

1 [Planning Code - Reauthorizing Section 210.3C Concerning New Production, Distribution, and  
2 Repair Space]

3 **Ordinance amending the Planning Code to reauthorize provisions that support the**  
4 **development of new Production, Distribution, and Repair (PDR) space in specified PDR**  
5 **Zoning Districts; affirming the Planning Department’s determination under the**  
6 **California Environmental Quality Act; making findings of consistency with the General**  
7 **Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of**  
8 **public necessity, convenience, and welfare under Planning Code, Section 302.**

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

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

17 Section 1. Environmental and Land Use Findings.

18 (a) The Planning Department has determined that the actions contemplated in this  
19 ordinance comply with the California Environmental Quality Act (California Public Resources  
20 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of  
21 Supervisors in File No. 180187 and is incorporated herein by reference. The Board affirms  
22 this determination.

23 (b) On May 3, 2018, the Planning Commission, in Resolution No. 20175, adopted  
24 findings that the actions contemplated in this ordinance are consistent, on balance, with the  
25 City’s General Plan and eight priority policies of Planning Code Section 101.1. The Board

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1 adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the  
2 Board of Supervisors in File No. 180187, and is incorporated herein by reference.

3 (c) On May 3, 2018, the Planning Commission, in Resolution No. 20175, adopted  
4 findings under Planning Code Section 302 that the amendments to the Planning Code  
5 contemplated in this ordinance will serve the public necessity, convenience, and general  
6 welfare. The Board adopts these findings as its own. A copy of said Resolution is on file with  
7 the Clerk of the Board of Supervisors in File No. 180187, and is incorporated herein by  
8 reference.

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10 Section 2. The Planning Code is hereby amended by revising Section 210.3C, to read  
11 as follows:

12  
13 **SEC. 210.3C. ALLOWANCE FOR USES TO SUPPORT THE DEVELOPMENT OF**  
14 **NEW PDR SPACE IN THE PDR-1-D AND PDR-1-G DISTRICTS.**

15 \* \* \* \* \*

16 (c) **Controls.** The Planning Commission may permit, per the procedures described  
17 below in §subsection (d), non-PDR uses on the subject lot pursuant to the following  
18 provisions:

19 (1) At least 1/3 of the total Gross Floor Area developed on the parcel shall  
20 contain PDR Uses, as defined in Section 102.

21 (2) For purposes of this §subsection (c), every square foot of Small Enterprise  
22 Workspace, as defined in Section 102, shall count as 0.5 square feet of PDR space and 0.5  
23 square feet of non-PDR space as specified in §subsection (3) below.

24 (3) The non-PDR space may contain one or a combination of the following  
25 uses:

- 1 (A) Office Uses, as defined in Section 102;
- 2 (B) Institutional Uses, as defined in Section 102, except for Hospitals;
- 3 and/or
- 4 (C) Gym Use, as defined in Section 102.

5 (4) Uses other than those listed in ~~§§~~ subsections (2) and (3) above, such as  
6 retail, are subject to the controls of the underlying district.

7 (5) No residential uses are permitted, even as part of Institutions as defined  
8 under Section 890.50, except as allowed pursuant to Section 204.4.

- 9 (6) The PDR space in any building must be served by:
- 10 (A) Sufficient off-street loading, and
  - 11 (B) One or more freight elevators, in accordance with Planning Code  
12 Section 155(j).

13 (7) The project shall meet the Transportation Management Program  
14 requirements of Section 163(c) of the Planning Code.

15 (8) Accessory parking for uses listed in subsection (2) above may be permitted  
16 up to one space per each 1,500 square feet of occupied floor area, and all such parking shall  
17 be subject to the pricing requirements of Section 155(g) of the Planning Code.

18 (9) The project sponsor must develop a "PDR Business Plan." The purpose of  
19 this PDR Business Plan is to maximize the potential for the project to produce new PDR  
20 space that is viable and affordable. The features of the PDR Business Plan should include,  
21 but are not limited to:

- 22 (A) Overall strategy to incorporate PDR businesses, including specifying  
23 which kinds of PDR businesses are the target for the development;

24  
25

1 (B) A description of the kinds of non-PDR businesses intended for the  
2 site and a plan for how they will co-exist with the PDR businesses and any strategies required  
3 to achieve this balance;

4 (C) A description of how the site's marketing and outreach plan will  
5 effectively target these same PDR businesses;

6 (D) A description of how the development's design is suited to PDR  
7 businesses;

8 (E) A description of the rent/purchase price proposed by the developer  
9 for the PDR spaces and the approach to keep these rents ~~accessible~~ affordable to PDR tenants  
10 over time;

11 (F) A detailed overview of the workforce and hiring strategy for the PDR  
12 businesses on the site, as well as for the non-PDR businesses, including how the project  
13 sponsor will abide by City programs such as the First Source Hiring Program; how the project  
14 sponsor might utilize other local, State, and federal subsidized hiring programs such as work  
15 opportunity tax credits, Jobs Now!, Hire SF, and the California ~~new~~ employment tax credit set  
16 forth in Chapter 93 of the California 2013-2014 legislative session; and how the project  
17 sponsor will inform its tenants about other relevant public programs; and,

18 (G) A detailed community outreach plan, including a plan for engaging  
19 any specific community partners in the development, tenanting of the project, and ongoing  
20 management of the PDR portions of the property.

