

BOARD of SUPERVISORS



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MEMORANDUM

LAND USE AND TRANSPORTATION COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Myrna Melgar, Chair, Land Use and Transportation Committee

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: July 18, 2023

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**
Tuesday, July 18, 2023

The following file was forwarded as a **COMMITTEE REPORT** to the Board meeting, Tuesday, July 18, 2023. This item was acted upon at the Committee Meeting on Monday, July 17, 2023, at 1:30 p.m., by the votes indicated below.

Item No. 74 File No. 230732

Ordinance amending the Planning Code to 1) facilitate residential uses Downtown by authorizing the conversion of non-residential uses to residential use in C (Commercial) zoning districts, and exempting such projects from requirements for rear yard, open space, streetscape improvements, dwelling unit exposure, off-street freight loading, curb cuts for vehicular access, bike parking, transportation demand management, dwelling unit mix, and Intermediate Length Occupancy controls, permitting live work units in such project, streamlining administrative approvals for projects in the C-3 zoning district, and modifying the dimensional limits on exemptions to height restrictions for mechanical equipment, elevator, stair, and mechanical penthouses; 2) economically revitalize Downtown by adding Flexible Workspace as a defined use, authorizing large scale retail uses in the C-3 zoning district, allowing window displays in the C-3 zoning district, allowing Flexible Workspace as an active ground floor commercial use along certain street frontages in C-3 zoning districts, allowing accessory storage in any C zoning district, allowing the temporary installation for 60 days of certain signs in the C-3-R district, allowing temporary non-residential uses in vacant spaces for up to one year, including formula retail, reducing density limits for Residential Dwelling Units and Senior Housing in the C-2 zoning districts east of or fronting Franklin Street/13th Street and north of Townsend Street, principally permitting Laboratory, Life Science, Agricultural and Beverage Processing, and Animal Hospitals in C-2 zoning districts, principally permitting Senior Housing, Residential Care Facilities, Outdoor Entertainment, Open Recreation Areas, Animal Hospitals, and Trade Schools in the C-3 zoning district, allowing formula retail as a ground floor use on Market Street, principally permitting office and design professional uses on the second floor and higher in the C-3-R zoning district, and requiring consideration of office vacancy in consideration of granting exceptions in the Transit Center Commercial Special Use District; 3) streamline sign permitting citywide and in the

C-3 and portions of the C-2 districts by allowing for the repair and rehabilitation of certain neon signs, and exempting existing business signs in the C-3 zoning district from certain zoning controls; 4) streamline Historic Preservation review of minor permits to alter for awnings, as may be delegated by the Historic Preservation Commission; 5) increase threshold for large projects subject to commercial to residential ratios in the C-3-O district, and provide alternatives to on-site open space in certain C-3 districts by allowing for payment of an in lieu fee as an alternative to providing open space; 6) facilitate residential adaptive reuse by amending the Building Code to add standards for adaptive reuse of non-residential buildings; and 7) principally permit formula retail and waive size limitations for such uses on a portion of Showplace Square Area (555-9th Street, Assessor's Parcel Block No. 3781, Lot No. 003); affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

Vote:

Supervisor Myrna Melgar - Aye
Supervisor Dean Preston - Aye
Supervisor Aaron Peskin - Aye

RECOMMENDED AS AMENDED AS A COMMITTEE REPORT

Vote:

Supervisor Myrna Melgar - Aye
Supervisor Dean Preston - Aye
Supervisor Aaron Peskin - Aye

cc: Board of Supervisors
Angela Calvillo, Clerk of the Board
Alisa Somera, Legislative Deputy
Anne Pearson, Deputy City Attorney

File No. 230732 Committee Item No. 3
Board Item No. 74

COMMITTEE/BOARD OF SUPERVISORS

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Board of Supervisors Meeting Date July 18, 2023

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Completed by: Erica Major Date July 13, 2023

Completed by: Erica Major Date July 18, 2023

1 [Planning and Building Codes - Commercial to Residential Adaptive Reuse and Downtown
2 Economic Revitalization]

3 **Ordinance amending the Planning Code to 1) facilitate residential uses Downtown**
4 **by authorizing the conversion of non-residential uses to residential use in C**
5 **(Commercial) zoning districts, and exempting such projects from requirements**
6 **for rear yard, open space, streetscape improvements, dwelling unit exposure, off-**
7 **street freight loading, curb cuts for vehicular access, bike parking, transportation**
8 **demand management, dwelling unit mix, and Intermediate Length Occupancy**
9 **controls, permitting live work units in such project, streamlining administrative**
10 **approvals for projects in the C-3 zoning district, and modifying the dimensional**
11 **limits on exemptions to height restrictions for mechanical equipment, elevator,**
12 **stair, and mechanical penthouses; 2) economically revitalize Downtown by**
13 **adding Flexible Workspace as a defined use, authorizing large scale retail uses in**
14 **the C-3 zoning district, allowing window displays in the C-3 zoning district,**
15 **allowing Flexible Workspace as an active ground floor commercial use along**
16 **certain street frontages in C-3 zoning districts, allowing accessory storage in any**
17 **C zoning district, allowing the temporary installation for 60 days of certain signs**
18 **in the C-3-R district, allowing temporary non-residential uses in vacant spaces for**
19 **up to one year, including formula retail, reducing density limits for Residential**
20 **Dwelling Units and Senior Housing in the C-2 zoning districts east of or fronting**
21 **~~Van Ness/South Van Ness Avenue~~ Franklin Street/13th Street and north of**
22 **Townsend Street, principally permitting Laboratory, Life Science, Agricultural and**
23 **Beverage Processing, and Animal Hospitals in C-2 zoning districts, principally**
24 **permitting Senior Housing, Residential Care Facilities, Outdoor Entertainment,**
25 **Open Recreation Areas, Animal Hospitals, and Trade Schools in the C-3 zoning**

1 district, allowing formula retail as a ground floor use on Market Street, principally
2 permitting office and design professional uses on the second floor and higher in
3 the C-3-R zoning district, and requiring consideration of office vacancy in
4 consideration of granting exceptions in the Transit Center Commercial Special
5 Use District; 3) streamline sign permitting citywide and in the C-3 and portions of
6 the C-2 districts by allowing for the repair and rehabilitation of certain neon signs,
7 and exempting existing business signs in the C-3 zoning district from certain
8 zoning controls; 4) streamline Historic Preservation review of **administrative**
9 **certificates of appropriateness**, and minor permits to alter for awnings, and
10 **Qualifying Scopes of Work**, as may be delegated by the Historic Preservation
11 Commission; 5) increase threshold for large projects subject to commercial to
12 residential ratios in the C-3-O district, and provide alternatives to on-site open
13 space in certain C-3 districts by allowing for payment of an in lieu fee as an
14 alternative to providing open space; 6) facilitate residential adaptive reuse by
15 amending the Building Code to add standards for adaptive reuse of non-
16 residential buildings; and 7) principally permit formula retail and waive size
17 limitations for such uses on a portion of Showplace Square Area (555-9th Street,
18 Assessor's Parcel Block No. 3781, Lot No. 003); affirming the Planning
19 Department's determination under the California Environmental Quality Act;
20 making findings of consistency with the General Plan, and the eight priority
21 policies of Planning Code, Section 101.1; and making findings of public
22 necessity, convenience, and welfare pursuant to Planning Code, Section 302.

23 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
24 **Additions to Codes** are in *single-underline italics Times New Roman font*.
25 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.

Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. Environmental, Land Use, and Building Findings.

(a) The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. 230732 and is incorporated herein by reference. The Board affirms this determination.

(b) On July 13, 2023, the Planning Commission, in Resolution No. 21352, 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 Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the Board of Supervisors in File No. 230732, and is incorporated herein by reference.

(c) Pursuant to Planning Code Section 302, the Board finds that this Planning Code amendment will serve the public necessity, convenience, and welfare for the reasons set forth in Planning Commission Resolution No. 21352, and the Board incorporates such reasons herein by reference. A copy of said resolution is on file with the Clerk of the Board of Supervisors in File No. 230732.

(d) On May 17, 2023, at a duly noticed public hearing, the Building Inspection Commission considered this ordinance in accordance with Charter Section D3.750-5 and Building Code Section 104A.2.11.1.1. A copy of a letter from the Secretary of the Building Inspection Commission regarding the Commission's recommendation is on file with the Clerk of the Board of Supervisors in File No. 230371.

1 (e) No local findings are required under California Health and Safety Code
2 Section 17958.7 because the amendments to the Building Code contained in this
3 ordinance do not regulate materials or manner of construction or repair, and instead
4 relate in their entirety to administrative procedures for implementing the code and
5 remedies available for enforcing code violations, which are expressly excluded from the
6 definition of a “building standard” by California Health and Safety Code Section
7 18909(c).

8
9 Section 2. General Background and Findings.

10 (a) California faces a severe crisis of housing affordability and availability,
11 prompting the Legislature to declare, in Section 65589.5 of the Government Code, that
12 the state has “a housing supply and affordability crisis of historic proportions. The
13 consequences of failing to effectively and aggressively confront this crisis are hurting
14 millions of Californians, robbing future generations of a chance to call California home,
15 stifling economic opportunities for workers and businesses, worsening poverty and
16 homelessness, and undermining the state’s environmental and climate objectives.”

17 (b) This crisis of housing affordability and availability is particularly severe in San
18 Francisco. It is characterized by dramatic increases in rent and home sale prices over
19 recent years.

20 (c) According to the Planning Department’s 2020 Housing Inventory, the cost of
21 housing in San Francisco has increased dramatically since the Great Recession of
22 2008-2009, with the median sale price for a two-bedroom house more than tripling from
23 2011 to 2021, from \$493,000 to \$1,580,000. This includes a 9% increase from 2019 to
24 2020 alone, even in the face of the COVID-19 pandemic. The median rental price for a
25 two-bedroom apartment saw similar although slightly smaller increases, nearly doubling

1 from \$2,570 to \$4,500 per month, from 2011 to 2019, before declining in 2020 due to
2 the pandemic.

3 (d) These housing cost trends come after decades of underproduction of
4 housing in the Bay Area, according to the Planning Department’s 2019 Housing
5 Affordability Strategies Report. The City’s Chief Economist has estimated that
6 approximately 5,000 new market-rate housing units per year would be required to keep
7 housing prices in San Francisco constant with the general rate of inflation.

8 (e) Moreover, San Francisco will be challenged to meet increased Regional
9 Housing Needs Allocation (“RHNA”) goals in the upcoming 2023-2031 Housing Element
10 cycle, which total 82,069 units over eight years, more than 2.5 times the goal of the
11 previous eight-year cycle. The importance of meeting these goals to address housing
12 needs is self-evident. In addition, under relatively new State laws like Senate Bill 35
13 (2017), failure to meet the 2023-2031 RHNA housing production goals would result in
14 limitations on San Francisco’s control and discretion over certain projects.

15 (f) At the same time, the City faces reduced demand for office space and large
16 increases in commercial vacancy rates, as the impacts to the workforce wrought by the
17 COVID-19 pandemic – most notably the shift toward remote work – persist even as
18 public health threats have waned. These changes have been particularly prominent in
19 the Greater Downtown Area, defined as the North Financial District, South Financial
20 District, Mid-Market, Union Square, Jackson Square, Mission Bay/China Basin, North
21 Waterfront, Showplace Square, South of Market, and the Van Ness Corridor (referred to
22 in this ordinance as “Downtown”). In the Greater Downtown Area, the office sector has
23 experienced a fourfold increase in total vacancy rate between the third quarter of 2019
24 and the third quarter of 2022, driven largely by reduced space needs due to the rise of
25 remote work.

1 (g) To address the twin problems of under-utilized office space and lack of
2 affordable and available housing in San Francisco, a recent report from the Board of
3 Supervisors' Budget and Legislative Analyst, dated January 6, 2023, urges City
4 policymakers to consider programs to incentivize the conversion of office space into
5 residential units ("BLA Report"). The BLA Report identifies various policy options to
6 incentivize the conversion of office buildings, including reducing regulatory hurdles,
7 such as protracted approval timeframes; exempting or relaxing projects from various
8 standards in the Planning Code; and offering financial incentives to offset the costly
9 architectural and engineering challenges of these conversions.

10 (h) Prior to the COVID-19 pandemic, two-thirds of the City's total jobs were
11 located Downtown, representing more than three-quarters of the City's total gross
12 domestic product ("GDP"). San Francisco is also the economic hub for the Bay Area.
13 With a \$250 billion annual GDP in 2022, San Francisco accounted for more than one-
14 quarter of the nine-county Bay Area economy — and 79% of the City's share of the Bay
15 Area economy stems from office-based industries concentrated Downtown. Downtown-
16 based businesses have historically generated nearly half of the City's sales tax revenue
17 and almost all (95%) of the City's business tax revenue. This revenue funds many key
18 services such as public safety, cleaning, open space, and transportation.

19 (i) The shift to hybrid work, with its consequent reduction in office workers and
20 foot traffic, has adversely impacted the City's Downtown and other sectors of the City's
21 economy, including retail and small business, and more broadly has impacted use and
22 activation of public space, transportation, and public safety.

23 (k) On February 9, 2023, Mayor Breed issued a Roadmap to Downtown San
24 Francisco's Future. Several of the plan's key policies include: (1) the economic
25 diversification of Downtown and the revisioning of office space there, (2) expanding

1 Downtown housing, (3) activating Downtown and enacting zoning controls that draw
2 people Downtown, and (4) maximizing flexibility for uses and economic activity in the
3 Union Square area, which has historically played a unique role citywide, regionally, and
4 internationally as a center for shopping, entertainment, and services.

5 (l) This ordinance would incentivize the conversion of non-residential buildings
6 into residential units by exempting eligible projects from certain Planning Code
7 standards. It also would enact local code changes to support existing and attract new
8 businesses Downtown, and streamline approvals to draw consumers back Downtown.

9 (m) To achieve these ends, this ordinance contains seven sections, each of
10 which comprises a policy objective: Section 3 includes Planning Code amendments to
11 facilitate residential uses Downtown, including the creation of a Commercial to
12 Residential Adaptive Reuse program; Section 4 includes Planning Code amendments to
13 economically revitalize downtown, by creating a new Retail Sales and Service Use type
14 and relaxing restrictions on existing uses Downtown; Section 5 includes Planning Code
15 Amendments to streamline sign permitting in C-3 zoning districts as well as Citywide;
16 Section 6 will streamline Historic Preservation review of administrative certificates of
17 appropriateness, and minor permits to alter for awnings, and Qualifying Scopes of
18 Work; Section 7 provides an in lieu fee alternative to on-site privately-owned public
19 space requirements in certain C-3 Districts; Section 8 amends the San Francisco
20 Building Code to facilitate residential adaptive reuse of existing buildings; and Section 9
21 principally permits formula retail on a portion of Showplace Square Area.

22
23 Section 3. Facilitate Residential Uses Downtown. The Planning Code is hereby
24 amended by revising Sections 102, 134, 135, 140, 155.1, 155.2, 207.7, 210.1, 210.2,
25 260, 309, and 309.1, and adding Section 210.5, to read as follows:

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SEC. 102. DEFINITIONS.

* * * *

City. The City and County of San Francisco.

Commercial to Residential Adaptive Reuse. *Commercial to Residential Adaptive Reuse shall mean to change the use of an existing Gross Floor Area from a non-residential use to a residential use pursuant to Section 210.5.*

* * * *

Live/Work Unit. A hybrid Residential and PDR Use that is defined as a structure or portion of a structure combining a residential living space for a group of persons including not more than four adults in the same unit with an integrated work space principally used by one or more of the residents of that unit; provided, however, that no otherwise qualifying portion of a structure that contains a Group A occupancy under the Building Code shall be considered a Live/Work Unit. No City official, department, board, or commission shall issue or approve a building permit or other land use entitlement authorizing a new live/work unit as defined here, except as authorized under Section 210.5, or as an accessory use under Section 204.4. Lawfully approved live/work units are subject to the provisions of Sections 181 and 317 of this Code.

* * * *

SEC. 134. REAR YARDS IN R, RC, NC, ~~CS~~ SPD, M, MUG, WMUG, MUO, MUR, UMU, RED, AND RED-MX DISTRICTS; AND LOT COVERAGE REQUIREMENTS IN C DISTRICTS.

(c) **Basic Requirements.** The basic rear yard requirements shall be as follows for the districts indicated:

1 * * * *

2 (2) **RM-3, RM-4, RC-3, RC-4, NC Districts other than the Pacific**
3 **Avenue NC District, C-M, MUG, WMUG, MUO, CMUO, MUR, UMU, RED, RED-MX,**
4 **and SPD Districts.** Except as specified in this subsection (c), the minimum rear yard
5 depth shall be equal to 25% of the total depth of the lot on which the building is situated,
6 but in no case less than 15 feet.

7 * * * *

8 (E) **RC-3, RC-4, NC-3, NCT-3, Bayview, Broadway, Fillmore**
9 **Street, Geary Boulevard, Hayes-Gough, Japantown, SoMa NCT, Mission Bernal,**
10 **Mission Street, Polk Street, Lower Polk Street, Pacific Avenue, C, M, SPD, MUR,**
11 **MUG, MUO, and UMU Districts.** Rear yards shall be provided at the lowest story
12 containing a Dwelling Unit, and at each succeeding level or story of the building. In the
13 Hayes-Gough NCT, lots fronting the east side of Octavia Boulevard between Linden
14 and Market Streets (Central Freeway Parcels L, M, N, R, S, T, U, and V) are not
15 required to provide rear yards at any level of the building, provided that the project fully
16 meets the usable open space requirement for Dwelling Units pursuant to Section 135. ~~of~~
17 ~~this Code,~~ meets the exposure requirements of Section 140, and gives adequate
18 architectural consideration to the light and air needs of adjacent buildings given the
19 constraints of the project site.

