District seeks continuous active retail along the main corridor of the district. The Ordinance would focus this active retail frontage along 24<sup>th</sup> Street. The property at 1174-1176 Potrero Avenue does not front onto 24<sup>th</sup> Street and is located along the northern border of the zoning district. Therefore, the proposed Ordinance would not impact or lessen the concentration of active retail frontage along 24<sup>th</sup> Street.

### **General Plan Compliance**

The proposed Ordinance would support an existing Wholesale Storage use within the 24<sup>th</sup> Street-Mission Street NCT. The Wholesale Storage use is compatible with this mixed-use district because it provides convenience goods to its immediate neighborhood as well as a wider trade area. Additionally, the proposed Ordinance supports the Mission Area Plan's and MAP2020's goals to preserve PDR uses.

### **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 forthcoming Office of Racial Equity, which will require all Departments to conduct this analysis.

The Planning Code amendments in the proposed Ordinance help preserve an existing Wholesale Storage use in the 24<sup>th</sup> Street-Mission Street NCT District. This benefits the existing commercial businesses by retaining and potentially creating additional employment opportunities in this neighborhood. The proposed Ordinance would allow the small business to legalize the Wholesale Storage use. Retro City has been operating in this neighborhood for over 10 years and would not further burden the neighborhood.

### **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 is recommending approval of the proposed Ordinance because it supports the Commerce and Industry Element's goals to support existing commercial businesses. The proposed Ordinance also supports the Mission Area Plan's and MAP2020's goals to preserve PDR uses. Additionally, the Ordinance would help prevent a vacancy on in the 24<sup>th</sup> Street-Mission Street NCT District, which has seen an increasing concern in all commercial corridors particularly amidst the COVID-19 pandemic and economic recovery efforts. The Department recognizes that Light Manufacturing and Wholesale Storage are currently not permitted in this district; however, such uses are appropriate for this property and others like it that do not have any frontage along 24<sup>th</sup> Street, the primary commercial corridor of the district.

## 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 not defined as a project under CEQA Guidelines Section 15060(c)(2) and 15378 because they do not result in a physical change in the environment.

## 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: Board of Supervisors File No. 201060



# PLANNING COMMISSION DRAFT RESOLUTION

**HEARING DATE: December 3, 2020**

**Project Name:** Light Manufacturing and Wholesale Storage uses in the 24<sup>th</sup> Street-Mission Street Neighborhood Commercial Transit District

**Case Number:** 2020-009008PCA [Board File No. 201060]

**Initiated by:** Supervisor Ronen / Introduced September 15, 2020

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**RESOLUTION APPROVING A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO ALLOW LIGHT MANUFACTURING AND WHOLESALE STORAGE USES IN THE 24TH STREET-MISSION STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT, IN SPECIFIC CIRCUMSTANCES; AFFIRMING THE PLANNING DEPARTMENT'S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN, AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1, AND FINDINGS OF PUBLIC NECESSITY, CONVENIENCE, AND WELFARE UNDER PLANNING CODE, SECTION 302.**

WHEREAS, on September 15, 2020 Supervisor Ronen introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 201060, which would amend the Planning Code to allow Light Manufacturing and Wholesale Storage uses in the 24<sup>th</sup> Street-Mission Street Neighborhood Commercial Transit District, in specific circumstances;

WHEREAS, the Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on December 3, 2020; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Sections 15378 and 15060(c)(2); 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 49 South Van Ness Avenue, Suite 1400, 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:

The proposed Ordinance would support Production, Distribution and Repair (PDR) Activities in the Mission District.

## 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.

#### 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.

**MISSION AREA PLAN**

**OBJECTIVE 1.7**

**RETAIN THE MISSION'S ROLE AS AN IMPORTANT LOCATION FOR PRODUCTION, DISTRIBUTION AND REPAIR (PDR) ACTIVITIES.**

Policy 1.7.1

In areas designated for PDR, protect the stock of existing buildings used by, or appropriate for, PDR businesses by restricting conversions of industrial buildings to other building types and discouraging the demolition of sound PDR buildings.

*The proposed Ordinance would support an existing Wholesale Storage use within the 24<sup>th</sup> Street-Mission Street NCT. The Wholesale Storage use is compatible with this mixed-use district because it provides convenience goods to its immediate neighborhood as well as a wider trade area. Additionally, the proposed Ordinance supports the Mission Area Plan's goal to preserve PDR uses.*

**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. The proposed Ordinance would help preserve a Production, Distribution and Repair use.*

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.*

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.*

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.*

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.*

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.*

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.*

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.*

### **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 December 3, 2020.

Jonas P. Ionin  
*Commission Secretary*

AYES:

NOES:

ABSENT:

ADOPTED: December 3, 2020

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1 [Planning Code - Light Manufacturing and Wholesale Storage Uses in the 24th Street-Mission  
2 Street Neighborhood Commercial Transit District]

3 **Ordinance amending the Planning Code to allow Light Manufacturing and Wholesale**  
4 **Storage uses in the 24th Street-Mission Street Neighborhood Commercial Transit**  
5 **District, in specific circumstances; affirming the Planning Department’s determination**  
6 **under the California Environmental Quality Act, and making findings of consistency**  
7 **with the General Plan, and the eight priority policies of Planning Code, Section 101.1,**  
8 **and findings of public necessity, convenience, and welfare under Planning Code,**  
9 **Section 302.**

10 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
11 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
12 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
13 **Board amendment additions** are in double-underlined Arial font.  
14 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
15 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
16 subsections or parts of tables.