21 (10) The first Certificate of Occupancy for the PDR portion of the development  
22 must be issued by the Department of Building Inspection before or concurrently with the first  
23 Certificate of Occupancy for the non-PDR portion of the development unless the PDR and  
24 non-PDR portions are part of a single site or building permit.

25 \* \* \* \* \*

1 (e) **Approvals.**

2 (1) All projects seeking entitlement pursuant to this Section 210.3C shall be  
3 required to receive a Conditional Use authorization, per Section 303 of the Planning Code. In  
4 evaluating a proposed authorization under this Section, the Planning Commission shall  
5 consider:

6 (A) The likely viability of the new PDR space created by the  
7 development, as influenced by such factors as the content of the project sponsor's PDR  
8 Business Plan, and whether the project sponsor has the commitments of established PDR  
9 tenants and/or a demonstrated relationship with organizations established in the PDR  
10 community.

11 (B) Whether the project is an appropriate location and intensity for the  
12 proposed non-PDR use, including but not limited to whether the location of non-PDR uses  
13 would be compatible with or disruptive to PDR uses on the site and in the vicinity, recognizing  
14 that PDR uses may generate noise, vibrations, odors, trucking activity, or other PDR-related  
15 operational characteristics.

16 (2) A Notice of Special Restriction ("NSR") shall be recorded on the title of any  
17 property receiving approval under this Section ~~219.12~~210.3C. Such NSR shall:

18 (A) Designate the PDR portion of parcel, building, and/or development;

19 (B) State that the proportion of gross floor area on the site dedicated to  
20 PDR uses shall never be less than 1/3 of the total gross floor area on the parcel, including any  
21 future building or use alterations or expansions;

22 (C) Require the property owner to submit an annual report to the  
23 Planning Department and OEWD, on or before January 31 of each year, starting in the year  
24 after the Department of Building Inspection issues the first Certificate of Occupancy that applies to the  
25 PDR portion of the development, describing the status of the implementation of its PDR Business

1 Plan, identifying PDR tenants on the property during the prior year, describing the rents for the  
2 PDR portions of the property and any lease terms, and providing information on their  
3 respective square footages, number of employees, contact information for each tenant, a  
4 description of the business or industry characteristics of each business, and the PDR space  
5 vacancy on the parcel as of the date of each report; ~~and,~~

6 (D) Provide the Planning Department with the ability to enforce the  
7 provisions of this Section.; ~~and,~~

8 (E) Restrict the ability of the non-PDR portion of the development from  
9 limiting the PDR portion from undertaking activities necessary to maintain PDR business  
10 operations in such matters as trucking and noise generation.

11 (f) ~~Reporting and Sunset Clause.~~

12 ~~—— (1) The Planning Department shall receive all applications for environmental review~~  
13 ~~for projects eligible under this Section on or before June 1, 2017.~~

14 ~~—— (2) Prior to the sunset date of this Section, the Planning Department shall submit a~~  
15 ~~report to the Planning Commission and the Board of Supervisors that provides information the~~  
16 ~~Planning Department determines to be relevant in determining whether to continue, expand or limit the~~  
17 ~~allowances for new construction of PDR addressed in this Section.~~

18 ~~—— (3) On December 31, 2017, this Section shall sunset unless the Board of Supervisors~~  
19 ~~acts to continue, extend, or modify it by ordinance.~~

20 (g) **Uses Established Under This Section.** Notwithstanding any contrary provision  
21 of this Code, Office Uses established pursuant to this Section 210.3C shall be deemed Code-  
22 conforming uses after the expiration of this Section and such uses shall not constitute  
23 nonconforming uses under the provisions of Article 1.7.

1 Section 3. Effective Date. This ordinance shall become effective 30 days after  
2 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
3 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
4 of Supervisors overrides the Mayor's veto of the ordinance.

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6 Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
7 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
8 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
9 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
10 additions, and Board amendment deletions in accordance with the "Note" that appears under  
11 the official title of the ordinance.

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14  
15 APPROVED AS TO FORM:  
16 DENNIS J. HERRERA, City Attorney

17  
18 By: \_\_\_\_\_  
19 JOHN D. MALAMUT  
20 Deputy City Attorney  
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