20 * * * *

21 (H) **Lot Coverage in C Districts.** Lot coverage is limited to 80% at all
22 levels containing residential uses, except that on levels that include only lobbies and circulation
23 areas and on levels in which all residential uses, including circulation areas, are within 40
24 horizontal feet from a property line fronting a street or alley, up to 100% lot coverage may
25 occur. The unbuilt portion of the lot shall be open to the sky except for those obstructions

permitted in yards pursuant to subsections (1) through (23) of Section 136(c). Where the adjacent properties have an existing rear yard, the unbuilt area of the new project shall be designed to adjoin that rear yard. In accordance with Section 210.5, lot coverage requirements shall not be applicable for Commercial to Residential Adaptive Reuse projects.

* * * *

SEC. 135. USABLE OPEN SPACE FOR DWELLING UNITS AND GROUP HOUSING, R, NC, MIXED USE, C, AND M DISTRICTS.

* * * *

(d) **Amount Required.** Usable open space shall be provided for each building in the amounts specified herein and in Tables 135A and B for the district in which the building is located; provided, however, that (i) in the Downtown Residential (DTR) Districts, open space shall be provided in the amounts specified in Section 825 ~~of this Code~~, and (ii) in accordance with Section 210.5, usable open space shall not be required for Commercial to Residential Adaptive Reuse projects.

* * * *

**TABLE 135A
MINIMUM USABLE OPEN SPACE FOR DWELLING UNITS AND GROUP HOUSING
OUTSIDE THE EASTERN NEIGHBORHOODS MIXED USE DISTRICT**

District	Square Feet of Usable Open Space Required for Each Dwelling Unit If All Private	Ratio of Common Usable Open Space That May Be Substituted for Private
* * * *		

C-3, M-1, M-2	36(1)	1.33(1)
C-1 , C-2	Same as for the R District establishing the dwelling unit density ratio for the C-1 or C-2 District property. <u>Group Housing requirement is per bedroom and 1/3 the amount required for a Dwelling Unit. (1)</u>	

(1) In accordance with Section 210.5, usable open space shall not be required for Commercial to Residential Adaptive Reuse projects.

* * * *

SEC. 140. ALL DWELLING UNITS IN ALL USE DISTRICTS TO FACE ON AN OPEN AREA.

(a) **Requirements for Dwelling Units.** In each Dwelling Unit in any use district, the required windows (as defined by Section 504 of the San Francisco Housing Code-) of at least one room that meets the 120-square-foot minimum superficial floor area requirement of Section 503 of the Housing Code shall face directly onto an open area of one of the following types:

* * * *

(3) In accordance with Section 210.5, this Section 140 shall not apply to Commercial to Residential Adaptive Reuse projects.

* * * *

SEC. 152. SCHEDULE OF REQUIRED OFF-STREET FREIGHT LOADING SPACES IN DISTRICTS OTHER THAN C-3 AND EASTERN NEIGHBORHOODS MIXED USE DISTRICTS.

In districts other than C-3 and Eastern Neighborhoods Mixed Use Districts, off-street freight loading spaces shall be provided in the minimum quantities specified in the

1 following table, except as otherwise provided in Section 152.2 and Section 161 of this
2 Code. The measurement of Occupied Floor Area shall be as defined in this Code,
3 except that non-accessory parking spaces and driveways and maneuvering areas
4 incidental thereto shall not be counted. In accordance with Section 210.5, this Section
5 152 shall not apply to Commercial to Residential Adaptive Reuse projects.

6 * * * *

7 **SEC. 152.1. REQUIRED OFF-STREET FREIGHT LOADING AND SERVICE**
8 **VEHICLE SPACES IN C-3 AND EASTERN NEIGHBORHOODS MIXED USE**
9 **DISTRICTS.**

10 In C-3 and Eastern Neighborhoods Mixed Use Districts, off-street freight loading
11 spaces shall be provided in the minimum quantities specified in the following Table
12 152.1, except as otherwise provided in Sections 153(a)(6), 161, and as stated below in
13 this Section 152.1. Notwithstanding the requirements of this Section, including Table
14 152.1, no building in the C-3-O(SD) district shall be required to provide more than six
15 off-street freight loading or service vehicle spaces in total. The measurement of
16 Occupied Floor Area shall be as defined in this Code, except that non-accessory
17 parking spaces and driveways and maneuvering areas incidental thereto shall not be
18 counted. In accordance with Section 210.5, this Section 152.1 shall not apply to
19 Commercial to Residential Adaptive Reuse projects.

20 * * * *

21 **SEC. 155. GENERAL STANDARDS AS TO LOCATION AND ARRANGEMENT**
22 **OF OFF-STREET PARKING, FREIGHT LOADING, AND SERVICE VEHICLE**
23 **FACILITIES.**

24 Required off-street parking and freight loading facilities shall meet the following
25 standards as to location and arrangement. Facilities which are not required but are

1 actually provided shall also meet the following standards unless such standards are
2 stated to be applicable solely to required facilities. In application of the standards of this
3 Code for off-street parking and loading, reference may be made to provisions of other
4 portions of the Municipal Code concerning off-street parking and loading facilities, and
5 to standards of the Better Streets Plan and the Bureau of Engineering of the
6 Department of Public Works. Final authority for the application of such standards under
7 this Code, and for adoption of regulations and interpretations in furtherance of the
8 stated provisions of this Code shall, however, rest with the Planning Department.

9 * * * *

10 (r) **Protected Pedestrian-, Cycling-, and Transit-Oriented Street**

11 **Frontages.** In order to preserve the pedestrian character of certain districts and to
12 minimize delays to transit service, garage entries, driveways, or other vehicular access
13 to off-street parking or loading via curb cuts on development lots shall be regulated as
14 set forth in this subsection (r). These limitations do not apply to the creation of new
15 publicly-accessible Streets and Alleys. Any lot whose sole feasible vehicular access is
16 via a protected street frontage described in this subsection (r) shall be exempted from
17 any off-street parking or loading requirement found elsewhere in this Code.

18 (1) Folsom Street, from Second Street to The Embarcadero, not
19 permitted except as set forth in Section 827.

20 * * * *

21 (7) Commercial to Residential Adaptive Reuse projects

22 pursuant to Section 210.5. Pre-existing garage entries, driveways, or other vehicular
23 access to off-street parking and loading via curb cuts for Commercial to Residential
24 Adaptive Reuse projects are not subject to Section 155(r). Creation of new or

1 expanded garage entries, driveways, or other vehicular access to off-street parking and
2 loading via curb cuts shall be subject to Section 155(r).

3 **SEC. 155.1. BICYCLE PARKING: DEFINITIONS AND STANDARDS.**

4 * * * *

5 (g) Commercial to Residential Adaptive Reuse projects. In accordance with Section
6 210.5, the requirements of this Section 155.1 shall not apply to any Commercial to Residential
7 Adaptive Reuse projects.

8
9 **SEC. 155.2. BICYCLE PARKING: APPLICABILITY AND REQUIREMENTS**
10 **FOR SPECIFIC USES.**

11 Bicycle parking spaces are required in at least the minimum quantities specified
12 in Table 155.2. Bicycle parking shall meet the standards in Section 155.1.

13 * * * *

14 (f) Commercial to Residential Adaptive Reuse projects. In accordance with Section
15 210.5, the requirements of this Section 155.2 shall not apply to any Commercial to Residential
16 Adaptive Reuse projects.

17 **SEC. 169. TRANSPORTATION DEMAND MANAGEMENT PROGRAM.**

18 Sections 169 through 169.6 (hereafter referred to collectively as “Section 169”) set forth the requirements of the Transportation Demand Management Program (TDM Program).

21 * * * *

22 **SEC. 169.3. APPLICABILITY.**

23 * * * *

24 (b) Exemptions. Notwithstanding subsection (a), Section 169 shall not apply to
25 the following:

1 (1) One Hundred Percent Affordable Housing Projects. Residential uses
2 within Development Projects where all residential units are affordable to households at
3 or below 120% of the Area Median Income, as defined in Section 401, shall not be
4 subject to the TDM Program. Any uses other than Residential within those projects,
5 whose primary purpose is to provide services to the Residential uses within those
6 projects shall also be exempt. Other uses shall be subject to the TDM program. All uses
7 shall be subject to all other applicable requirements of the Planning Code.

8 (2) Parking Garages and Parking Lots, as defined in Section 102.
9 However, parking spaces within such Parking Garages or Parking Lots, when included
10 within a larger Development Project, may be considered in the determination of TDM
11 Plan requirements, as described in the TDM Program Standards.

12 (3) Commercial to Residential Adaptive Reuse projects per Planning
13 Code Section 210.5.

14 * * * *

15 **SEC. 207.7. REQUIRED MINIMUM DWELLING UNIT MIX.**

16 (a) **Purpose.** To ensure an adequate supply of family-sized units in new
17 housing stock, new residential construction must include a minimum percentage of units
18 of at least two and three bedrooms.

19 (b) **Applicability.**

20 * * * *

21 (4) In accordance with Section 210.5, this Section 207.7 shall not apply to
22 Commercial to Residential Adaptive Reuse projects.

23 * * * *

24 **SEC. 210.1. C-2 DISTRICTS: COMMUNITY BUSINESS.**

25 * * * *

**Table 210.1
ZONING CONTROL TABLE FOR C-2 DISTRICTS**

Zoning Category	§ References	C-2
RESIDENTIAL STANDARDS AND USES		
Development Standards		
* * * *		
* * * *		
Usable Open Space for Dwelling Units and Group Housing	§§ 135, 136	Same as for the R District establishing the dwelling unit density ratio for the property. <u>Group Housing requirement is per bedroom and 1/3 the amount required for a Dwelling Unit. See exceptions for Commercial to Residential Adaptive Reuse projects in Section 210.5</u>
* * * *		
Rear Yard Setback	§§ 130, 134	<u>Lot coverage is limited to 80% at all levels containing Residential Uses, except that on levels that include only lobbies and circulation areas and on levels in which all residential uses, including circulation areas, are within 40 horizontal feet from a property line fronting a street or alley, up to 100% lot coverage may occur. The unbuilt portion of the lot shall be open to the sky except for those obstructions permitted in yards pursuant to subsections (1) through (23) of Section 136(c). Where the adjacent properties have an existing rear yard, the unbuilt area of the new project shall be designed to adjoin that rear yard. See exceptions for Commercial to Residential Adaptive Reuse projects in Section 210.5.25% of the total depth lot depth, but in no case less than 15 feet for lowest story containing a dwelling unit and each succeeding story.</u>

* * * *

SEC. 210.2. C-3 DISTRICTS: DOWNTOWN COMMERCIAL.

* * * *

Table 210.2
ZONING CONTROL TABLE FOR C-3 DISTRICTS

Zoning Category	§ References	C-3-O	C-3-O(SD)	C-3-R	C-3-G	C-3-S
RESIDENTIAL STANDARDS AND USES						
Development Standards						
* * * *						
<i>Usable Open Space {Per Dwelling Unit}</i> <i>Usable Open Space for Dwelling Units and Group Housing</i>	§§ 135, 136	At least 36 square feet if private, and 48 square feet per Dwelling Unit if common; <i>Group Housing requirement is per bedroom and 1/3 the amount required for a Dwelling Unit. See exceptions for Commercial to Residential Adaptive Reuse projects in Section 210.5</i>				
* * * *						
Rear Yard Setback	§§ 130, 134	<i>Lot coverage is limited to 80% at all levels containing Residential Uses, except that on levels that include only lobbies and circulation areas and on levels in which all residential uses, including circulation areas, are within 40 horizontal feet from a property line fronting a street or alley, up to 100% lot coverage may occur. The unbuilt portion of the lot shall be open to the sky except for those obstructions permitted in yards pursuant to subsections (1) through (23) of Section 136(c). Where the adjacent properties have an existing rear yard, the unbuilt area of the new project shall be</i>				

designed to adjoin that rear yard. See exceptions for Commercial to Residential Adaptive Reuse projects in Section 210.5. ~~25% of the total depth lot depth, but in no case less than 15 feet for lowest story containing a dwelling unit and each succeeding story.~~ Exceptions are permitted by § 309.

* * * *

SEC. 210.5. COMMERCIAL TO RESIDENTIAL ADAPTIVE REUSE PROGRAM.

(a) Purpose and Findings. *This Section 210.5 describes the Commercial to Residential Adaptive Reuse Program. The purpose of the Program is to facilitate the adaptive reuse of non-residential buildings to support the City's housing needs by allowing for conversion of those buildings to residential use.*

(b) Commercial to Residential Adaptive Reuse Projects. *A Commercial to Residential Adaptive Reuse project is a project that includes a change of use of any existing Gross Floor Area from a non-residential use to a residential use as those uses are defined in Section 102.*

(c) Eligibility. *To be eligible for the Commercial to Residential Adaptive Reuse Program, a project must:*

(1) be located in a C-3 zoning district or a C-2 zoning district that is east of or fronting Van Ness/South Van Ness Avenue Franklin Street/13th Street and north of Townsend Street;

(2) not seek approval under Section 206.5 or 206.6; and

(3) not expand an existing building's envelope in a manner where the addition to the building envelope represents more than ~~33~~20% of the existing building's Gross Floor Area; provided that if a project would exceed this limit, the portions of the building additions in

1 excess of 33% must meet generally prevailing code requirements. For purposes of this
2 section, additional Gross Floor Area shall be counted from the lowest floor to the
3 highest floor. and

4 ~~(4) not add more than one vertical story.~~

5 (d) Controls. Applicable provisions of the Planning Code shall control except as
6 otherwise provided in this Section 210.5. If there is a conflict between other provisions of the
7 Planning Code and this Section 210.5, this Section shall prevail; provided that this Section does
8 not alter, amend, or modify Section 249.93 (Group Housing Special Use District). For
9 Commercial to Residential Adaptive Reuse projects, the following zoning controls shall be
10 waived or modified, as described:

11 (1) Lot Coverage. Lot coverage requirements per Section 134 shall not apply.

12 (2) Open Space. Usable open space requirements per Section 135 shall not
13 apply.

14 (3) Streetscape and Pedestrian Improvements. Required streetscape and
15 pedestrian improvements per Section 138.1 shall not apply.

16 (4) Dwelling Unit Exposure. The dwelling unit exposure requirements of Section
17 140 may be satisfied by either of the following:

18 (a) providing an unobstructed open area that is at least as wide as the
19 exposed exterior width of the Dwelling Unit and is no less than five feet in every horizontal
20 dimension at each story containing the Dwelling Unit and all stories above.

21 (b) providing an unobstructed open area that is at least 5 feet wide
22 by 15 feet long at each story containing the Dwelling Unit and all stories above.

23 (5) Bicycle Parking. The Bicycle Parking requirements in Sections 155.1 and
24 155.2 shall not apply.

1 (6) Dwelling Unit Mix. The required minimum dwelling unit mix per Section
2 207.7 shall not apply.

3 (7) Intermediate Length Occupancy. The establishment of Intermediate Length
4 Occupancy units shall be consistent with Section 202.10, provided that the controls in Section
5 202.10(b)(1) and (b)(2) shall not apply. Intermediate Length Occupancy units shall be
6 principally permitted in Commercial to Residential Adaptive Reuse projects.

7 (8) Live Work Units. Live Works units are permitted in any Commercial to
8 Residential Adaptive Reuse project.

9 (9) Transportation Demand Management (TDM) Plan Requirements.
10 The Transportation Demand Management Plan requirements in Section 169 shall not
11 apply.

12 (10) Preservation of Privately Owned Public Open Spaces (POPOS).
13 Nothing in this Section 210.5 is intended to modify, alter, or waive the applicability of
14 Section 138 (POPOS) to Commercial to Residential Adaptive Reuse projects that retain
15 non-residential uses.

16 (11) Off-Street Freight Loading and Service Vehicle Spaces. The
17 requirements of Sections 152 and 152.1 for Off-Street Freight Loading and Service
18 Vehicle Spaces shall not apply.

19 (12) Protected Pedestrian, Cycling, and Transit-Oriented Street
20 Frontages. Pre-existing garage entries, driveways, or other vehicular access to off-
21 street parking and loading via curb cuts for Commercial to Residential Adaptive Reuse
22 projects are not subject to Section 155(r). Creation of new or expanded garage entries,
23 driveways, or other vehicular access to off-street parking and loading via curb cuts shall
24 be subject to Section 155(r).

1 (e) **Review of Projects in the C-3 District.** If a project seeks exceptions that are waived
2 or modified in subsection (d) above, the hearing requirements in Section 309 shall not apply as
3 to the consideration of those exceptions. But if a project seeks exceptions not otherwise waived
4 or modified in subsection (d) above, the hearing requirements of Section 309 shall apply.

5 (f) **Applications.** Any application to establish a residential use pursuant to this Section
6 210.5 must be filed on or before December 31, 2028.

7 **SEC. 260. HEIGHT LIMITS: MEASUREMENT.**

8 * * * *

9 (b) **Exemptions.** In addition to other height exceptions permitted by this Code,
10 the features listed in this subsection (b) shall be exempt from the height limits
11 established by this Code, in an amount up to but not exceeding that which is specified.

12 (1) The following features shall be exempt provided the limitations
13 indicated for each are observed; and provided further that the sum of the horizontal
14 areas of all features listed in this subsection (b)(1) shall not exceed ~~2~~30% of the
15 horizontal area of the roof above which they are situated, or, in C-3 Districts and in the
16 Rincon Hill Downtown Residential District, where the top of the building has been
17 separated into a number of stepped elements to reduce the bulk of the upper tower, of
18 the total of all roof areas of the upper towers; and provided further that in any R, RC-3,
19 or RC-4 District the sum of the horizontal areas of all such features located within the
20 first 10 feet of depth of the building, as measured from the front wall of the building,
21 shall not exceed 20% of the horizontal area of the roof in such first 10 feet of depth.

