



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Planning Code Text Change Zoning Map Change

HEARING DATE: NOVEMBER 13, 2008

Project Name: Amendments Relating to a new Potrero Center Mixed-Use Special Use District
Case Number: 2008.1202TZ [Board File No. 081333]
Initiated by: Supervisor Sophie Maxwell / Introduced October 21, 2008
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Recommendation: Approval with Amendment

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PLANNING CODE AMENDMENT

The proposed Ordinance would add Planning Code Section 249.40 and amend Zoning Map sheet SU08 in order to create a new Potrero Center Mixed-Use Special Use District on Assessor's Block 3930A Lot 002.

The Way It Is Now:

The development on Assessor's Block 3930A Lot 002 is a shopping complex known as the "Potrero Center". This complex is mostly comprised of formula retail uses. The Potrero Center is currently zoned M-1 with a permitted height of 40 feet. As part of its review of the Eastern Neighborhoods Program, the Board of Supervisors Land Use Committee is currently considering changing the zoning to Urban Mixed Use (UMU), with a permitted height of 85 feet. (The Board is able to make these changes to zoning and height limits without referral back to the Commission, because they were discussed and rejected by the Commission during its consideration of Eastern Neighborhoods several months ago. What is before the Commission now is additional legislation to create an SUD which would modify certain aspects of the underlying UMU zoning.)

If the parcel were rezoning to Urban Mixed Use with an 85-foot height limit, then the following controls would apply:

- For each square foot of new retail at least three feet of other approved uses would need to be developed;
- Any new formula retail tenant would be required to seek conditional use authorization; and
- As a "Tier C" development under the Eastern Neighborhoods UMU affordable housing rules, any new housing development that occurs on this site would be required to provide either 22% "inclusionary" units on-site, 27% inclusionary units off-site, an in-lieu fee equivalent to 27%

inclusionary units, or dedicate 45% of the land to the Mayor's Office of Housing (see Sec. 319.4 of the Planning Code as proposed by the Eastern Neighborhoods Program).

The Way It Would Be:

The proposed Ordinance would layer a Special Use District (SUD) on this parcel. The proposed SUD is designed to support the continued use of the Potrero Center as a formula-retail shopping complex by 1) enabling the expansion of retail uses without requiring development of other approved uses, and 2) permitting new formula retail as-of-right. Were housing to be developed on the site, the proposed SUD would incentivize the dedication of a portion of the site to the Mayor's Office of Housing in order to satisfy inclusionary housing requirements, by 1) raising the off-site and in-lieu fee options from 27% of the units to 30% of the units, 2) enabling land dedication to occur in phases, and 3) allowing for a vertically-mixed housing development through the dedication of air space above or adjacent to market rate housing. Such an air dedication would have to be equivalent in development potential to the land dedication option.

REQUIRED COMMISSION ACTION

The proposed Ordinance is before the Commission so that it may recommend adoption, rejection, or adoption with modifications to the Board of Supervisors.

RECOMMENDATION

The Department recommends that the Commission recommend *approval with amendment* of the proposed Ordinance and adopt the attached Draft Resolution to that effect. The proposed amendment would enable retail uses to replace not only an existing store, but also an existing gym, regardless of use. This change would be made in subsection (c)(2), and is highlighted in the proposed Ordinance attached as Exhibit B.

BASIS FOR RECOMMENDATION

The Potrero Center is an existing large shopping complex containing formula retail stores. The proposed legislation would enable this shopping complex to continue this function into the future. However, as a large property, there is potential to develop the site in the future to be a mixed use project, with a substantial amount of housing, including affordable housing. Were the property to be redeveloped with housing, the proposed legislation would facilitate the dedication of a portion of the site to the City. Such a land dedication model is a preferred way for the Mayor's Office of Housing to produce housing serving residents with low and very low incomes.

CONSISTENCY WITH GENERAL PLAN AND PRORITY POLICIES

The proposed legislation has been reviewed for consistency with the General Plan and priority policies and has been found consistent, with these based on the analysis in the Eastern Neighborhoods staff report dated August 7, 2008

ENVIRONMENTAL REVIEW

On August 7th 2008, the Planning Commission adopted Motion No. 17659. In that action, the Commission certified the Eastern Neighborhoods Environmental Impact Report. The Planning Commission also adopted Motion No. 17661, adopting California Environmental Quality Act Findings related to the Eastern Neighborhoods Area Plans project. The proposed legislation has been reviewed for consistency with the findings of the Final Environmental Impact Report for the Eastern Neighborhoods Area Plans and Rezoning Project and no new or more severe environmental impacts associated with the legislation have been identified. Please see the attachment (under separate cover) for a more detailed discussion of this legislation as it relates to CEQA.

PUBLIC COMMENT

As of the date of this report, the Planning Department has not received any comment in regards to the proposed Ordinance.

RECOMMENDATION: Recommend Approval with amendment.
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Attachments:

Exhibit A: Draft Planning Commission Resolution
Exhibit B: Board of Supervisors File No. 081333, with proposed revision