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

18 Section 1. Findings.

19 (a) The Planning Department has determined that the actions contemplated in this  
20 ordinance comply with the California Environmental Quality Act (California Public Resources  
21 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of  
22 Supervisors in File No. 201060 and is incorporated herein by reference. The Board affirms  
23 this determination.

24 (b) On \_\_\_\_\_, the Planning Commission, in Resolution No. \_\_\_\_\_,  
25 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

1 Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of  
2 the Board of Supervisors in File No. \_\_\_\_\_, and is incorporated herein by reference.

3 (c) Pursuant to Planning Code Section 302, the Board finds that this Planning Code  
4 amendment will serve the public necessity, convenience, and welfare for the reasons set forth  
5 in Planning Commission Resolution No. \_\_\_\_\_. The Board incorporates such reasons  
6 herein by reference. A copy of said resolution is on file with the Clerk of the Board of  
7 Supervisors in File No. \_\_\_\_\_ and is incorporated herein by reference.

8  
9 Section 2. The Planning Code is hereby amended by revising Section 763, to read as  
10 follows:

11 **SEC. 763. 24TH STREET – MISSION NEIGHBORHOOD COMMERCIAL TRANSIT**  
12 **DISTRICT.**

13 The 24th Street – Mission Neighborhood Commercial Transit District is situated in the  
14 Inner Mission District on 24th Street between Bartlett Street and San Bruno Avenue. This  
15 mixed-use district provides convenience goods to its immediate neighborhood as well as  
16 comparison shopping goods and services to a wider trade area. The street has a great  
17 number of Latin American restaurants, grocery stores, and bakeries as well as other gift and  
18 secondhand stores. Most commercial businesses are open during the day while the district's  
19 bars and restaurants are also active in the evening. Dwelling Units are frequently located  
20 above the ground-story commercial uses.

21 The 24th Street – Mission Neighborhood Commercial Transit District controls are  
22 designed to provide potential for new development consistent with the existing scale and  
23 character. Small-scale buildings and neighborhood-serving uses are encouraged, and rear  
24 yard corridors above the ground story and at residential levels are protected. Most commercial  
25 uses are encouraged at the ground story, while service uses are permitted with some

1 limitations at the second story. Special controls are necessary to preserve the unique mix of  
 2 convenience and specialty commercial uses. In order to maintain convenience stores and  
 3 protect adjacent livability, new bars are prohibited, and limitations apply to the development  
 4 and operation of ground-story restaurants and entertainment uses. Continuous retail frontage  
 5 along 24th Street is maintained and encouraged by prohibiting most automobile and drive-up  
 6 uses, banning curb cuts, and requiring active, pedestrian-oriented ground floor uses. Parking  
 7 is not required, and any new parking required to be set back or below ground.

8 Housing development in new buildings is encouraged above the ground story. Housing  
 9 density is not controlled by the size of the lot but by requirements to supply a high percentage  
 10 of larger units and by physical envelope controls. Existing housing units are protected by  
 11 prohibitions on upper-story conversions and limitations on demolitions, mergers, and  
 12 subdivisions. Given the area’s central location and accessibility to the City’s transit network,  
 13 accessory parking for Residential Uses is not required.

14  
 15 **Table 763. 24TH STREET – MISSION NEIGHBORHOOD COMMERCIAL TRANSIT**  
 16 **DISTRICT**  
 17 **ZONING CONTROL TABLE**

18 **Table 763. 24TH STREET – MISSION NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT**  
 19 **ZONING CONTROL TABLE**

20 \* \* \* \*

Zoning Category	§ References	Controls		
* * * *				
<b>NON-RESIDENTIAL STANDARDS AND USES</b>				
* * * *				
<b>Industrial Use Category</b>				
<b>Industrial Uses</b>	§§ <u>102</u> , <u>202.2(d)</u>	NP	NP	NP



1 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
2 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
3 additions, and Board amendment deletions in accordance with the "Note" that appears under  
4 the official title of the ordinance.

5

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

8 By: /s/ Andrea Ruiz-Esquide  
9 ANDREA RUIZ-ESQUIDE  
Deputy City Attorney

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