22 As an alternative, the sum of the horizontal areas of all features listed in
23 this subsection (b)(1) may be equal to but not exceed ~~2~~30% of the horizontal area
24 permitted for buildings and structures under any bulk limitations in Section 270 of this
25 Code applicable to the subject property.

1 Any such sum of ~~23~~0% heretofore described may be increased to ~~34~~0% by
2 unroofed screening designed either to obscure the features listed under (A) and (B)
3 below or to provide a more balanced and graceful silhouette for the top of the building or
4 structure.

5 (A) Mechanical equipment and appurtenances necessary to the
6 operation or maintenance of the building or structure itself, including chimneys,
7 ventilators, plumbing vent stacks, cooling towers, water tanks, panels or devices for the
8 collection of solar or wind energy, and window-washing equipment, together with visual
9 screening for any such features. This exemption shall be limited to the top ~~16~~ 16 feet of
10 such features where the height limit is 65 feet or less, and the top ~~16~~ 20 feet of such
11 features where the height limit is more than 65 feet. In C-3 districts, for existing buildings
12 whose height exceeds the permitted height limit, these exempted features shall be measured from
13 the existing roofline instead of the height limit.

14 (B) Elevator, stair and mechanical penthouses, fire towers,
15 skylights, and dormer windows. This exemption shall be limited to the top ~~16~~ 16 feet of
16 such features where the height limit is 65 feet or less, and the top ~~16~~ 20 feet of such
17 features where the height limit is more than 65 feet. However, for elevator penthouses,
18 the exemption shall be limited to the top 16 feet and limited to the footprint of the
19 elevator shaft, regardless of the height limit of the building. The design of all elevator
20 penthouses in Residential Districts shall be consistent with the "Residential Design
21 Guidelines" as adopted and periodically amended for specific areas or conditions by the
22 Planning Commission. In C-3 districts, for existing buildings whose height exceeds the
23 permitted height limit, these exempted features shall be measured from the existing roofline
24 instead of the height limit.

25 * * * *

1 (E) In any C-3 District, the CMUO District, and any MUR or MUG
2 District within the Central SoMa Special Use District, enclosed space related to the
3 recreational, Restaurant, or Bar use of the roof, not to exceed 16 feet in height. In C-3
4 districts, for existing buildings whose height exceeds the permitted height limit, these exempted
5 features shall be measured from the existing roofline instead of the height limit.

6 * * * *

7
8 **SEC. 309. PERMIT REVIEW IN C-3 DISTRICTS.**

9 The provisions and procedures set forth in this Section 309 shall govern the
10 review of project authorization and building and site permit applications for (1) the
11 construction or substantial alteration of structures in C-3 Districts, (2) the granting of
12 exceptions to certain requirements of this Code where the provisions of this Section are
13 invoked, and (3) the approval of open space and streetscape requirements of the
14 Planning Code. When any action authorized by this Section is taken, any determination
15 with respect to the proposed project required or authorized pursuant to CEQA may also
16 be considered. This Section shall not require additional review in connection with a site
17 or building permit application if review hereunder was completed with respect to the
18 same proposed structure or alteration in connection with a project authorization
19 application pursuant to Section 322.

20 * * * *

21 (d) ~~Notice of Proposed Approval for Projects that do not require Public Hearing. If an~~
22 ~~application does not require a Planning Commission hearing pursuant to Subsection 309(e)(1)~~
23 ~~below, the application or building or site permit may be reviewed and approved~~
24 ~~administratively. At the determination of the Planning Director, applications for especially~~
25 ~~significant scopes of work may be subject to the notification requirements of Section 333 of this~~

1 ~~Code. If a request for Planning Commission review is made pursuant to subsection 309(f), the~~
2 ~~application will be subject to the notification and hearing procedures of this Section. If no~~
3 ~~request for Commission review is made, the Zoning Administrator may approve the project~~
4 ~~administratively.~~

5 **(e) Hearing and Determination of Applications for Exceptions.**

6 (1) Hearing. The Planning Commission shall hold a public hearing on a
7 Section 309 application if:

8 (A) ~~The project would result in a net addition of more than 50,000~~
9 ~~square feet of gross floor area of space, or~~

10 (B) The project includes the construction of a new building greater
11 than 120 ~~75~~ feet in height (excluding any exceptions permitted per Section 260(b)), or
12 includes a vertical addition to an existing building with a height of 120 ~~75~~ feet or less
13 resulting in a total building height greater than 120 ~~75~~ feet; or

14 (C) The project would require an exception as provided in
15 Subsection 309(a); provided that the hearing requirements of this Section 309 shall not apply
16 to Commercial to Residential Adaptive Reuse projects seeking exceptions or modifications
17 pursuant to Section 210.5(d).

18 * * * *

19 **(f) ~~Planning Commission Review Upon Request.~~**

20 ~~—(1) Requests. Within 10 days after notice of the proposed Zoning Administrator~~
21 ~~approval has been given, as provided in subsection (d), any person may request in writing that~~
22 ~~the Planning Commission impose additional modifications on the project as provided in~~
23 ~~subsection (b) or consider the application for compliance with the open space and streetscape~~
24 ~~requirements of the Planning Code. The written request shall state why additional modifications~~
25 ~~should be imposed notwithstanding its compliance with the requirements of this Code and shall~~

1 identify the policies or objectives that would be promoted by the imposition of conditions, or
2 shall state why the open space and streetscape requirements have not been complied with.

3 ~~—(2) **Commission Consideration.** The Planning Commission shall consider at a
4 public hearing each written request for additional modifications and for consideration of the
5 open space and streetscape requirements of the Planning Code compliance and may, by majority
6 vote, direct that a hearing be conducted to consider such modifications or compliance, which
7 hearing may be conducted at the same meeting that the written request is considered and
8 decided. Notice of such hearing shall be provided pursuant to the requirements of Section 333 of
9 this Code, provided that mailed notice shall also be provided to any person who has requested
10 such notice, and to any person who has submitted a request for additional requirements. In
11 determining whether to conduct such a hearing, the Planning Commission shall determine
12 whether, based upon a review of the project, reasonable grounds exist justifying a public hearing
13 in order to consider the proposed additional modifications and the open space and streetscape
14 requirements of the Planning Code compliance.~~

15 ~~—(3) **Commission Action.** If the Planning Commission determines to conduct a
16 hearing to consider the imposition of additional modifications or the open space and streetscape
17 requirements compliance, it may, after such hearing and after making appropriate findings,
18 approve, disapprove, or approve subject to conditions the building or site permit or project
19 authorization application. If the Planning Commission determines not to conduct a hearing, the
20 Zoning Administrator shall approve the application subject to any conditions imposed by the
21 Director of Planning to which the applicant has consented.~~

22 **(e) Imposition of Conditions, General.** If, pursuant to the provisions of this
23 Section 309, the Planning Commission determines that conditions should be imposed
24 on the approval of a building or site permit application, or Section 309 application, and
25 the applicant agrees to comply, the Planning Commission may approve the application

1 subject to those conditions, and if the applicant refuses to so agree, the Planning
2 Commission may disapprove the application.

3 (f) **Change of Conditions.** Authorization of a change in any condition
4 previously imposed pursuant to this Section 309 shall require an application for a
5 change in conditions, which application shall be subject to the procedures set forth in
6 this Section.

7 (g) An approval action in accordance with this Section 309 shall constitute the
8 City's decision to approve the project for purposes of Administrative Code Chapter 31.

9
10 **SEC. 309.1. PERMIT REVIEW IN DOWNTOWN RESIDENTIAL DISTRICTS.**

11 The provisions and procedures set forth in this Section 309.1 shall govern the
12 review of project authorization and building and site permit applications for the
13 construction or substantial alteration of structures in Downtown Residential districts, the
14 granting of exceptions to requirements of this Code, and the imposition of modifications
15 necessary to achieve the objectives and policies of the General Plan and the purposes
16 of this Code as provided for in Section 825 and elsewhere. When any action authorized
17 by this Section is taken, any determination with respect to the proposed project required
18 or authorized pursuant to CEQA may also be considered.

19 * * * *

20 (c) **Hearing and Determination on Design Modifications and Applications**
21 **for Exceptions.**

22 (1) **Hearing.** The Planning Commission shall hold a public hearing for all
23 projects ~~greater than 50,000 gross square feet, for all projects~~ proposing construction of a new
24 building greater than 120 ~~85~~ feet in height or ~~greater~~ a vertical addition to an existing building

1 with a height of 120 feet or less resulting in a total building height greater than 120 feet, and for
2 applications that require exceptions as provided in §subsection (b).

3 * * * *

4
5 Section 4. Economically Revitalize Downtown. The Planning Code is hereby
6 amended by revising Sections 102, 121.6, 145.1, 145.4, 204.3, 205.1, 210.1, 210.2, and
7 248, to read as follows:

8 **SEC. 102. DEFINITIONS.**

9 * * * *

10 **Flexible Retail.** A Retail Sales and Service Use in Neighborhood Commercial
11 Districts, subject to the requirements of Sections 179.2 and 202.9, that combines a
12 minimum of two of the following distinct Uses within a space that may be operated by
13 one or more business operators:

- 14 (1) Arts Activities;
- 15 (2) Restaurant, Limited;
- 16 (3) Retail Sales and Services, General;
- 17 (4) Service, Personal;
- 18 (5) Service, Retail Professional; and
- 19 (6) Trade Shop.

20 **Flexible Workspace.** A Retail Sales and Service use that is a combination of any uses
21 within the Retail Sales and Service use category or a General Entertainment use that operates in
22 conjunction with a principally or conditionally permitted Non-Retail Sales and Service use other
23 than a Commercial Storage, Wholesale Sales, or Wholesale Storage use. The Retail Sales and
24 Service or General Entertainment portion of the use shall be at least one-third of the overall

1 Gross Floor Area and must face the street occupy space within the first 25 feet of the
2 storefront.

3 * * * *

4
5 **SEC. 121.6. LARGE-SCALE RETAIL USES.**

6 (a) Notwithstanding any other provision of this Code, establishment of a single
7 retail use in excess of 50,000 gross square feet in any zoning district other than the C-3
8 Zoning Districts shall require conditional use authorization pursuant to Section 303
9 unless such use already is prohibited. This Subsection 121.6 shall apply to the

10 establishment of a new use and the expansion of an existing use. ~~(b) Notwithstanding~~
11 ~~any other provision of this Code, establishment of a single retail use in excess of 90,000 gross~~
12 ~~square feet within a C-3 Zoning District shall require conditional use authorization pursuant to~~
13 ~~Section 303 unless such use already is prohibited. This Subsection shall apply only to the~~

14 ~~establishment of a new use~~ (c) ~~Notwithstanding any other provision of this Code,~~
15 ~~establishment of a single retail use in excess of 120,000 gross square feet is prohibited in any~~
16 ~~zoning district other than a C-3 Zoning District. This Subsection shall apply to the establishment~~
17 ~~of a new use and the expansion of an existing use.~~ (d) ~~Notwithstanding any other provision of~~

18 ~~this Code, establishment of a single retail use in excess of 120,000 gross square feet in a C-3~~
19 ~~Zoning District shall be prohibited if it would sell groceries; contain more than 20,000~~
20 ~~Stockkeeping Units (SKUs); and devote more than five percent (5%) of its total sales floor area~~
21 ~~to the sale of non-taxable merchandise. This Subsection shall apply only to the establishment of a~~

22 ~~new use.~~ (e) For purposes of this Section, ~~121.6:~~—(1) “sales floor area” includes only
23 interior building space devoted to the sale of merchandise, and does not include restrooms,
24 office space, storage space, automobile service areas, or open-air garden sales space;—(2)
25 “non-taxable merchandise” includes only grocery products not subject to California State sales

1 ~~tax; and~~ (3) “single retail use” shall include, except for Hotels and Motels, all Retail
2 and Service Uses listed in Section 102 and retail uses identified in Article 8 of this Code.

3
4 **SEC. 145.1. STREET FRONTAGES IN NEIGHBORHOOD COMMERCIAL,**
5 **RESIDENTIAL-COMMERCIAL, COMMERCIAL, AND MIXED USE DISTRICTS.**

6 * * * *

7 (c) **Controls.** The following requirements shall generally apply, except for those
8 controls listed in subsections (1) Above Grade Parking Setback and (4) Ground Floor
9 Ceiling Height, which only apply to a "development lot" as defined above.

10 In NC-S Districts, the applicable frontage shall be the primary
11 facade(s) that contains customer entrances to commercial spaces.

12 * * * *

13 (6) **Transparency and Fenestration.** Frontages with active uses that are
14 not PDR must be fenestrated with transparent windows and doorways for no less than
15 60% of the street frontage at the ground level and allow visibility to the inside of the
16 building. The use of dark or mirrored glass shall not count towards the required
17 transparent area. Buildings located inside of, or within an unobstructed line of less than
18 300 feet of an Urban Bird Refuge, as defined in Section 139(c)(1), shall follow glazing
19 requirements within Section 139(c) of this Code.

20 In C-3 zoning districts, for tenant spaces with at least two frontages and active
21 uses that are not PDR, frontages must be fenestrated with transparent windows and doorways
22 for no less than 60% of the street frontage at the ground level or contain window displays of at
23 least four feet in depth to allow visibility to the inside of the building or activate the street.

24 * * * *

1
2 **SEC. 204.3. ACCESSORY USES FOR USES OTHER THAN DWELLINGS IN**
3 **C, RC, M, AND PDR DISTRICTS.**

4 * * * *

5 (e) Accessory Storage in C Districts. Accessory storage on the second floor and above
6 is permitted for stock and trade relating to retail uses with street level storefronts in the same
7 building. There shall be no limitation on the square footage of accessory storage as long as the
8 storage supports a ground floor use in the same building.

9
10 **SEC. 205.1. TEMPORARY USES: SIXTY-DAY LIMIT.**

11 A temporary use may be authorized for a period not to exceed 60 days for any of
12 the following uses:

13 * * * *

14 (e) Within the C-3-R District, installation of a temporary Sign, other than a General
15 Advertising Sign, or a temporary decorative or artistic display or installation. Such Sign or
16 installation shall have a maximum height of 16 feet above the roofline of the building to which it
17 is affixed.

18
19 **SEC. 205.2. TEMPORARY USES: ONE- TO SIX-YEAR LIMIT.**

20 A temporary use may be authorized for the following uses as specified below:

21 **(a) Temporary authorization for a period not to exceed one year.**

22 (1) Temporary Wireless Telecommunications Services (WTS) Facilities, if
23 the following requirements are met:

24 (A) The Planning Director determines that the Temporary WTS
25 Facility shall be sited and constructed so as to:

1 (iA) avoid proximity to residential dwellings to the maximum
2 extent feasible;

3 (iiB) comply with the provisions of Article 29 of the Police
4 Code;

5 (iiiC) be no taller than needed;

6 (ivD) be physically screened to the maximum extent
7 feasible; and

8 (vE) be erected for no longer than reasonably required.

9 (B2) Permits in excess of 90 days for Temporary WTS Facilities
10 operated for commercial purposes shall be subject to Sections 311 and 312 of this
11 Code, where applicable.

12 (C3) The Planning Department may require, where appropriate,
13 notices along street frontages abutting the location of the Temporary WTS Facility
14 indicating the nature of the facility and the duration of the permit.

15 (2) Pop-Up Activations. Pop-Up Activations are temporary Non-Residential
16 uses, including but not limited to Pop-Up Retail, Entertainment, or Arts Activity uses, permitted
17 within either a vacant space last occupied by a Non-Residential use or a space occupied by a
18 legally established Non-Residential use, and that is located within a C-3 zoning district or a C-
19 2 zoning dDistrict that is east of or fronting Van Ness/South Van Ness Avenue
20 Franklin/13th Street and north of Townsend Street or within an NC, NCT, or Mixed-Use
21 District that is south of Market Street, north of Townsend/Division/13th Streets, and east of
22 South Van Ness Avenue. Such uses may include Formula Retail uses so long as Formula
23 Retail uses are principally permitted in the underlying zoning.

24 * * * *

25

1 **SEC. 210.1. C-2 DISTRICTS: COMMUNITY BUSINESS.**

2 * * * *

3 **Table 210.1**
ZONING CONTROL TABLE FOR C-2 DISTRICTS

Zoning Category	§ References	C-2
RESIDENTIAL STANDARDS AND USES		
* * * *		
Use Characteristics		
Zoning Category	§ References	C-2
Intermediate Length Occupancy	§§ 102, 202.10	P(6)
* * * *		
Residential Uses		
Zoning Category	§ References	C-2
Residential Density, Dwelling Units (5)	§ 207	P at a density ratio not exceeding the number of dwelling units permitted in the nearest R District, with the distance to such R District measured from the midpoint of the front lot line or from a point directly across the street therefrom, whichever permits the greater density; provided, that the maximum density ratio shall in no case be less than one unit for each 800 square feet of lot area. NP above. (8)
Senior Housing	§§ 102, 202.2(f)	P up to twice the number of dwelling units otherwise permitted as a principal use in the district and meeting all the requirements of § 202.2(f)(1). C up to twice the number of dwelling units otherwise permitted as a principal use in the district and meeting all requirements of § 202.2(f)(1) except for § 202.2(f)(1)(D)(iv), related to location. (8)

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Residential Density, Group Housing	§ 208	P at a density ratio not exceeding the maximum density permitted for group housing in the nearest R District, with the distance to such R District measured from the midpoint of the front lot line or from a point directly across the street therefrom, whichever permits the greater density; provided, that the maximum density ratio shall in no case be less than one bedroom for each 275 square feet of lot area. NP above. <u>(8)</u>
------------------------------------	-------	--

NON-RESIDENTIAL STANDARDS AND USES

* * * *

Industrial Use Category

Industrial Uses*	§ 102	NP
<u>Agricultural and Beverage Processing 1</u>	<u>§ 102</u>	<u>P</u>
<u>Agricultural and Beverage Processing 2</u>	<u>§ 102</u>	<u>P</u>
<u>Manufacturing, Light</u>	<u>§ 102</u>	<u>P</u>
* * * *		

Sales and Service Category

Retail Sales and Service*	§§ 102, 202.2(a)	P
<u>Animal Hospital</u>	<u>§ 102</u>	<u>C</u>
* * * *		

1	Non-Retail Sales and Service*	§ 102	P
2	<i>Laboratory</i>	§ 102	<i>NP</i>
3	<i>Life Science</i>	§ 102	<i>NP</i>

4 * * * *

5 (6) NP for buildings with three or fewer Dwelling Units; C for buildings with 10 or
6 more Dwelling Units. *P for Commercial to Residential Adaptive Reuse projects pursuant to*
7 *Section 210.5, regardless of building size.*

8 (7) C on the 2nd floor and above, except that a Massage Establishment located
9 on the 2nd floor or above accessory to a Hotel, Personal Service, or Health Service is P.

