



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: November 23, 2010
TO: Interested Parties
FROM: Claudia Flores, Planner, Planning Department
Sarah Dennis Phillips, Senior Planner, Planning Department
RE: Mission Street Study – Draft Proposal

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The Board of Supervisors directed the Planning Department to make height recommendations for Mission Street, if any, after conducting a community process to examine the balance between citywide/regional smart growth goals of increased density and heights around transit in the Mission; and the neighborhood goals of providing more affordable housing and protecting and incentivizing local businesses. For reference, the legislation requesting this study is below:

***Section 4.** This Section is uncodified. Mission Street Study. The Board of Supervisors hereby urges the Planning Department to convene a series of Mission District and citywide stakeholder meetings within the three months of the effective date of this Ordinance to better understand the policy concerns related to increased heights along the Mission NCT District. Within six months of the effective date of this Ordinance, the Board requests that the Planning Department present a proposal to the Planning Commission and the Board of Supervisors Land Use and Economic Development Committee or successor committee that incorporates any feedback collected from the stakeholder meetings and makes recommendations, if any, to adjust heights along the Mission Street corridor. This proposal also should explore policies to protect existing small businesses or incentivize the creation of new “micro-enterprise” space in new buildings.*

Project Goals:

The study’s ultimate objective is to advance the following goals:

1. Increase affordable housing options, particularly low-income housing, on and off the Mission corridor
2. Preserve existing affordable housing and decrease displacement pressures on existing low-income residents
3. Provide new housing by fostering transit-oriented development to take advantage of Mission Street assets
4. Protect and promote local, neighborhood-serving businesses and micro-enterprises
5. Retain and enhance the character and diversity of the neighborhood commercial corridor

After conducting several outreach meetings, and compiling and researching a range of tools to meet the goals of the project, the Department has developed a draft proposal. This proposal represents a synthesis of suggestions from a number of individuals and groups that have been

involved in the process, as well as our colleagues in the Mayor's Office of Housing (MOH) and Office of Economic and Workforce Development (OEWD). Since zoning alone won't meet the goals, the proposal incorporates business strategies in conjunction with OEWD. Please remember that this is still a draft proposal summarizing the latest status of the work and that staff would do a final round of public outreach before forwarding it to the Planning Commission and the Board of Supervisors, depending on public input, for consideration for adoption.

Summary of Draft Proposal:

Based on analysis to date, an in-depth study of policy tools, and significant input from an expert panel and the outreach conducted to date, staff's draft proposal is a hybrid of the alternatives described in the Department's July 2009 memo. The draft proposal is a combination of the "Density Bonus" approach, applied to the core of Mission Street; and the "Focused Growth" approach, applied to several strategic nodes. It also includes several small business retention and promotion tools that would be applicable throughout the corridor.

Core Mission Street Zones:

In the Core Mission Street Zones (See map, Attachment 1), located generally between the two BART stations, the focus is to provide business stabilization while facilitating mixed-use development within existing height limits. Maintaining the height limits as they are, which makes sense given parcel sizes and existing conditions, serves as the one of the primary ways to stabilize local businesses by avoiding placing undue pressure on them. This would be supported by economic and business development programs outlined in the business tools section in this memo. Key aspects in this zone include:

- Heights would remain at existing levels, generally 55-65 feet.
- Parcels at 55-65 feet could go to 85 feet through a "density bonus," where proposed projects include at least 20% on-site inclusionary units at approximately 50% AMI (i.e. eligible for CDLAC financing, or through private-nonprofit partnerships). (Please note we are still reviewing this for consistency with state law.)
- Existing Eastern Neighborhoods affordable housing requirements and impact fees would apply, including the provisions that 75% of impact fees collected from the Mission Street NCT be spent on affordable housing programs and projects within the Mission Area Plan, and that the first \$10 million in housing fees collected between the Mission NCT and the MUR in SOMA be utilized for the acquisition and rehabilitation of existing affordable housing (in both neighborhoods).

