

Citizens Advisory Committee of the
Eastern Neighborhoods Plan,
City and County of San Francisco

Meeting Minutes

Planning Department - Room 431
1650 Mission St.

Monday, February 10, 2014

6:00 PM

Regular Meeting

Committee Members Present:

Chris Block, Walker Bass, Joe Boss, Cyndy Comerford, Keith Goldstein, Bruce Kin Huie, Henry Karnilowitz, Julie Leadbetter, Toby Levy, Robert Lopez, Fernando Martí, Arthur Reis, Alisa Shen, Kate Sofis

Committee Members Not Present:

Oscar Grande, Dan Murphy, Kristian Ongoco

Staff Present:

Mat Snyder, Planning Department; Kimia Haddadan, Lisa Chen, Planning Department; Jon Lau, Office of Economic and Workforce Development

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1. Announcements and Review of Agenda.
 2. Review and Approve Minutes from the January 13, 2014 CAC Meeting.

ACTION: To approve Minutes from the January 13, 2014 Meetings.
MOTION: Huie SECOND: Bass
AYES: Block, Bass, Boss, Comerford, Goldstein, Karnilowitz, Huie, Leadbetter, Levy, Lopez, Martí, Reis, Shen, Sofis
NOES: [none]
ABSENT: Grande, Murphy, Ongoco,
MOTION NO.: 2014-02-01

3. In-Kind Agreement for Decompression Plaza at 650 Indiana Street. Presentation by the Project Sponsor for 650 Indiana Street proposing to construct a plaza at 19th Street and Indiana Street as an in-kind agreement, followed by comment and potential action.

ACTION: To approve the in-kind agreement under "Scenario A" as provided in the presentation at a level of \$565,100.
MOTION: Goldstein SECOND: Huie
AYES: Block, Bass, Comerford, Goldstein, Karnilowitz, Huie, Leadbetter, Levy, Lopez, Martí, Reis, Shen, Sofis
NOES: [none]
ABSENT: Grande, Murphy, Ongoco,
RECUSAL: Boss
MOTION NO.: 2014-02-02

4. Planning Code Amendments regarding Production, Distribution, and Repair (PDR) (Case No. 3013.1896T). Presentation by staff and the CAC PDR Working Group on proposed refinements to Planning Code provisions regarding PDR uses, followed by discussion and potential action.

ACTION: The CAC hereby adopts the following Resolution:

The Eastern Neighborhoods Citizens Advisory Committee (ENCAC) recognizes the critical importance of available and appropriate industrial building stock to the health of San Francisco's growing local manufacturing sector and other industrial businesses who supply needed local repair and distribution capacity. Together these sectors continue to supply thousands of jobs for working class San Franciscans. In particular, the local manufacturing sector has grown by more than 10% for the past consecutive 3 years and added hundreds of blue collar jobs. At the same time, the repair and distribution sectors have also experienced growth, fueled both by a boom in construction and by supply chain ties to local manufacturing, retail, and wholesale sectors. The overall goals of the Eastern Neighborhoods Plan are well served to encourage these kinds of growing companies to stay in San Francisco, and yet, these same companies are having an increasingly difficult time finding available and modern industrial space in San Francisco.

To respond to this need, we recognize and support the dual goals of both making our existing industrial buildings more usable and easier to permit by industrial users as well as the urgent need to build additional industrial space in the City, as industrial vacancies are now at a record low.

The ENCAC thus SUPPORTS the pending Production, Distribution, Repair (PDR) legislative reform package- which seeks to achieve these dual goals- with the following comments:

1. We recommend a careful analysis and strengthening of the integrated PDR (IPDR) controls proposed, to ensure that they do not result in an unintended cannibalization of PDR space by quasi-industrial uses. Potential adjustments to the proposed changes might contemplate any or a combination of the following: making IPDR permanently require a conditional use; replacing the current "feebate" language, which is both fiscally detrimental to the EN impact fee fund and currently difficult to implement in practice due to the elimination of the State Enterprise Zone program, with a requirement to develop a "PDR and Workforce Plan" for all applications; or potentially removing IPDR as eligible for certain properties or all together.

2. We recommend a careful analysis of the Small Enterprise Workspace (SEW) product, in order to ensure a balance between providing general small business incubation space and ensuring that at least a portion of these spaces are also attractive to and affordable by industrial users. We recommend considering any or a combination of the following changes: requesting a "PDR Business Plan" to be a component of these projects, whereby such a plan describes how the project sponsor intends to proactively tenant at least 33% of the spaces with industrial and artisan users and/or making SEW a conditional use.

3. We recommend considering naming specific parcels that are eligible for the new construction "Inclusionary PDR" portion of the legislation- those sites with .3 or less FAR, north of 20th St., of at least 20,000 sqft in size, and in PDR1 D or G- as part of the legislation.

In addition, the CAC recommends that:

- a. Newly permitted mixed office PDR projects be conditioned with strong monitoring and enforcement provisions that assure PDR is appropriately used on an ongoing basis for its intended use.
- b. Newly permitted mixed office PDR projects be conditioned to assure appropriate compatibility between the two uses.
- c. In order to ensure that any new industrial development that utilizes cross-subsidization to produce new PDR space creates space that is viable, affordable, and ultimately tenanted with growing manufacturers and other locally-serving PDR businesses, we recommend that an "PDR Business Plan" be

required to be developed and vetted by the community. The features of this Plan should include, but is not limited to:

- Overall strategy to incorporate PDR businesses, including specifying which kinds of PDR businesses are the target for the development
- A description of the kinds of non-PDR businesses intended for the site and a plan for how they will co-exist with the PDR businesses and any mitigation strategies required.
- Description of how the site's marketing and outreach plan will effectively target these same PDR businesses
- Description of how the development's design is suited to PDR businesses
- Description of the rent/purchase price proposed by the developer for the PDR spaces and the approach to keep these rents affordable over time
- Detailed overview of the workforce and hiring strategy for the PDR businesses on the site, as well as for the non-PDR businesses, and the anticipated demographics of both the workforce and ownership anticipated of the PDR businesses
- Detailed community outreach plan, including a plan for engaging any specific community partners in the development, tenanting of the project, and ongoing management of the PDR portions of the property

MOTION: Karnilowitz SECOND: Huie
AYES: Block, Bass, Boss, Comerford, Goldstein, Karnilowitz, Huie, Reis, Shen, Sofis
NOES: Leadbetter, Levy, Lopez, Martí,
ABSENT: Grande, Murphy, Ongoco
MOTION NO.: 2014-02-03

5. Committee Members' Questions and Comments.

Adjourn: 8:35 pm.