10 (8) *In C-2 zoning districts east of or fronting Van Ness/South Van Ness Avenue*
11 *Franklin Street/13th Street and north of Townsend Street, there is no density limit. Density is*
12 *regulated by the permitted height and bulk, and required setbacks, exposure, open space, and*
13 *other Code requirements applicable to each development lot.*

14
15 **SEC. 210.2. C-3 DISTRICTS: DOWNTOWN COMMERCIAL.**

16 * * * *

17 **Table 210.2**

18 **ZONING CONTROL TABLE FOR C-3 DISTRICTS**

Zoning Category	§ References	C-3-O	C-3-O(SD)	C-3-R	C-3-G	C-3-S
RESIDENTIAL STANDARDS AND USES						
* * * *						
<i>Use Characteristics</i>						
Intermediate Length Occupancy	§§102, 202.10	P(8)	P(8)	P(8)	P(8)	P(8)
* * * *						
<i>Residential Uses</i>						

1	Residential Density, Dwelling Units (7)	§ 207	No density limit. Density is regulated by the permitted height and bulk, and required setbacks, exposure, and open space of each development lot.			
2						
3						
4	Senior Housing	§§ 102, 202.2(f)	No density limit. Density is regulated by the permitted height and bulk, and required setbacks, exposure, and open space of each development lot. Required if development meets all requirements of Section § 202.2(f)(1), except for § 202.2(f)(1)(D)(iv), related to location.			
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7						
8	* * * *					
9	NON-RESIDENTIAL STANDARDS AND USES					
10	* * * *					
11	Commercial Use Characteristics					
12	* * * *					
13	Formula Retail	§§ 102, 303.1	P	P	P	P (6)
14	* * * *					
15	Entertainment, Arts and Recreation Use Category					
16	Entertainment, Arts and Recreation Uses*	§ 102	P	P	P	P
17	Entertainment, Outdoor	§ 102	NP	NP	NP	NP
18	Livery Stable	§ 102	NP	NP	NP	NP
19	Open Recreation Area	§ 102	NP	NP	NP	P
20	* * * *					
21	Institutional Use Category					
22	Institutional Uses*	§§ 102, 202.2(e)	P	P	P	P
23	* * * *					
24	Residential Care Facility	§ 102	P	P	P	P
25	Trade School	§ 102	NP	NP	NP	P
	Sales and Service Category					
	Retail Sales and Service*	§§ 102, 202.2(a)	P	P	P	P

1	<i>Animal Hospital</i>	§ 102	NP	NP	NP	€	€
2	* * * *						
3	Non-Retail Sales and Service*	§ 102	P (1)	P (1)	P ⁽²⁾ <u>(1)</u>	P (1)	P (1)
4	* * * *						
5	Design Professional	§ 102	P	P	P ⁽²⁾ <u>(1)</u>	P	P
6	* * * *						

* Not listed below.

(1) C required if at or below the ground floor.

(2) [Reserved] NP if located on floors one and two and does not offer on-site services to the general public. C required if located on the third floor, or floors four through six and the use is larger than 5,000 gross square feet in size.

~~—For uses located on the third floor, in addition to the criteria set forth in Section 303, a Conditional Use Authorization pursuant to this note shall be given only if the Commission determines that: the proposed use would not require modification of the location that would negatively impact existing architectural, historic and aesthetic features, or otherwise inhibit the conversion back to a principally permitted use in the future; the proposed use would not have an actual or potential adverse impact on adjacent zoning districts in which non-retail sales and services uses are not permitted; and the proposed use will not result in the development of non-retail sales and services uses such that the District’s primary function is no longer an area for comparison shopper retailing and direct consumer services. Provided further that for any Conditional Use Authorization given pursuant to the preceding sentence, the Planning Commission also consider the following: whether the proposed use would complement or support principally permitted uses in the District, and whether the site of the proposed use is not conducive to any principally permitted uses in the District by virtue of physical limitations,~~

1 ~~including but not limited to the size and orientation of the floor plate and the nature of~~
2 ~~independent access to the third floor~~

3 * * * *

4 (6) ~~[Reserved.] C required for Formula Retail on properties in the C-3-G District with~~
5 ~~frontage on Market Street, between 6th Street and the intersection of Market Street, 12th Street,~~
6 ~~and Franklin Street.~~

7 (7) Construction of Accessory Dwelling Units may be permitted pursuant to
8 Sections 207(c)(4) and 207(c)(6).

9 (8) NP for buildings with three or fewer Dwelling Units; C for buildings with 10 or
10 more Dwelling Units. P for Commercial to Residential Adaptive Reuse projects pursuant to
11 Section 210.5, regardless of building size.

12
13 **SEC. 248. TRANSIT CENTER C-3-O(SD) COMMERCIAL SPECIAL USE**
14 **DISTRICT.**

15 A Special Use District entitled the "Transit Center C-3-O(SD) Commercial
16 Special Use District" is hereby established for a portion of the C-3-O(SD) district in the
17 downtown area around the Transbay Transit Center within ~~the City and County of~~ San
18 Francisco, the boundaries of which are designated on Sectional Map SU01 of the
19 Zoning Map of the City and County of San Francisco. The following provisions shall
20 apply within the Special Use District:

21 * * * *

22 (c) **Controls.** All new development on lots larger than 20,000 ~~15,000~~-square
23 feet in the Special Use District shall include not less than 2 ~~2~~ two gross square feet of
24 principally or conditionally permitted commercial uses for every ~~1~~ one gross square foot
25 of dwellings or other housing uses.

1 (d) **Exceptions.** Exceptions to the controls in ~~§~~subsection (c) may be granted by
2 the Planning Commission according to the procedures in Section 309 only if the
3 Commission makes one of the following affirmative findings:

4 (1) That the development consists of multiple buildings on a single lot or
5 adjacent lots that are entitled as a single development project pursuant to Section 309,
6 and that commercial uses account for greater than 50% ~~percent~~ of the project's
7 aggregate total gross floor area for all buildings and where the project sponsor
8 demonstrates that it is infeasible or impractical to construct commercial uses on the
9 footprint of the portion of the site dedicated to dwellings and/or other housing uses due
10 to the size and configuration of that portion of the lot; or

11 (2) That the footprint of the portion of the site dedicated to dwellings
12 and/or other housing uses is less than 15,000 square feet and the lot contains existing
13 buildings which are to be retained; or

14 (3) That the downtown commercial vacancy rate is persistently high and the
15 project would fulfill its inclusionary requirement pursuant to Planning Code Section 415 through
16 100% on-site or off-site units within the C-3 District.

17
18 Section 5. Streamline Sign Permitting in C-3 Districts and Citywide. The
19 Planning Code is hereby amended by revising Section 604, to read as follows:

20 **SEC. 604. PERMITS AND CONFORMITY REQUIRED.**

21 * * * *

22 (h) **Nonconforming Signs; Replacement, Alteration, Reconstruction,**
23 **Relocation, Intensification, or Expansion.** Unless otherwise provided in this Code or
24 in other Codes or regulations, a lawfully existing sign which fails to conform to the
25 provisions of this Article 6 shall be brought into conformity when the activity for which

1 the sign has been posted ceases operation or moves to another location, when a new
2 building is constructed, or at the end of the sign's normal life. Such sign may not,
3 however, be replaced, altered, reconstructed, relocated, intensified, or expanded in area
4 or in any dimension except in conformity with the provisions of this Code, including
5 §subsection (i) below. Ordinary maintenance and minor repairs shall be permitted, but
6 such maintenance and repairs shall not include replacement, alteration, reconstruction,
7 relocation, intensification, or expansion of the sign; provided, however, that alterations
8 of a structural nature required to reinforce a part or parts of a lawfully existing sign to
9 meet the standards of seismic loads and forces of the Building Code, to replace a
10 damaged or weathered signboard, to ensure safe use and maintenance of that sign, to
11 remediate hazardous materials, or any combination of the above alterations shall be
12 considered ordinary maintenance and shall be allowed. A sign which is damaged or
13 destroyed by fire or other calamity shall be governed by the provisions of Sections
14 181(d) and 188(b) of this Code.

15 A sign which is voluntarily destroyed or removed by its owner or which is required
16 by law to be removed may be restored only in full conformity with the provisions of this
17 Code, except as authorized in §subsection (i) below. A general advertising sign that has
18 been removed shall not be reinstalled, replaced, or reconstructed at the same location,
19 and the erection, construction, and/or installation of a general advertising sign at that
20 location to replace the previously existing sign shall be deemed to be a new sign in
21 violation of Section 611(a) of this Code; provided, however, that such reinstallation,
22 replacement, or reconstruction pursuant to a permit duly issued prior to the effective
23 date of this requirement shall not be deemed a violation of Section 611(a) and shall be
24 considered a lawfully existing nonconforming general advertising sign; and further
25 provided that this prohibition shall not prevent a general advertising sign from being

1 relocated to that location pursuant to a Relocation Agreement and conditional use
2 authorization under Sections 611 and 303(k) of this Code and Section 2.21 of the ~~San~~
3 ~~Francisco~~ Administrative Code.

4 A nonconforming Neon Sign may be physically detached from the building for any
5 required repairs or maintenance, except that such maintenance or repairs shall not include
6 replacement, reconstruction, relocation, intensification, or expansion of the Neon Sign. After the
7 off-site repair or maintenance work is complete, the Neon Sign may be reinstalled at the
8 premises in the same location where the Neon Sign was previously affixed, so long as such
9 replacement is completed within 18 months of removal.

10 * * * *

11 (m) Existing Signs in the C-3 Zoning District and portions of the C-2 Zoning
12 District. Existing signage in the C-3 zoning district or a C-2 zoning district that is east of
13 or fronting Franklin Street/13th Street and north of Townsend Street shall not be subject to
14 the provisions of this Section 604 or a more restrictive provision in a special sign district in
15 Section 608 et seq., provided that a change from general advertising to nongeneral
16 advertising sign copy or from nongeneral advertising to general advertising sign copy or an
17 increase in area including, but not limited to, any extensions in the form of writing,
18 representation, emblem or any figure of similar character shall in itself constitute a new sign
19 subject to the provisions of this Section 604. Consistent with Section 608, this provision
20 shall control over any conflicting, more restrictive provision in a special sign district.

21
22 Section 6. Streamline Historic Preservation Review. The Planning Code is
23 hereby amended by revising Sections 1005 and 1111.1, to read as follows:

24 **SEC. 1005. CONFORMITY AND PERMITS.**

25 * * * *

1 (e) After receiving a permit application from the Central Permit Bureau in
2 accordance with the preceding subsection, the Department shall ascertain whether a
3 Certificate of Appropriateness is required or has been approved for the work proposed
4 in such permit application. If a Certificate of Appropriateness is required and has been
5 issued, and if the permit application conforms to the work approved in the Certificate of
6 Appropriateness, the permit application shall be processed without further reference to
7 this Article 10. If a Certificate of Appropriateness is required and has not been issued, or
8 if the permit application does not conform to what was approved, the permit application
9 shall be disapproved or held by the Department until such time as conformity does exist
10 either through modifications to the proposed work or through the issuance of an
11 amended or new Certificate of Appropriateness. Notwithstanding the foregoing, in the
12 following cases the Department shall process the permit application without further
13 reference to this Article 10:

14 * * * *

15 (9) When the application is for a permit to install a City-sponsored
16 Landmark plaque to a landmark or district, provided that the improvements conform to
17 the requirements outlined in Section 1006.6 of this Code; or

18 ~~—— (10) When the application is for a Qualifying Scope of Work, as~~
19 ~~delegated by HPC to Department and periodically updated, and the site is located in C-~~
20 ~~3 zoning districts.~~

21 * * * *

22
23 **SEC. 1111.1. DETERMINATION OF MINOR AND MAJOR ALTERATIONS.**

24 * * * *

25

1 (c) All applications for a Permit to Alter that are not Minor Alterations delegated
2 to Department staff shall be scheduled for a hearing by the HPC pursuant to the
3 procedures in Section 1111.4 and 1111.5 below. Notwithstanding the foregoing, in the
4 following cases the Department shall process the permit application without further
5 reference to the Permit to Alter procedures outlined herein:

6 (1) When the application is for a permit to make improvements to provide
7 an accessible entrance to a Significant or Contributory building or any building within a
8 Conservation District provided that the improvements conform to the requirements
9 outlined in Section 1111.6 of this Code;

10 (2) When the application is for a permit to install business signs to a
11 Significant or Contributory building or any building within a Conservation District
12 provided that signage and transparency conform to the requirements outlined in Section
13 1111.6 of this Code; ~~or~~

14 (3) When the application is for a permit to install non-visible rooftop
15 appurtenances to a Significant or Contributory building or any building within a
16 Conservation District provided that the improvements conform to the requirements
17 outlined in Section 1111.6 of this Code; or

18 (4) When the application is for a permit to install an awning to a Significant or
19 Contributory building or any building within a Conservation District provided that the awning
20 conforms to the requirements outlined in Section 1111.6 of this Code; ~~or~~

21 ~~———— (5) When the application is for a Qualifying Scope of Work, as delegated~~
22 ~~by HPC to the Department, as periodically updated.~~

23
24 Section 7. Provide Alternatives to On-Site Open Space in Certain C-3 Districts.
25 The Planning Code is hereby amended by revising Section 426, to read as follows:

1 **SEC. 426. PAYMENT FOR REQUIRED NON-RESIDENTIAL OPEN SPACE**
2 **NOT PROVIDED IN THE EASTERN NEIGHBORHOODS MIXED USE AND C-3-O(SD)**
3 **DISTRICTS.**

4 * * * *

5 (b) **C-3-O(SD) District.** In the C-3-O(SD) District, if a project sponsor chooses
6 to pay the in-lieu fee described in Section 138(j)(4), a fee of \$1,410 shall be required for
7 each square foot of usable open space not provided. This fee shall be adjusted in
8 accordance with Section 409. This fee shall be paid into the Transit Center District
9 Open Space Fund, as described in Sections 424.6 et seq. of this Article 4. Said fee shall
10 be used for the purpose of acquiring, designing, and improving public open space,
11 recreational facilities, and other open space resources, which are expected to be used
12 solely or in substantial part by persons who live, work, shop, or otherwise do business in
13 the Transit Center District.

14 (c) **C-3-O District, C-3-S District, and C-3-G District.** In the C-3-O, C-3-S, and C-3-G
15 Districts, if a project sponsor chooses to pay the in-lieu fee described in Section 138(j)(4), a fee
16 of \$1,410 shall be required for each square foot of usable open space not provided. The amount
17 of this fee shall equal the fee payable under this subsection (b) and shall be adjusted in
18 accordance with Section 409. This fee shall be paid into the Downtown Park Fund, as described
19 in Section 412 of this Article 4. Said fee shall be used for the purpose of acquiring, designing,
20 and improving public open space, recreational facilities, and other open space resources, which
21 are expected to be used solely or in substantial part by persons who live, work, shop, or
22 otherwise do business Downtown.

23 (d) **C-3-R District.** In the C-3-R Districts, if a project sponsor chooses to pay the in-lieu
24 fee described in Section 138(j)(4), a fee shall be required for each square foot of usable open
25 space not provided. The amount of this fee shall equal the fee payable under this subsection (b)

1 and shall be adjusted in accordance with Section 409. This fee shall be paid into the Union
2 Square Park, Recreation, and Open Space Fee, as described in Sections 434 of this Article 4.
3 Said fee shall be used for the purpose of acquiring, designing, and improving public open space,
4 recreational facilities, and other open space resources, which are expected to be used solely or
5 in substantial part by persons who live, work, shop, or otherwise do business Downtown.

6
7 Section 8. Facilitate Residential Adaptive Reuse in the Building Code. Chapter
8 1A of the 2022 San Francisco Building Code is hereby amended by adding Section
9 111A, to read as follows:

10 **SECTION 111A – ADAPTIVE REUSE**

11 **111A.1 Purpose and intent.** The purpose of this Section 111A (consisting of Sections
12 111A.1, 111A.2, and 111A.3) is to amend, expand, establish, and clarify alternative building
13 standards for the conversion of existing non-residential buildings to accommodate new
14 residential uses and still provide reasonable safety to the building occupants, as a means to
15 promote the safe, flexible use of the existing structures, as part of the City’s strategy for
16 economic recovery.

17 Key to the furtherance of this purpose is the ability of the Building Official and Fire Code
18 Official to effectively use their authority to grant code modifications or authorizations for
19 alternative materials, design and methods of construction, and equipment to address practical
20 difficulties involved in complying with the strict provisions of the code or consider alternative
21 design or methods not specifically prescribed in the code.

22 For example, the Building Official and Fire Code Official are authorized to consider
23 alternative building standards consistent with Sections 17951 and 19957 of the California
24 Health and Safety Code.

1 **111A.2 Scope.** This Section 111A may apply to projects that meet the definition and
2 applicable requirements for Commercial to Residential Adaptive Reuse projects pursuant to
3 Planning Code Section 210.5.