Focused Growth Zones:

The purpose of the Focused Growth zones is to provide additional transit-oriented development potential in areas which are on and off of Mission Street but close to transit. These zones are proposed on Mission Street around the two BART stations and in several strategic areas off of

Mission Street, but within a ½ to 1 mile of either BART station. The key intersections for the Focus Growth height increases are Potrero Ave and 16th Street, Cesar Chavez and Valencia, 16th St and Mission St, 24th St and Mission Street and Mission Street from Duboce to 16th and along 16th to South Van Ness (See Map, Attachment 1). Key aspects in these zones include:

- Height limits would be increased to between 85 and 150 feet, depending on parcel size and location (see map, Attachment 1).
- Eastern Neighborhoods affordable housing requirements and impact fees would apply, according to the tiers established by the new height limits (i.e. tiers 1-3 for impact fee amounts or A-C for inclusionary requirements.). Additional feasibility analysis may be required for parcels that see a height increase of four or more floors.
- Additional environmental review and site design guidelines to address any shadow, pedestrian-scale and ground floor considerations may be needed for some of these areas.

Small Business Retention and Promotion Tools Applicable to the Entire Mission NCT Corridor

The Office of Economic and Workforce Development (OEWD) oversees a number of programs related to business attraction and retention, workforce development, and neighborhood commercial revitalization. Programs that are directly relevant or could be deployed in the Mission Corridor are described below:

- a. OEWD currently funds a range of organizations Citywide to provide small business consulting and training services and access to capital. Two of the organizations, Mission Economic Development Association (MEDA) and Mission SF Credit Union, provide targeted services to businesses in the Mission with multiple language capabilities.
- b. OEWD intends to provide a new grant to MEDA in 2010-11 for the establishment of a retail incubator on Mission Street. The goal is to provide low-cost space for emerging businesses and to pair that space with technical assistance and cooperative marketing services.
- c. The City's Small Business Assistance Center also is currently available to all small businesses Citywide, with multiple language capabilities, and it helps guide small businesses through City permitting and licensing, makes referrals to business assistance services, and guides businesses through the various incentive programs available to them.
- d. In the event that development on Mission Street leads to a substantial number of businesses being displaced, and additional programmatic dollars were identified, a new program could be developed to assist those businesses with securing space, relocation, and façade and/or tenant improvements.

Additionally, there are a number of traditional planning tools that could assist in promoting the character of the Mission Corridor, thereby supporting local, neighborhood-serving

businesses and micro-enterprises that fit within that character. These are still in development and could include:

- a. Minor tweaks to use and size controls for ground floor retail space to further promote local, neighborhood-serving businesses in the Mission NCT. For example, the concept of restricting uses such as tobacco paraphernalia has been raised.
- b. Public realm improvements, signage and facade design guidelines, in coordination with the findings of the South Mission Historic Resource & North Mission Historic Resource Surveys.
- c. Inclusion of measures developed for preservation of social/cultural heritage from the Department's ongoing work in the Mission, SOMA, and Japantown. These may include incentives to promote economic development, or cultural tourism.
- d. If practically and legally feasible, some additional incentive such as fee deferrals for project sponsors who offer space to neighborhood-serving businesses in new development.

Next Steps:

Staff expects to refine the proposal based a final round of public outreach in early 2011, and would then forward a final proposal to the Planning Commission and Board of Supervisors for possible adoption depending on funding for any required environmental review and any other needed analysis that may be needed.

Please send any comments or questions to Claudia Flores by phone to: 415-558-6473, by fax to: 415-558-6409, by e-mail to: Claudia.Flores@sfgov.org, or by mail to: 1650 Mission St, 4th Floor, San Francisco, CA 94103.

Attachments:

Attachment 1 Mission Street Study Draft Proposal Map

Attachment 2 Mission Street Existing Heights Map

MISSION STREET STUDY
 DRAFT PROPOSAL,
 NOVEMBER 18, 2010