4 Nothing in this Section 111A shall preclude the use of the California Historical Building
5 Code for the conversion of a building that the Planning Department has determined to be a
6 qualified historic building or that may otherwise be eligible to use the California Historical
7 Building Code. If a project elects to use the standards established in the California Historical
8 Building Code, that project shall not be permitted to use the alternative building standards of
9 this Section 111A.

10 **111A.3 Compliance requirements.** Generally, the San Francisco Building Code, which
11 adopts and amends the most recent edition of the California Building Standards Code, applies to
12 new construction or a change of use or occupancy. For the conversion of existing non-
13 residential buildings to accommodate new residential uses, however, alternative building
14 standards described in an alternative building standards manual (described below) may apply.

15 The Building Official and Fire Code Official shall prepare, maintain, and update, as
16 necessary and appropriate, an alternative building standards manual, which shall provide the
17 building standards applicable to Commercial to Residential Adaptive Reuse projects as defined
18 in Planning Code Section 210.5. This alternative building standards manual shall include
19 technical information and implementation parameters, standards for determining technical
20 infeasibility, and alternative standards if technical infeasibility is present, as well as other rules,
21 requirements and procedures as the City deems necessary, for implementing the intent of this
22 Section 111A.

23 The Building Official and Fire Code Official shall develop, as deemed necessary and
24 appropriate, in cooperation with other City departments and stakeholders, information sheets,

1 administrative bulletins, training manuals, and educational materials to assist in the
 2 implementation of this alternative building standards manual and this Section 111A.

3
 4 Section 9. Principally Permitting Formula Retail on a Portion of Showplace
 5 Square Area. The Planning Code is hereby amended by revising Section 843, to read
 6 as follows:

7 **SEC. 843. UMU – URBAN MIXED USE DISTRICT.**

8 * * * *

9 **Table 843**

10 **UMU – URBAN MIXED USE DISTRICT ZONING CONTROL TABLE**

No.	Zoning Category	§ References	Urban Mixed Use District Controls
* * * *			
Retail Sales and Services			
* * * *			
843.46	Formula Retail	§§ 303.1, 843.45	C. If approved, subject to size controls in Section 843.45. <u>(3)</u>
* * * *			

19 * * * *

20
 21 (3) P on Assessor’s Parcel Block No. 3781, Lot 003, and the size controls in Section
 22 843.45 shall not apply.

23 * * * *

1 Section 10. Effective Date. This ordinance shall become effective 30 days after
2 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns
3 the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or
4 the Board of Supervisors overrides the Mayor's veto of the ordinance.

5
6 Section 11. Scope of Ordinance. In enacting this ordinance, the Board of
7 Supervisors intends to amend only those words, phrases, paragraphs, subsections,
8 sections, articles, numbers, punctuation marks, charts, diagrams, or any other
9 constituent parts of the Municipal Code that are explicitly shown in this ordinance as
10 additions, deletions, Board amendment additions, and Board amendment deletions in
11 accordance with the "Note" that appears under the official title of the ordinance.

12 APPROVED AS TO FORM:
13 DAVID CHIU, City Attorney

14 By: Austin M. Yang
15 AUSTIN M. YANG
16 Deputy City Attorney

17 n:\legana\as2023\2300216\01691136.docx

REVISED LEGISLATIVE DIGEST
(Amended in Committee, 7/15/2023)

[Planning and Building Codes - Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization]

Ordinance amending the Planning Code to 1) facilitate residential uses Downtown by authorizing the conversion of non-residential uses to residential use in C (Commercial) zoning districts, and exempting such projects from requirements for rear yard, open space, streetscape improvements, dwelling unit exposure, off-street freight loading, curb cuts for vehicular access, bike parking, transportation demand management, dwelling unit mix, and Intermediate Length Occupancy controls, permitting live work units in such project, streamlining administrative approvals for projects in the C-3 zoning district, and modifying the dimensional limits on exemptions to height restrictions for mechanical equipment, elevator, stair, and mechanical penthouses; 2) economically revitalize Downtown by adding Flexible Workspace as a defined use, authorizing large scale retail uses in the C-3 zoning district, allowing window displays in the C-3 zoning district, allowing Flexible Workspace as an active ground floor commercial use along certain street frontages in C-3 zoning districts, allowing accessory storage in any C zoning district, allowing the temporary installation for 60 days of certain signs in the C-3-R district, allowing temporary non-residential uses in vacant spaces for up to one year, including formula retail, reducing density limits for Residential Dwelling Units and Senior Housing in the C-2 zoning districts east of or fronting Franklin Street/13th Street and north of Townsend Street, principally permitting Laboratory, Life Science, Agricultural and Beverage Processing, and Animal Hospitals in C-2 zoning districts, principally permitting Senior Housing, Residential Care Facilities, Outdoor Entertainment, Open Recreation Areas, Animal Hospitals, and Trade Schools in the C-3 zoning district, allowing formula retail as a ground floor use on Market Street, principally permitting office and design professional uses on the second floor and higher in the C-3-R zoning district, and requiring consideration of office vacancy in consideration of granting exceptions in the Transit Center Commercial Special Use District; 3) streamline sign permitting citywide and in the C-3 districts by allowing for the repair and rehabilitation of certain neon signs, and exempting existing business signs in the C-3 zoning district from certain zoning controls; 4) streamline Historic Preservation review of minor permits to alter for awnings, as may be delegated by the Historic Preservation Commission; 5) increase threshold for large projects subject to commercial to residential ratios in the C-3-O district, and provide alternatives to on-site open space in certain C-3 districts by allowing for payment of an in lieu fee as an alternative to providing open space; 6) facilitate residential adaptive reuse by amending the Building Code to add standards for adaptive reuse of non-residential buildings; and 7) principally permit formula retail and waive size limitations for such uses on a portion of Showplace Square Area (555-

9th Street, Assessor's Parcel Block No. 3781, Lot No. 003); affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302

Existing Law

(1) Residential Uses in C Districts

The Planning Code contains development standards for various zoning districts. C-2 (Community Business) and C-3 (Downtown Commercial) districts are collectively referred to as "C districts" or "Commercial Districts". C districts are subject to rear yard setbacks (Section 134), open space (Section 135), streetscape and pedestrian improvements (Section 138.1), off-street loading (Section 152 and 152.1), curb cuts for vehicular access (Section 155(r)), bicycle parking (Sections 155.1 and 155.2), dwelling unit mix (Section 207.7), and dwelling unit exposure requirements (Section 140). The Planning Code also prescribes allowable methods for measuring building heights (Section 260).

Residential dwelling units are principally permitted in the C districts. In the C-2 district, density is regulated based on prescribed ratios (Section 210.1). Senior Housing and Residential Care Facilities are conditionally permitted in C-3 districts (Section 210.2).

Planning Code Section 309 governs approval of permits in the C-3 district. Project sponsors may seek exceptions from certain Planning Code standards through the Section 309 review process. A public hearing is required for projects that result in a net addition of more than 50,000 square feet of gross floor area, include the construction of a new building greater than 75 feet in height or a vertical addition to an existing building that results in a total building height greater than 75 feet, or that require an exception.

Currently "adaptive reuse" is not a defined term in the Planning Code, and the Planning Code generally does not distinguish between the development standards and approval processes that apply to adaptive reuse projects versus ground-up new development.

Live work units are currently not permitted, other than as a Dwelling Unit accessory to other units pursuant to Section 204.4.

(2) Non-Residential Uses in C Districts

In addition to prescribed standards for residential uses, the Planning Code also contains development and use standards for non-Residential uses, including Commercial, Sales and Services, and Entertainment uses. Certain large scale retail uses are conditionally permitted or not permitted at all in the C-3 district (Section 121.6). Formula retail is not a permitted ground-floor use on Market Street in the C-3 district (Section 210.2). Accessory storage uses are not permitted in the C districts (Section 204.3). Laboratory, Life Science, and Agricultural and Beverage Processing are not permitted in C-2 districts (Section 210.1). Animal Hospitals

are conditionally permitted in C-2 districts and some C-3 districts (Sections 210.1). Outdoor Entertainment, Open Recreation Areas, Animal Hospitals, and Trade Schools are not permitted in certain C-3 districts (Section 210.2). The Planning Code also regulates permissible uses on various floors of a building, for example office and design professional uses on the second floor or higher in the C-3-R zoning district.

The Planning Code also regulates window transparency and display requirements in the C-3 zoning district (Section 145.1). It also provides standards for temporary installations (Section 205.1), and temporary, “pop-up” uses (Section 205.2).

Planning Code Section 248 provides that in the Transit Center C-3-O(SD) Commercial Special Use District all new development on lots larger than 15,000 square feet shall include not less than 2 gross square feet of principally or conditionally permitted commercial uses for every 1 gross square foot of dwellings or other housing uses. The Planning Commission may grant exceptions to this requirement pursuant to the procedures in Section 309.

(3) Sign Permitting in C-3 Districts and Citywide

Planning Code Section 604 requires a permit for new signs and certain changes in sign copy, and restricts removal of certain neon signs for routine maintenance and repair.

(4) Historic Preservation Review

Planning Code Section 1005 prescribes the review of permits relating to a designated landmark site or a designated historic district. Section 1005 contains several minor scopes of work that are exempt from Article 10 review. Section 1111 prescribes the review of permits relating to a Significant of Contributory Building or a building within a Conservation District. Section 1111.1 includes several scopes of work that do not require consistency with the Permit to Alter procedures.

(5) Commercial to Residential Use Ratio and Open Space In-Lieu Fee in C-3-O(SD)

Planning Code Section 248 requires a minimum of 2:1 ratio of commercial to residential uses for large projects (currently defined as 15k sq ft). In addition, in lieu of providing privately-owned public open space on-site, a project sponsor in the C-3-O(SD) District may pay a fee of \$1,410 for each square foot of usable open space not provided (Planning Code Section 426). The fee shall be paid into the Transit Center District Open Space Fund.

(6) Alternative Building Code Standards (Building Code)

Currently, the City’s Building Official and Fire Code Official are authorized to consider alternative building standards consistent with Sections 17951 and 19957 of the California Health and Safety Code.

(7) Zoning Controls for 555 9th Street

555 9th Street (Assessor’s Parcel Block No. 3781, Lot 003) is a shopping center that is zoned UMU (Urban Mixed Use). Formula retail is conditionally permitted in the UMU district and uses over certain sizes require a condition use authorization.

Amendments to Current Law

This ordinance would amend the Planning and Building Codes to achieve seven policy outcomes:

- Facilitate Residential Uses Downtown (Planning Code Amendments)
- Economically Revitalize Downtown
- Streamline Signage Permitting in C-3 Districts and Citywide
- Streamline Historic Preservation Review for certain types of work
- Provide Alternatives to On-Site Open Space Requirements in Certain C-3 Districts
- Facilitate Residential Adaptive Reuse in the Building Code (Building Code Amendments)
- Rezone a Portion of the Showplace Square Plan Area to C-2

(1) Facilitate Residential Uses Downtown (Planning Code Amendments) [Section 3 of Ordinance]

To facilitate residential uses Downtown, Section 3 of this ordinance would create a Commercial to Residential Adaptive Reuse program and effect accompanying revisions to underlying zoning controls.

This ordinance would create Planning Code Section 210.5 to facilitate Commercial to Residential Adaptive Reuse projects, defined as projects that include a change of use of any existing Gross Floor Area from a non-residential use, other than a hotel use, to a residential use. Eligible projects would be exempt from lot coverage (Planning Code Section 134), open space (Section 135), streetscape and pedestrian improvements (Section 138.1), off-street freight loading (Sections 152 and 152.1), bicycle parking (Sections 155.1 and 155.2), transportation demand management (Section 169), and dwelling unit mix (Section 207.7) requirements. Existing curb cuts for vehicular access would be exempt from Section 155(r), but new or expanded curb cuts would be subject to that section. Eligible projects would be subject to a reduced dwelling unit exposure requirement (Section 140) that could be satisfied through two different ways. Intermediate Length Occupancies would be principally permitted and exempt from the controls in Section 202.10(b)(1) and (b)(2), regardless of the number of units in the adaptive reuse project. Live Work units would also be permitted in these types of projects. If a proposed project would retain some non-residential uses, the ordinance clarifies that it is not intended to modify the existing obligation to comply with Section 138 (Privately Owned Public Open Space).

Eligible projects would not be subject to the hearing requirements of Planning Code Section 309, unless the project seeks exceptions not otherwise waived or modified in Section 210.5.

To be eligible for the benefits of Planning Code Section 210.5, a Commercial to Residential Adaptive Reuse project would need to:

- be located in a C-2 or C-3 zoning district that is east of or fronting Franklin Street/13th Street and north of Townsend Street;
- not seek waivers or concessions under Planning Code Section 206.5 or 206.6;
- not propose an addition to the building envelope that exceeds more than 33% of the existing building's Gross Floor Area. Projects that exceed the 33% limit would still be eligible for the benefits of the program, but any portions in excess of the 33% limit (measured from the lowest floor to the highest floor) would be subject to the applicable Planning Code requirements; and
- submit an application on or before December 31, 2028.

To facilitate these adaptive reuse projects and residential uses more generally, this ordinance would also effect accompanying changes to zoning controls, including:

- principally permit Senior Housing and Residential Care Facilities in C-3 districts (Section 210.2), described in further detail in Section 4 of the Ordinance; and
- adopt form-based density limits for residential uses in certain areas of the C-2 district (Section 210.1), described in further detail in Section 4 of the Ordinance.

The ordinance would also effect the following zoning changes:

- replace existing rear yard requirements with lot coverage requirements in the C districts (Planning Code Section 134);
- modify the thresholds and procedures for public hearings of permits in Downtown Residential Districts and C-3 districts to require a hearing for new buildings or vertical additions greater than 120 feet in height (Planning Code Section 309); and
- modify the dimensional limits on exemptions to height restrictions for mechanical equipment, elevator, stair, and mechanical penthouses, including restrictions applicable to existing buildings in the C-3 district (Section 260).

(2) Economically Revitalize Downtown [Section 4 of Ordinance]

The legislation seeks to economically revitalize Downtown by amending zoning controls to:

- define Flexible Workspace as a "Retail Sales and Service Use that is a combination of any uses within the Retail Sales and Service use category or a General Entertainment Use that operates in conjunction with a principally or conditionally permitted Non-Retail Sales and Service Use other than a Commercial Storage, Wholesale Sales, or Wholesale Storage Use" (Planning Code Section 102) and allow Flexible Workspace as an active ground floor commercial use along certain street frontages in the C-3 district (Section 145.4);
- authorize large scale retail uses (uses in excess of 50,000 gross square feet) in the C-3 zoning district (Section 121.6);
- allow window displays of at least four feet in depth in the C-3 zoning district (Section 145.1);
- allow accessory storage in C districts (Section 204.3);

- allow the temporary installation for 60 days of certain signs in the C-3-R district (Section 205.1);
- allow temporary “pop-up” non-residential uses in vacant spaces for up to one year in parcels in C-2 and C-3 zoning districts east of or fronting Franklin Street/13th Street and north of Townsend Street, NC, NCT, or Mixed-Use Districts (Section 205.2). This would include formula retail, if that use is permitted in the underlying zoning district;
- principally permit Laboratory, Life Science, Agricultural and Beverage Processing, and Animal Hospitals in C-2 districts (Section 210.1);
- principally permit Senior Housing, Residential Care Facilities, Outdoor Entertainment, Open Recreation Areas, Animal Hospitals, and Trade Schools in C-3 districts (Section 210.2);
- allow formula retail as a ground floor use on Market Street in C-3 districts (Section 210.2);
- principally permit office and design professional uses on the second floor and higher in the C-3-R zoning district (Section 210.2); and
- require consideration of office vacancy rates in consideration of granting exceptions in the Transit Center Commercial Special Use District (Section 248).

(3) Streamline Sign Permitting in C-3 Districts and Citywide [Section 5 of Ordinance]

This ordinance would exempt existing business signs in the C-3 zoning district from certain sign permit requirements in Planning Code Section 604; however, a change from general advertising to nongeneral advertising sign copy or from nongeneral advertising to general advertising sign copy or an increase in area would constitute a new sign subject to the permitting provisions of Section 604.

The ordinance would also allow certain nonconforming Neon Signs to be physically detached from a building for repairs or maintenance, subject to conditions (Section 604). This provision would be applicable citywide.

(4) Streamline Historic Preservation Review [Section 6 of Ordinance]

This ordinance would streamline review of minor permits to alter for awnings, as may be delegated by the Historic Preservation Commission (Section 1111.1).

(5) Increase Threshold for Commercial to Residential Zoning Control in the C-3-O district, and Provide Alternatives to the On-Site Open Space Requirement in Certain C-3 Districts [Section 7 of Ordinance]

The ordinance would increase the threshold for large projects subject to the 2:1 commercial to residential use limits in the C-3-O district to 20,000 square feet from 15,000 square feet.

As an alternative to providing on-site privately-owned public open space (“POPOS”) in the C-3-O, C-3-S, C-3-G, and C-3-R districts, this ordinance would allow for payment of an in lieu fee (Section 426). The amount of the in lieu fee would be equal to the fee currently assessed for the in lieu open space fees in the C-3-O(SD) District (Section 426(b)) and also adjusted

annually in accordance with Section 409. In the C-3-O, C-3-S, and C-3-G districts, POPOS fees would be paid into the Downtown Park Fund. POPOS fees in the C-3-R district would be paid into the Union Square Park, Recreation, and Open Space Fund. The fees collected in all four districts would be used for the purpose of acquiring, designing, and improving public open space, recreational facilities, and other open space resources.

(6) Facilitate Residential Adaptive Reuse (Building Code Amendments) [Section 8 of Ordinance]

To accommodate new residential uses while providing reasonable safety to the building occupants, this ordinance would create Section 111A of the Building Code entitled “Adaptive Reuse”. The ordinance would direct the Building Official and Fire Code Official to develop an alternative building standards manual, which would provide the building standards applicable to Commercial to Residential Adaptive Reuse projects. This alternative building standards manual would include technical information and implementation parameters, standards for determining technical infeasibility, and alternative standards if technical infeasibility is present, as well as other rules, requirements and procedures as the City deems necessary, for implementing the intent of Section 111A.

(7) Principally Permitting Formula Retail and Waiving Size Controls for a Portion of the Showplace Square Area in the Urban Mixed Use Zoning District [Section 9 of Ordinance]

The ordinance would also rezone a portion of the Urban Mixed Use zoning district to allow formula retail as a principally permitted use at the shopping center, and would waive any size controls for such uses.

Background Information

The ordinance contains numerous findings about the importance of Downtown to San Francisco’s economic vitality, and the negative impacts the COVID-19 pandemic have had on Downtown. It describes how San Francisco is faced with a crisis of housing affordability at the same time commercial vacancy rates have increased. It describes how the shift to hybrid work, with its consequent reduction in office workers and foot traffic, has adversely impacted Downtown and other sectors of the City’s economy, including retail and, small business, and more broadly has impacted use and activation of public space, transportation, and public safety. To remedy these problems, this ordinance would incentivize the conversion of Downtown non-residential buildings into residential units by exempting eligible projects from certain Planning Code standards. It also would enact local code changes to support existing and attract new businesses Downtown, and streamline approvals to draw consumers back to Downtown.

A substitute ordinance was introduced on April 11, 2023.

The ordinance was amended in the Land Use and Transportation Committee on June 5, 2023. The amendments related to providing more flexibility for adaptive reuse projects by:

waiving the transportation demand management requirements, adding a second means of satisfying the exposure requirement, and replacing the 20% gross floor area and one vertical story limits with a 33% limit for addition gross floor area before the Planning Code would apply. The amendments also provided more flexibility the Flexible Workspace use, and clarify that formula retail is permitted as a temporary use where it is already permitted as a retail use. This is not a change in the existing code. The amendment also clarified the boundary for the ordinance as applying to parcels in the C-2 and C-3 zoning districts east of or fronting Franklin Street/13th Street and north of Townsend Street. The amendments also included an obligation for adaptive reuse projects to preserve Privately Owned Public Open Space by clarifying that Section 210.5 does not alter, modify or waive the projects obligation to comply with Planning Code Section 138 (POPOS), if the project retains non-residential uses.

On June 12, 2023, the ordinance was further amended in the Land Use and Transportation Committee to exclude hotel uses from the adaptive reuse program. After the ordinance was amended, it was duplicated and further amended. Those amendments include additional waivers and modifications from the Planning Code from the requirements for off-street loading and curb cuts. The amendments also expanded the exception from the sign controls in Planning Code Section 604 to include portions of the C-2 zoning district east of or fronting Franklin Street/13th Street and north of Townsend street. Previously this exemption had been limited to just the C-3 zoning district. The ordinance was also amended to raise the threshold for large projects subject to the 2:1 commercial to residential use limits in the C-3-O district to 20,000 square feet from 15,000 square feet.

This ordinance was amended in the Land Use and Transportation Committee on July 17, 2023 to eliminate streamlined review of administrative certificates of appropriateness and Qualifying Scopes of Work.

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BUILDING INSPECTION COMMISSION (BIC)

Department of Building Inspection

Voice (628) 652 -3510

49 South Van Ness Avenue, 5th Floor San Francisco, California 94103

May 18, 2023

London N. Breed
Mayor

COMMISSION

Raquel Bito
President

Jason Tam
Vice-President

Alysabeth
Alexander-Tut
Bianca Neumann
Earl Shaddix
Angie Sommer

Ms. Angela Calvillo
Clerk of the Board
Board of Supervisors, City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4694

Dear Ms. Calvillo:

RE: File No. 230371-2

Sonya Harris
Secretary

Monique Mustapha
Asst. Secretary

Patrick O'Riordan,
C.B.O., Director

Ordinance amending the Planning Code to 1) facilitate residential uses Downtown by authorizing the conversion of non-residential uses to residential use in C (Commercial) zoning districts, and exempting such projects from requirements for rear yard, open space, streetscape improvements, dwelling unit exposure, bike parking, dwelling unit mix, and Intermediate Length Occupancy controls, permitting live work units in such project, streamlining administrative approvals for projects in the C-3 zoning district, and modifying the dimensional limits on exemptions to height restrictions for mechanical equipment, elevator, stair, and mechanical penthouses; 2) economically revitalize Downtown by adding Flexible Workspace as a defined use, authorizing large scale retail uses in the C-3 zoning district, allowing window displays in the C-3 zoning district, allowing Flexible Workspace as an active ground floor commercial use along certain street frontages in C-3 zoning districts, allowing accessory storage in any C zoning district, allowing the temporary installation for 60 days of certain signs in the C-3- R district, allowing temporary non-residential uses in vacant spaces for up to one year, reducing density limits for Residential Dwelling Units and Senior Housing in the C-2 zoning districts east of or fronting Van Ness/South Van Ness Avenue and north of Townsend Street, principally permitting Laboratory, Life Science, Agricultural and Beverage Processing, and Animal Hospitals in C-2 zoning districts, principally permitting Senior Housing, Residential Care Facilities, Outdoor Entertainment, Open Recreation Areas, Animal Hospitals, and Trade Schools in the C-3 zoning district, allowing formula retail as a ground floor use on Market Street, principally permitting office and design professional uses on the second floor and higher in the C-3-R zoning district, and requiring consideration of office vacancy in consideration of granting exceptions in the Transit Center Commercial Special Use District; 3) streamline sign permitting citywide and in the

C-3 districts by allowing for the repair and rehabilitation of certain neon signs, and exempting existing business signs in the C-3 zoning district from certain zoning controls; 4) streamline Historic Preservation review of administrative certificates of appropriateness, and minor permits to alter for awnings, and Qualifying Scopes of Work, as may be delegated by the Historic Preservation Commission; 5) provide alternatives to on-site open space in certain C-3 districts by allowing for payment of an in lieu fee as an alternative to providing open space; 6) facilitate residential adaptive reuse by amending the Building Code to add standards for adaptive reuse of non-residential buildings; and 7) principally permit formula retail and waive size limitations for such uses on a portion of Showplace Square Area (555-9th Street, Assessor's Parcel Block No. 3781, Lot No. 003); affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.

This amendment was heard at the Code Advisory Committee (CAC) meeting on May 10, 2023. The CAC voted unanimously to recommend five motions regarding the ordinance File No. 230371-2 amending the Planning and Building Codes.

The Building Inspection Commission met and held a public hearing on May 17, 2023 regarding File No. 230371-2 on the proposed amendment to the Planning and Building Codes referenced above. The Commissioners voted unanimously to **recommend approval** of the proposed Ordinance, in addition to including the following Code Advisory Committee's motions:

- 1) Code Advisory Committee (CAC) does not support relaxing the 2/3 seismic trigger regulating reinforcement in existing buildings per Section 503.11.1 Non-structural alterations.
- 2) CAC recommends using Administrative Bulletins and/or modifications to Chapter 5 of the San Francisco Existing Building Code in lieu of alternative building standards manual.
- 3) Create an Administrative Bulletin to clarify performance based seismic structural design using American Society of Civil Engineers (ASCE-41) Seismic Rehabilitation of Existing Buildings when converting existing buildings from non-residential uses to residential uses.
- 4) Provide workshops on how to use ASCE-41 for creating performance based design when applying for adaptive reuse permits. The CAC members felt a reintroduction of the design document would aid engineers in cost affective design while meeting life safety standards found in both the California and San Francisco Existing Building Codes.
- 5) The Code Advisory Committee (CAC) does not support relaxing the Building Code, nor rolling back the Code for these projects.

President Bito	Yes
Vice-President Tam	Excused
Commissioner Neumann	Yes
Commissioner Alexander-Tut	Excused
Commissioner Shaddix	Yes
Commissioner Sommer	Yes

Should you have any questions, please do not hesitate to call me at (628) 652-3510.

Sincerely,



Sonya Harris
Commission Secretary

cc: Patrick O'Riordan, Director
Mayor London N. Breed
Supervisor Aaron Peskin
Board of Supervisors



July 13, 2023

Ms. Angela Calvillo, Clerk
Mayor Breed and President Peskin
Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: Transmittal of Planning Department Case Number 2023-003165PCA: Planning and Building Codes -
Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization
Board File No. 230732

Planning Commission Recommendation: Approval with Modification

Dear Ms. Calvillo, Mayor Breed and President Peskin,

On July 13, 2023 the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance, introduced by Mayor Breed and President Peskin that would amend would amend the Planning Code and Building Code to support more residential uses Downtown by facilitating the adaptive reuse of commercial buildings, help to economically revitalize Downtown by allowing flexibility for more uses, and streamline permitting and review of project applications to better support the economic revitalization of Downtown. At the hearing the Planning Commission recommended approval with a modification.

The Commission's proposed modifications were as follows:

- Modify the Ordinance so that the title (page 2, line 12) correctly states the intended change of threshold for large projects subject to commercial to residential ratios applies to the C-3-O(SD) zoning district, consistent with the proposed revision to PC Section 248.

Mayor Breed and President Peskin, please advise the City Attorney at your earliest convenience if you wish to incorporate the changes recommended by the Commission.

Please find attached documents relating to the actions of the Commission. If you have any questions or require further information please do not hesitate to contact me.

Sincerely,

Lily Langlois
Principal Planner

cc: Austin Yang, Deputy City Attorney
Andres Power, Office of Mayor London N. Breed
Sunny Angulo, Aide to President Peskin
Jacob Bintliff, OEWD
Erica Major, Office of the Clerk of the Board

Attachments:

Planning Commission Resolution
Planning Department Executive Summary



PLANNING COMMISSION RESOLUTION NO. 21352

HEARING DATE: July 13, 2023

Project Name: Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization
Case Number: 2023-005431PCA / Board File No. 230732
Initiated by: Mayor Breed, Board President Peskin / Introduced April 4, 2023; Substitute Ordinance April 11, 2023; duplicated and amended in committee June 12, 2023
Staff Contact: Lily Langlois, Principal Planner, Citywide Division
lily.langlois@sfgov.org, 628-652-7472
Reviewed by: Joshua Switzky, Acting Director of Citywide Division
joshua.switzky@sfgov.org, 628.652.7464

APPROVING A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO 1) FACILITATE RESIDENTIAL USES DOWNTOWN BY AUTHORIZING THE CONVERSION OF NON-RESIDENTIAL USES TO RESIDENTIAL USE IN C (COMMERCIAL) ZONING DISTRICTS, AND EXEMPTING SUCH PROJECTS FROM REQUIREMENTS FOR REAR YARD, OPEN SPACE, STREETScape IMPROVEMENTS, DWELLING UNIT EXPOSURE, OFF-STREET FREIGHT LOADING, CURB CUTS FOR VEHICULAR ACCESS, BIKE PARKING, TRANSPORTATION DEMAND MANAGEMENT, DWELLING UNIT MIX, AND INTERMEDIATE LENGTH OCCUPANCY CONTROLS, PERMITTING LIVE WORK UNITS IN SUCH PROJECT, STREAMLINING ADMINISTRATIVE APPROVALS FOR PROJECTS IN THE C-3 ZONING DISTRICT, AND MODIFYING THE DIMENSIONAL LIMITS ON EXEMPTIONS TO HEIGHT RESTRICTIONS FOR MECHANICAL EQUIPMENT, ELEVATOR, STAIR, AND MECHANICAL PENTHOUSES; 2) ECONOMICALLY REVITALIZE DOWNTOWN BY ADDING FLEXIBLE WORKSPACE AS A DEFINED USE, AUTHORIZING LARGE SCALE RETAIL USES IN THE C-3 ZONING DISTRICT, ALLOWING WINDOW DISPLAYS IN THE C-3 ZONING DISTRICT, ALLOWING FLEXIBLE WORKSPACE AS AN ACTIVE GROUND FLOOR COMMERCIAL USE ALONG CERTAIN STREET FRONTAGES IN C-3 ZONING DISTRICTS, ALLOWING ACCESSORY STORAGE IN ANY C ZONING DISTRICT, ALLOWING THE TEMPORARY INSTALLATION FOR 60 DAYS OF CERTAIN SIGNS IN THE C-3-R DISTRICT, ALLOWING TEMPORARY NON-RESIDENTIAL USES IN VACANT SPACES FOR UP TO ONE YEAR, INCLUDING FORMULA RETAIL, REDUCING DENSITY LIMITS FOR RESIDENTIAL DWELLING UNITS AND SENIOR HOUSING IN THE C-2 ZONING DISTRICTS EAST OF OR FRONTING VAN NESS/SOUTH VAN NESS AVENUE FRANKLIN STREET/13TH STREET AND NORTH OF TOWNSEND STREET, PRINCIPALLY PERMITTING LABORATORY, LIFE SCIENCE, AGRICULTURAL AND BEVERAGE PROCESSING, AND ANIMAL HOSPITALS IN C-2 ZONING DISTRICTS, PRINCIPALLY PERMITTING SENIOR HOUSING, RESIDENTIAL CARE FACILITIES, OUTDOOR ENTERTAINMENT, OPEN RECREATION AREAS, ANIMAL HOSPITALS, AND TRADE SCHOOLS IN THE C-3 ZONING DISTRICT, ALLOWING FORMULA RETAIL AS A GROUND FLOOR USE ON MARKET STREET, PRINCIPALLY PERMITTING OFFICE AND DESIGN PROFESSIONAL USES ON THE SECOND FLOOR AND HIGHER IN THE C-3-R ZONING DISTRICT, AND REQUIRING CONSIDERATION OF OFFICE VACANCY IN CONSIDERATION OF GRANTING EXCEPTIONS IN THE TRANSIT CENTER COMMERCIAL SPECIAL USE DISTRICT; 3) STREAMLINE SIGN PERMITTING CITYWIDE AND IN THE C-3 AND PORTIONS OF THE C-2

DISTRICTS BY ALLOWING FOR THE REPAIR AND REHABILITATION OF CERTAIN NEON SIGNS, AND EXEMPTING EXISTING BUSINESS SIGNS IN THE C-3 ZONING DISTRICT FROM CERTAIN ZONING CONTROLS; 4) STREAMLINE HISTORIC PRESERVATION REVIEW OF ADMINISTRATIVE CERTIFICATES OF APPROPRIATENESS, AND MINOR PERMITS TO ALTER FOR AWNINGS, AND QUALIFYING SCOPES OF WORK, AS MAY BE DELEGATED BY THE HISTORIC PRESERVATION COMMISSION; 5) INCREASE THRESHOLD FOR LARGE PROJECTS SUBJECT TO COMMERCIAL TO RESIDENTIAL RATIOS IN THE C-3-O DISTRICT, AND PROVIDE ALTERNATIVES TO ON-SITE OPEN SPACE IN CERTAIN C-3 DISTRICTS BY ALLOWING FOR PAYMENT OF AN IN LIEU FEE AS AN ALTERNATIVE TO PROVIDING OPEN SPACE; 6) FACILITATE RESIDENTIAL ADAPTIVE REUSE BY AMENDING THE BUILDING CODE TO ADD STANDARDS FOR ADAPTIVE REUSE OF NONRESIDENTIAL BUILDINGS; AND 7) PRINCIPALLY PERMIT FORMULA RETAIL AND WAIVE SIZE LIMITATIONS FOR SUCH USES ON A PORTION OF SHOWPLACE SQUARE AREA (555-9TH STREET, ASSESSOR'S PARCEL BLOCK NO. 3781, LOT NO. 003); ADOPTING FINDINGS, INCLUDING ENVIRONMENTAL FINDINGS, PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.

WHEREAS, on April 4, 2023, Mayor Breed and Supervisor Peskin introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 230371, which would amend the Planning Code to support more Residential Uses Downtown by facilitating conversion of commercial buildings to residential, economically revitalize Downtown by allowing flexibility for more uses, and streamline permitting and review of some Planning Code requirements to better support economic revitalization downtown.

WHEREAS, on June 12, 2023, the Board Land Use and Transportation Committee duplicated and further amended the ordinance under Board File Number 230732 which included additional waivers and modifications from the Planning Code to further advance the objectives itemized above.

WHEREAS, the Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on July 13, 2023; and,

WHEREAS, the proposed ordinance is within the scope of the environmental analysis for the 2022 Housing Element Update. On November 17, 2022, the Planning Commission reviewed and considered the Final EIR (FEIR) for the 2022 Housing Element Update and certified the FEIR through approval of Motion No. 21206. The Planning Department reviewed and considered the proposed changes to the Planning Code and the Building Code and finds that the physical environmental impacts of these changes are within the scope of the analysis and findings for the Housing Element 2022 Update EIR.

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 with modifications** the proposed ordinance. The Commission's proposed recommendation(s) is/are as follows:

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 shift to hybrid work, with its consequent reduction in office workers and foot traffic, has adversely impacted the City's Downtown and other sectors of the City's economy, including retail and small business, and more broadly has impacted use and activation of public space, transportation, and public safety. This legislation would help facilitate adaptive reuse of commercial buildings. If governmental efforts at reducing regulatory barriers for adaptive reuse projects are successful, the result will be to re-activate the Downtown core, increase the City's housing stock, and establish new housing options in the Downtown core. This legislation would also help to bring new life to downtown, and revitalize the area economically, by allowing flexibility for more uses and streamline permitting and review of some Planning Code requirements.

Recommendation 1: Amend the Ordinance Title. The Commission recommends amending the title (page 2, line 12) because the current text incorrectly states that proposed revision applies to C-3-O zoning district, rather than the intended C-3-O(SD) zoning district.

General Plan Compliance

The proposed Ordinance and the Commission's recommended modifications are consistent with the following Objectives and Policies of the General Plan:

DOWNTOWN PLAN

OBJECTIVE 7

EXPAND THE SUPPLY OF HOUSING IN AND ADJACENT TO DOWNTOWN.

Policy 7.1

Promote the inclusion of housing in downtown commercial developments.

Policy 7.2

Facilitate conversion of underused industrial and commercial areas to residential use.

The proposed Ordinance would help facilitate adaptive reuse of commercial buildings to housing by waiving certain Planning Code requirements for existing buildings.

TRANSIT CENTER DISTRICT SUBAREA PLAN

OBJECTIVE 1.3

CONTINUE TO FOSTER A MIX OF LAND USES TO REINFORCE THE 24-HOUR CHARACTER OF THE AREA.

Policy 1.1

Increase the overall capacity of the Transit Center District for additional growth.

The proposed Ordinance recognizes that smaller lots are often not large enough to be developed with efficient office buildings and facilitates their maximum development potential, while retaining the largest sites for job-related growth.

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 1

MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

Policy 1.1

Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences that cannot be mitigated.

The proposed Ordinance will facilitate the establishment of new commercial and residential uses. Any potential undesirable consequences may be addressed through existing regulatory controls.

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.

Policy 2.3

Maintain a favorable social and cultural climate in the city in order to enhance its attractiveness as a firm location.

The proposed ordinance will bring new residents Downtown to facilitate reactivation of the area, in furtherance of economic and social revitalization, and restoration of Downtown's attractiveness as a firm location.

HOUSING ELEMENT

OBJECTIVE 7

EXPAND THE SUPPLY OF HOUSING IN AND ADJACENT TO DOWNTOWN.

POLICY 7.1

Promote the inclusion of housing in downtown commercial developments.

POLICY 7.2

Facilitate conversion of underused industrial and commercial areas to residential use.

The proposed Ordinance would help facilitate adaptive reuse of commercial buildings to housing by waiving certain Planning Code requirements for existing buildings.

IMPLEMENTING PROGRAMS

7. EXPANDING HOUSING CHOICES

Action 7.3.4

Study feasibility challenges and support proposals for adaptive re-use of vacant and underutilized commercial office buildings to potentially increase housing and affordable housing opportunities, especially if building types work well for groups that would benefit from their proximity to transit, services, or institutions, such as seniors, teachers, or students.

The proposed ordinance will help to facilitate adaptive reuse of commercial buildings and could help to create more housing units in an area of the City that is well-connected to jobs of various skill levels, and numerous public transit options.

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 support neighborhood-serving retail by allowing more retail uses downtown and that expanding retail uses would provide more opportunities for resident employment in and ownership of neighborhood-serving retail.

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 support more housing and more affordable housing by facilitating the adaptive reuse of commercial buildings.

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 will further the purposes of Articles 10 and 11 of the Planning Code by continuing to protect the special architectural, historical and aesthetic value of the City's downtown 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 WITH MODIFICATIONS the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on July 13, 2023.



Jonas P. Ionin
Commission Secretary

AYES: Braun, Ruiz, Diamond, Imperial, Koppel, Tanner

NOES: None

ABSENT: Moore

ADOPTED: July 13, 2023



EXECUTIVE SUMMARY

PLANNING CODE TEXT AMENDMENT

HEARING DATE: July 13, 2023

90-Day Deadline: When the 90-day review period ends or the new expiration date from an extension resolution

Project Name: Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization
Case Number: 2023-005431PCA / Board File No. 230732
Initiated by: Mayor Breed, Board President Peskin / Introduced April 4, 2023; Substitute Ordinance April 11, 2023; duplicated and amended in committee June 12, 2023
Staff Contact: Lily Langlois, Principal Planner, Citywide Division
 lily.langlois@sfgov.org, 628-652-7472
Reviewed by: Joshua Switzky, Acting Director of Citywide Planning
 joshua.switzky@sfgov.org, 628.652.7464

Environmental Review: Memorandum to File – [2022 Housing Element Update Final Environmental Impact Report](#)

Recommendation: Approval with Modifications

Planning Code Amendment

The Ordinance amended the Planning Code and Building Code to support more residential uses Downtown by facilitating the adaptive reuse of commercial buildings, help to economically revitalize Downtown by allowing flexibility for more uses, and streamline permitting and review of project applications to better support the economic revitalization of Downtown.

The proposed amendments would make further changes that are consistent with the Ordinance. Those amendments include:

- Waiving off-street freight loading requirements for commercial to residential adaptive reuse projects.
- Allowing pre-existing garage entries or driveways to remain on transit preferential streets for commercial to residential adaptive reuse projects.
- Exempting existing signs in C-2 zoning districts east of or fronting Franklin Street/13th Street and north

of Townsend Street from Planning Code Section 604.

- Increasing the threshold for projects subject to the 2:1 commercial to residential use limits in the C-3-O(SD) district to 20,000 square feet from 15,000 square feet.

The way it is now:		The Way it would be:
Facilitate Residential Uses Downtown [Section 3 of Ordinance]		
PC § 152. and 152.1.	Projects are subject to the off-street freight loading requirements specified in Sections 152. and 152.1.	Eligible Commercial to Residential Adaptive Reuse projects (as described in Section 210.5.) would be exempt from the off-street freight loading requirements specified in Sections 152. and 152.1.
PC § 155(r).	To preserve the pedestrian character of certain districts and to minimize delays to transit service, garage entries, driveways, and other vehicular access to off-street parking or loading via curb cuts on development lots are restricted per section 155(r).	Pre-existing garage entries, driveways, or other vehicular access to off-street parking and loading via curb cuts for eligible Commercial to Residential Adaptive Reuse projects would not be subject to Section 155(r). Creation of new or expanded garage entries, driveways, or other vehicular access to off-street parking and loading via curb cuts would still be subject to Section 155(r).
Streamline Sign Permitting in C-3 Districts and Citywide [Section 5 of Ordinance]		
PC § 604.	Planning Code Section 604 regulates permitting and conformance of existing and new signs. Signs removed by an owner (maintenance and repair), or which are required by law to be removed, may be restored only in full conformity.	Existing signage in a C-2 zoning district that is east of or fronting Franklin Street/13th Street and north of Townsend Street would not be subject to Section 604 or a more restrictive provision in a special sign district in Section 608 <i>et seq.</i> Previously this exemption had been limited to C-3 zoning districts.
Increase Threshold for Commercial to Residential Zoning Control in the C-3-O district [Section 7 of Ordinance]		
PC § 248.	Planning Code Section 248. requires that in the Transit Center C-3-O(SD) Commercial Special Use District all new development on lots larger than 15,000 square feet shall include not less than 2 gross square feet of principally or conditionally permitted commercial uses for every 1 gross square foot of dwellings or other housing uses. The Planning Commission may grant exceptions to this requirement pursuant to the procedures in Section 309.	The ordinance would increase the threshold for projects subject to the 2:1 commercial to residential use limits in the C-3-O district to 20,000 square feet from 15,000 square feet.

Background

The ordinance contains numerous findings about the importance of Downtown to San Francisco's economic vitality, and the negative impacts the COVID-19 pandemic have had on Downtown. It describes how San Francisco is faced with a crisis of housing affordability at the same time commercial vacancy rates have increased. It describes how the shift to hybrid work, with its consequent reduction in office workers and foot traffic, has adversely impacted Downtown and other sectors of the City's economy, including retail and, small business, and more broadly has impacted use and activation of public space, transportation, and public safety. To remedy these problems, this ordinance would incentivize the conversion of Downtown non-residential buildings into residential units by exempting eligible projects from certain Planning Code standards. It also would enact local code changes to support existing and attract new businesses Downtown and streamline approvals to draw consumers back to Downtown.

The ordinance was introduced on April 4, 2023, and heard at the Planning Commission on May 4, 2023. The Planning Commission recommended approval with modifications.

The ordinance was amended in the Land Use and Transportation Committee on June 5, 2023. The amendments related to providing more flexibility for adaptive reuse projects by: waiving the transportation demand management requirements, adding a second means of satisfying the exposure requirement, and replacing the 20% gross floor area and one vertical story limits with a 33% limit for addition gross floor area before the Planning Code would apply. The amendments also provided more flexibility for the Flexible Workspace use and clarified that formula retail is permitted as a temporary use where it is already permitted as a retail use. This is not a change to the existing code. The amendment also clarified the boundary for the ordinance as applying to parcels in the C-2 and C-3 zoning districts east of or fronting Franklin Street/13th Street and north of Townsend Street. The amendments also included an obligation for adaptive reuse projects to preserve Privately Owned Public Open Space by clarifying that Section 210.5 does not alter, modify or waive the projects obligation to comply with Planning Code Section 138 (POPOS), if the project retains non-residential uses.

On June 12, 2023, the ordinance was further amended in the Land Use and Transportation Committee to exclude hotel uses from the adaptive reuse program. That version of the ordinance (Board File 230371) was recommended as amended to the Board of Supervisors and passed on second reading, June 27th, 2023.

After the ordinance was amended, it was duplicated and further amended (Board File 230732). Those amendments include additional waivers and modifications from the Planning Code from the requirements for off-street loading and curb cuts for commercial to residential adaptive reuse projects. The amendments also expanded the exception from the sign controls in Planning Code Section 604 to include portions of the C-2 zoning district east of or fronting Franklin Street/13th Street and north of Townsend Street. Previously this exemption had been limited to the C-3 zoning districts. The ordinance was also amended to raise the threshold for large projects subject to the 2:1 commercial to residential use limits in the C-3-O(SD) district to 20,000 square feet from 15,000 square feet. Because these four amendments were not discussed at the Planning Commission hearing on May 4th and are determined to be substantive, the amendments are now before the Planning Commission.

Issues and Considerations

The ordinance would incentivize the conversion of non-residential buildings into residential units by exempting eligible projects from certain Planning Code standards. It would also enact local code changes to support existing and attract new businesses Downtown and streamline approvals to draw consumers back Downtown.

Economic Feasibility of Office-to-Residential Conversion

In March 2023, SPUR, Gensler, ULI and HR+A Advisors released a summary of [findings](#) from a report on office to residential conversion. The report finds that *the “city’s planning and building code requirements represent a major challenge for conversions.”* The changes to the Planning Code in this ordinance would help to facilitate adaptive reuse of commercial buildings by waiving certain planning code requirements. The report also finds that the *“city’s inclusionary housing requirement and impact fees are major barriers to conversion.”* Legislation introduced by Supervisor Dorsey on April 4, 2023 [Board File No. 230372] aims to help with the economic feasibility of adaptive reuse projects by waiving certain development impact fees.

General Plan Compliance and Racial and Social Equity Analysis

Understanding the potential benefits, burdens and the opportunities to advance racial and social equity that proposed Planning Code amendments provide is part of the Department’s Racial and Social Equity Action Plan. This is also consistent with the Mayor’s Citywide Strategic Initiatives for equity and accountability, the Planning and Historic Preservation Commissions’ 2020 Equity Resolutions, and with the Office of Racial Equity mandates, which requires all Departments to conduct this analysis. Below are some specific issues to consider:

San Francisco’s recently certified Housing Element is the first General Plan Element to center on racial and social equity. It includes policies and programs that express the City’s collective vision and values for the future of housing in San Francisco. Objective 7 of the Housing Element is to expand housing choices. The Expanding Housing Choices program area includes various programs that will increase housing choices for residents in a variety of housing types. This program includes rezoning to accommodate Regional Housing Needs Assessment (RHNA) goals, allowing more homes in small and mid-rise multifamily buildings, and support for ADUs in existing residential buildings. Importantly, it also encourages actions to support additional housing near major transit nodes and jobs centers, such as new housing and conversions of offices downtown. Specifically, Housing Element Implementation Action 7.3.4 states: “Study feasibility challenges and support proposals for adaptive reuse of vacant and under-utilized commercial office buildings to potentially increase housing and affordable housing opportunities, especially if building types work well for groups that would benefit from their proximity to transit, services, or institutions, such as seniors, teachers, or students.” Though the proposed Ordinance does not have a direct racial and social equity benefit, increasing the amount of housing in well-resourced areas that have seen little housing production will assist in creating more housing choices and opportunities for all residents.

Downtown is important to the City’s economy, representing 75% of the City’s GPD, 40% of the City’s jobs, and has a high concentration of employment for people of color. The proposed ordinance seeks to support economic revitalization of Downtown by amending zoning controls to allow more flexibility and diversity of uses. Maintaining a sound and diverse economic base, attracting new industries, and concentrating commercial

activity are common themes in the Commerce and Industry Element and the Downtown Plan.

Implementation

The Department has determined that this ordinance will improve our current implementation procedures by streamlining review of certain projects and providing more clarity and certainty in the development review process.

Recommendation

The Department recommends that the Commission *approve with modifications* the proposed Ordinance and adopt the attached Draft Resolution to that effect. The Department's proposed recommendations are as follows:

1. Modify the Ordinance so that the title (page 2, line 12) correctly states the intended change of threshold for large projects subject to commercial to residential ratios applies to the C-3-O(SD) zoning district, consistent with the proposed revision to PC Section 248.

Basis for Recommendation

The shift to hybrid work, with its consequent reduction in office workers and foot traffic, has adversely impacted the City's Downtown and other sectors of the City's economy, including retail and small business, and more broadly has impacted use and activation of public space, transportation, and public safety. This legislation would help facilitate adaptive reuse of commercial buildings. If governmental efforts at reducing regulatory barriers for adaptive reuse projects are successful the result will be to re-activate the Downtown core, increase the City's housing stock, and establish new housing options in the Downtown core. This legislation would also help to bring new life to downtown, and economically revitalize the area by allowing flexibility for more uses and streamline permitting and review of some Planning Code requirements.

Recommendation 1: Amend the Ordinance Title. Staff recommends amending the title (page 2, line 12) because the current text incorrectly states that proposed revision applies to C-3-O zoning district, rather than the intended C-3-O(SD) zoning 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 ordinance is within the scope of the environmental analysis for the 2022 Housing Element Update. On November 17, 2022, the Planning Commission reviewed and considered the Final EIR (FEIR) for the 2022 Housing Element Update and certified the FEIR through approval of Motion No. 21206. The Planning Department reviewed and considered the proposed changes to the Planning Code and the Building Code and finds that the

physical environmental impacts of these changes are within the scope of the analysis and findings for the Housing Element 2022 Update EIR.

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. 230732



PLANNING COMMISSION DRAFT RESOLUTION

HEARING DATE: July 13, 2023

Project Name: Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization
Case Number: 2023-005431PCA / Board File No. 230732
Initiated by: Mayor Breed, Board President Peskin / Introduced April 4, 2023; Substitute Ordinance April 11, 2023; duplicated and amended in committee June 12, 2023
Staff Contact: Lily Langlois, Principal Planner, Citywide Division
lily.langlois@sfgov.org, 628-652-7472
Reviewed by: Joshua Switzky, Acting Director of Citywide Division
joshua.switzky@sfgov.org, 628.652.7464

APPROVING A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO 1) FACILITATE RESIDENTIAL USES DOWNTOWN BY AUTHORIZING THE CONVERSION OF NON-RESIDENTIAL USES TO RESIDENTIAL USE IN C (COMMERCIAL) ZONING DISTRICTS, AND EXEMPTING SUCH PROJECTS FROM REQUIREMENTS FOR REAR YARD, OPEN SPACE, STREETScape IMPROVEMENTS, DWELLING UNIT EXPOSURE, OFF-STREET FREIGHT LOADING, CURB CUTS FOR VEHICULAR ACCESS, BIKE PARKING, TRANSPORTATION DEMAND MANAGEMENT, DWELLING UNIT MIX, AND INTERMEDIATE LENGTH OCCUPANCY CONTROLS, PERMITTING LIVE WORK UNITS IN SUCH PROJECT, STREAMLINING ADMINISTRATIVE APPROVALS FOR PROJECTS IN THE C-3 ZONING DISTRICT, AND MODIFYING THE DIMENSIONAL LIMITS ON EXEMPTIONS TO HEIGHT RESTRICTIONS FOR MECHANICAL EQUIPMENT, ELEVATOR, STAIR, AND MECHANICAL PENTHOUSES; 2) ECONOMICALLY REVITALIZE DOWNTOWN BY ADDING FLEXIBLE WORKSPACE AS A DEFINED USE, AUTHORIZING LARGE SCALE RETAIL USES IN THE C-3 ZONING DISTRICT, ALLOWING WINDOW DISPLAYS IN THE C-3 ZONING DISTRICT, ALLOWING FLEXIBLE WORKSPACE AS AN ACTIVE GROUND FLOOR COMMERCIAL USE ALONG CERTAIN STREET FRONTAGES IN C-3 ZONING DISTRICTS, ALLOWING ACCESSORY STORAGE IN ANY C ZONING DISTRICT, ALLOWING THE TEMPORARY INSTALLATION FOR 60 DAYS OF CERTAIN SIGNS IN THE C-3-R DISTRICT, ALLOWING TEMPORARY NON-RESIDENTIAL USES IN VACANT SPACES FOR UP TO ONE YEAR, INCLUDING FORMULA RETAIL, REDUCING DENSITY LIMITS FOR RESIDENTIAL DWELLING UNITS AND SENIOR HOUSING IN THE C-2 ZONING DISTRICTS EAST OF OR FRONTING VAN NESS/SOUTH VAN NESS AVENUE FRANKLIN STREET/13TH STREET AND NORTH OF TOWNSEND STREET, PRINCIPALLY PERMITTING LABORATORY, LIFE SCIENCE, AGRICULTURAL AND BEVERAGE PROCESSING, AND ANIMAL HOSPITALS IN C-2 ZONING DISTRICTS, PRINCIPALLY PERMITTING SENIOR HOUSING, RESIDENTIAL CARE FACILITIES, OUTDOOR

ENTERTAINMENT, OPEN RECREATION AREAS, ANIMAL HOSPITALS, AND TRADE SCHOOLS IN THE C-3 ZONING DISTRICT, ALLOWING FORMULA RETAIL AS A GROUND FLOOR USE ON MARKET STREET, PRINCIPALLY PERMITTING OFFICE AND DESIGN PROFESSIONAL USES ON THE SECOND FLOOR AND HIGHER IN THE C-3-R ZONING DISTRICT, AND REQUIRING CONSIDERATION OF OFFICE VACANCY IN CONSIDERATION OF GRANTING EXCEPTIONS IN THE TRANSIT CENTER COMMERCIAL SPECIAL USE DISTRICT; 3) STREAMLINE SIGN PERMITTING CITYWIDE AND IN THE C-3 AND PORTIONS OF THE C-2 DISTRICTS BY ALLOWING FOR THE REPAIR AND REHABILITATION OF CERTAIN NEON SIGNS, AND EXEMPTING EXISTING BUSINESS SIGNS IN THE C-3 ZONING DISTRICT FROM CERTAIN ZONING CONTROLS; 4) STREAMLINE HISTORIC PRESERVATION REVIEW OF ADMINISTRATIVE CERTIFICATES OF APPROPRIATENESS, AND MINOR PERMITS TO ALTER FOR AWNINGS, AND QUALIFYING SCOPES OF WORK, AS MAY BE DELEGATED BY THE HISTORIC PRESERVATION COMMISSION; 5) INCREASE THRESHOLD FOR LARGE PROJECTS SUBJECT TO COMMERCIAL TO RESIDENTIAL RATIOS IN THE C-3-O DISTRICT, AND PROVIDE ALTERNATIVES TO ON-SITE OPEN SPACE IN CERTAIN C-3 DISTRICTS BY ALLOWING FOR PAYMENT OF AN IN LIEU FEE AS AN ALTERNATIVE TO PROVIDING OPEN SPACE; 6) FACILITATE RESIDENTIAL ADAPTIVE REUSE BY AMENDING THE BUILDING CODE TO ADD STANDARDS FOR ADAPTIVE REUSE OF NONRESIDENTIAL BUILDINGS; AND 7) PRINCIPALLY PERMIT FORMULA RETAIL AND WAIVE SIZE LIMITATIONS FOR SUCH USES ON A PORTION OF SHOWPLACESQUARE AREA (555-9TH STREET, ASSESSOR'S PARCEL BLOCK NO. 3781, LOT NO. 003); ADOPTING FINDINGS, INCLUDING ENVIRONMENTAL FINDINGS, PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.

WHEREAS, on April 4, 2023, Mayor Breed and Supervisor Peskin introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 230371, which would amend the Planning Code to support more Residential Uses Downtown by facilitating conversion of commercial buildings to residential, economically revitalize Downtown by allowing flexibility for more uses, and streamline permitting and review of some Planning Code requirements to better support economic revitalization downtown.

WHEREAS, on June 12, 2023, the Board Land Use and Transportation Committee duplicated and further amended the ordinance under Board File Number 230732 which included additional waivers and modifications from the Planning Code to further advance the objectives itemized above.

WHEREAS, the Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on July 13, 2023; and,

WHEREAS, the proposed ordinance is within the scope of the environmental analysis for the 2022 Housing Element Update. On November 17, 2022, the Planning Commission reviewed and considered the Final EIR (FEIR) for the 2022 Housing Element Update and certified the FEIR through approval of Motion No. 21206. The Planning Department reviewed and considered the proposed changes to the Planning Code and the Building Code and finds that the physical environmental impacts of these changes are within the scope of the analysis and findings for the Housing Element 2022 Update EIR.

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 with modifications** the proposed ordinance. The Commission's proposed recommendation(s) is/are as follows:

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 shift to hybrid work, with its consequent reduction in office workers and foot traffic, has adversely impacted the City's Downtown and other sectors of the City's economy, including retail and small business, and more broadly has impacted use and activation of public space, transportation, and public safety. This legislation would help facilitate adaptive reuse of commercial buildings. If governmental efforts at reducing regulatory barriers for adaptive reuse projects are successful, the result will be to re-activate the Downtown core, increase the City's housing stock, and establish new housing options in the Downtown core. This legislation would also help to bring new life to downtown, and revitalize the area economically, by allowing flexibility for more uses and streamline permitting and review of some Planning Code requirements.

Recommendation 1: Amend the Ordinance Title. The Commission recommends amending the title (page 2, line 12) because the current text incorrectly states that proposed revision applies to C-3-O zoning district, rather than the intended C-3-O(SD) zoning district.

General Plan Compliance

The proposed Ordinance and the Commission's recommended modifications are consistent with the following Objectives and Policies of the General Plan:

DOWNTOWN PLAN

OBJECTIVE 7

EXPAND THE SUPPLY OF HOUSING IN AND ADJACENT TO DOWNTOWN.

Policy 7.1

Promote the inclusion of housing in downtown commercial developments.

Policy 7.2

Facilitate conversion of underused industrial and commercial areas to residential use.

The proposed Ordinance would help facilitate adaptive reuse of commercial buildings to housing by waiving certain Planning Code requirements for existing buildings.

TRANSIT CENTER DISTRICT SUBAREA PLAN

OBJECTIVE 1.3

CONTINUE TO FOSTER A MIX OF LAND USES TO REINFORCE THE 24-HOUR CHARACTER OF THE AREA.

Policy 1.1

Increase the overall capacity of the Transit Center District for additional growth.

The proposed Ordinance recognizes that smaller lots are often not large enough to be developed with efficient office buildings and facilitates their maximum development potential, while retaining the largest sites for job-related growth.

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 1

MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

Policy 1.1

Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences that cannot be mitigated.

The proposed Ordinance will facilitate the establishment of new commercial and residential uses. Any potential undesirable consequences may be addressed through existing regulatory controls.

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.

Policy 2.3

Maintain a favorable social and cultural climate in the city in order to enhance its attractiveness as a firm location.

The proposed ordinance will bring new residents Downtown to facilitate reactivation of the area, in furtherance of economic and social revitalization, and restoration of Downtown's attractiveness as a firm location.

HOUSING ELEMENT

OBJECTIVE 7

EXPAND THE SUPPLY OF HOUSING IN AND ADJACENT TO DOWNTOWN.

POLICY 7.1

Promote the inclusion of housing in downtown commercial developments.

POLICY 7.2

Facilitate conversion of underused industrial and commercial areas to residential use.

The proposed Ordinance would help facilitate adaptive reuse of commercial buildings to housing by waiving certain Planning Code requirements for existing buildings.

IMPLEMENTING PROGRAMS

7. EXPANDING HOUSING CHOICES

Action 7.3.4

Study feasibility challenges and support proposals for adaptive re-use of vacant and underutilized commercial office buildings to potentially increase housing and affordable housing opportunities, especially if building types work well for groups that would benefit from their proximity to transit, services, or institutions, such as seniors, teachers, or students.

The proposed ordinance will help to facilitate adaptive reuse of commercial buildings and could help to create more housing units in an area of the City that is well-connected to jobs of various skill levels, and numerous public transit options.

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 support neighborhood-serving retail by allowing more retail uses downtown and that expanding retail uses would provide more opportunities for resident employment in and ownership of neighborhood-serving retail.

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 support more housing and more affordable housing by facilitating the adaptive reuse of commercial buildings.

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 will further the purposes of Articles 10 and 11 of the Planning Code by continuing to protect the special architectural, historical and aesthetic value of the City's downtown 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 WITH MODIFICATIONS the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on July 13, 2023.

Jonas P. Ionin
Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED: July 13, 2023

1 [Planning and Building Codes - Commercial to Residential Adaptive Reuse and Downtown
2 Economic Revitalization]

3 **Ordinance amending the Planning Code to 1) facilitate residential uses Downtown**
4 **by authorizing the conversion of non-residential uses to residential use in C**
5 **(Commercial) zoning districts, and exempting such projects from requirements**
6 **for rear yard, open space, streetscape improvements, dwelling unit exposure, off-**
7 **street freight loading, curb cuts for vehicular access, bike parking, transportation**
8 **demand management, dwelling unit mix, and Intermediate Length Occupancy**
9 **controls, permitting live work units in such project, streamlining administrative**
10 **approvals for projects in the C-3 zoning district, and modifying the dimensional**
11 **limits on exemptions to height restrictions for mechanical equipment, elevator,**
12 **stair, and mechanical penthouses; 2) economically revitalize Downtown by**
13 **adding Flexible Workspace as a defined use, authorizing large scale retail uses in**
14 **the C-3 zoning district, allowing window displays in the C-3 zoning district,**
15 **allowing Flexible Workspace as an active ground floor commercial use along**
16 **certain street frontages in C-3 zoning districts, allowing accessory storage in any**
17 **C zoning district, allowing the temporary installation for 60 days of certain signs**
18 **in the C-3-R district, allowing temporary non-residential uses in vacant spaces for**
19 **up to one year, including formula retail, reducing density limits for Residential**
20 **Dwelling Units and Senior Housing in the C-2 zoning districts east of or fronting**
21 **~~Van Ness/South Van Ness Avenue~~ Franklin Street/13th Street and north of**
22 **Townsend Street, principally permitting Laboratory, Life Science, Agricultural and**
23 **Beverage Processing, and Animal Hospitals in C-2 zoning districts, principally**
24 **permitting Senior Housing, Residential Care Facilities, Outdoor Entertainment,**
25 **Open Recreation Areas, Animal Hospitals, and Trade Schools in the C-3 zoning**

1 district, allowing formula retail as a ground floor use on Market Street, principally
2 permitting office and design professional uses on the second floor and higher in
3 the C-3-R zoning district, and requiring consideration of office vacancy in
4 consideration of granting exceptions in the Transit Center Commercial Special
5 Use District; 3) streamline sign permitting citywide and in the C-3 and portions of
6 the C-2 districts by allowing for the repair and rehabilitation of certain neon signs,
7 and exempting existing business signs in the C-3 zoning district from certain
8 zoning controls; 4) streamline Historic Preservation review of administrative
9 certificates of appropriateness, and minor permits to alter for awnings, and
10 Qualifying Scopes of Work, as may be delegated by the Historic Preservation
11 Commission; 5) increase threshold for large projects subject to commercial to
12 residential ratios in the C-3-O district, and provide alternatives to on-site open
13 space in certain C-3 districts by allowing for payment of an in lieu fee as an
14 alternative to providing open space; 6) facilitate residential adaptive reuse by
15 amending the Building Code to add standards for adaptive reuse of non-
16 residential buildings; and 7) principally permit formula retail and waive size
17 limitations for such uses on a portion of Showplace Square Area (555-9th Street,
18 Assessor's Parcel Block No. 3781, Lot No. 003); affirming the Planning
19 Department's determination under the California Environmental Quality Act;
20 making findings of consistency with the General Plan, and the eight priority
21 policies of Planning Code, Section 101.1; and making findings of public
22 necessity, convenience, and welfare pursuant to Planning Code, Section 302.

23 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
24 **Additions to Codes** are in *single-underline italics Times New Roman font*.
25 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.

Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. Environmental, Land Use, and Building Findings.

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

(b) On _____, the Planning Commission, in Resolution No. _____, 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 Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the Board of Supervisors in File No. _____, and is incorporated herein by reference.

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

(d) On _____, at a duly noticed public hearing, the Building Inspection Commission considered this ordinance in accordance with Charter Section D3.750-5 and Building Code Section 104A.2.11.1.1. A copy of a letter from the Secretary of the Building Inspection Commission regarding the Commission's

1 recommendation is on file with the Clerk of the Board of Supervisors in File No.

2 _____.

3 (e) No local findings are required under California Health and Safety Code
4 Section 17958.7 because the amendments to the Building Code contained in this
5 ordinance do not regulate materials or manner of construction or repair, and instead
6 relate in their entirety to administrative procedures for implementing the code and
7 remedies available for enforcing code violations, which are expressly excluded from the
8 definition of a “building standard” by California Health and Safety Code Section
9 18909(c).

10
11 Section 2. General Background and Findings.

12 (a) California faces a severe crisis of housing affordability and availability,
13 prompting the Legislature to declare, in Section 65589.5 of the Government Code, that
14 the state has “a housing supply and affordability crisis of historic proportions. The
15 consequences of failing to effectively and aggressively confront this crisis are hurting
16 millions of Californians, robbing future generations of a chance to call California home,
17 stifling economic opportunities for workers and businesses, worsening poverty and
18 homelessness, and undermining the state’s environmental and climate objectives.”

19 (b) This crisis of housing affordability and availability is particularly severe in San
20 Francisco. It is characterized by dramatic increases in rent and home sale prices over
21 recent years.

22 (c) According to the Planning Department’s 2020 Housing Inventory, the cost of
23 housing in San Francisco has increased dramatically since the Great Recession of
24 2008-2009, with the median sale price for a two-bedroom house more than tripling from
25 2011 to 2021, from \$493,000 to \$1,580,000. This includes a 9% increase from 2019 to

1 2020 alone, even in the face of the COVID-19 pandemic. The median rental price for a
2 two-bedroom apartment saw similar although slightly smaller increases, nearly doubling
3 from \$2,570 to \$4,500 per month, from 2011 to 2019, before declining in 2020 due to
4 the pandemic.

5 (d) These housing cost trends come after decades of underproduction of
6 housing in the Bay Area, according to the Planning Department's 2019 Housing
7 Affordability Strategies Report. The City's Chief Economist has estimated that
8 approximately 5,000 new market-rate housing units per year would be required to keep
9 housing prices in San Francisco constant with the general rate of inflation.

10 (e) Moreover, San Francisco will be challenged to meet increased Regional
11 Housing Needs Allocation ("RHNA") goals in the upcoming 2023-2031 Housing Element
12 cycle, which total 82,069 units over eight years, more than 2.5 times the goal of the
13 previous eight-year cycle. The importance of meeting these goals to address housing
14 needs is self-evident. In addition, under relatively new State laws like Senate Bill 35
15 (2017), failure to meet the 2023-2031 RHNA housing production goals would result in
16 limitations on San Francisco's control and discretion over certain projects.

17 (f) At the same time, the City faces reduced demand for office space and large
18 increases in commercial vacancy rates, as the impacts to the workforce wrought by the
19 COVID-19 pandemic – most notably the shift toward remote work – persist even as
20 public health threats have waned. These changes have been particularly prominent in
21 the Greater Downtown Area, defined as the North Financial District, South Financial
22 District, Mid-Market, Union Square, Jackson Square, Mission Bay/China Basin, North
23 Waterfront, Showplace Square, South of Market, and the Van Ness Corridor (referred to
24 in this ordinance as "Downtown"). In the Greater Downtown Area, the office sector has
25 experienced a fourfold increase in total vacancy rate between the third quarter of 2019

1 and the third quarter of 2022, driven largely by reduced space needs due to the rise of
2 remote work.

3 (g) To address the twin problems of under-utilized office space and lack of
4 affordable and available housing in San Francisco, a recent report from the Board of
5 Supervisors' Budget and Legislative Analyst, dated January 6, 2023, urges City
6 policymakers to consider programs to incentivize the conversion of office space into
7 residential units ("BLA Report"). The BLA Report identifies various policy options to
8 incentivize the conversion of office buildings, including reducing regulatory hurdles,
9 such as protracted approval timeframes; exempting or relaxing projects from various
10 standards in the Planning Code; and offering financial incentives to offset the costly
11 architectural and engineering challenges of these conversions.

12 (h) Prior to the COVID-19 pandemic, two-thirds of the City's total jobs were
13 located Downtown, representing more than three-quarters of the City's total gross
14 domestic product ("GDP"). San Francisco is also the economic hub for the Bay Area.
15 With a \$250 billion annual GDP in 2022, San Francisco accounted for more than one-
16 quarter of the nine-county Bay Area economy — and 79% of the City's share of the Bay
17 Area economy stems from office-based industries concentrated Downtown. Downtown-
18 based businesses have historically generated nearly half of the City's sales tax revenue
19 and almost all (95%) of the City's business tax revenue. This revenue funds many key
20 services such as public safety, cleaning, open space, and transportation.

21 (i) The shift to hybrid work, with its consequent reduction in office workers and
22 foot traffic, has adversely impacted the City's Downtown and other sectors of the City's
23 economy, including retail and small business, and more broadly has impacted use and
24 activation of public space, transportation, and public safety.

1 (k) On February 9, 2023, Mayor Breed issued a Roadmap to Downtown San
2 Francisco's Future. Several of the plan's key policies include: (1) the economic
3 diversification of Downtown and the revisioning of office space there, (2) expanding
4 Downtown housing, (3) activating Downtown and enacting zoning controls that draw
5 people Downtown, and (4) maximizing flexibility for uses and economic activity in the
6 Union Square area, which has historically played a unique role citywide, regionally, and
7 internationally as a center for shopping, entertainment, and services.

8 (l) This ordinance would incentivize the conversion of non-residential buildings
9 into residential units by exempting eligible projects from certain Planning Code
10 standards. It also would enact local code changes to support existing and attract new
11 businesses Downtown, and streamline approvals to draw consumers back Downtown.

12 (m) To achieve these ends, this ordinance contains seven sections, each of
13 which comprises a policy objective: Section 3 includes Planning Code amendments to
14 facilitate residential uses Downtown, including the creation of a Commercial to
15 Residential Adaptive Reuse program; Section 4 includes Planning Code amendments to
16 economically revitalize downtown, by creating a new Retail Sales and Service Use type
17 and relaxing restrictions on existing uses Downtown; Section 5 includes Planning Code
18 Amendments to streamline sign permitting in C-3 zoning districts as well as Citywide;
19 Section 6 will streamline Historic Preservation review of administrative certificates of
20 appropriateness, and minor permits to alter for awnings, and Qualifying Scopes of
21 Work; Section 7 provides an in lieu fee alternative to on-site privately-owned public
22 space requirements in certain C-3 Districts; Section 8 amends the San Francisco
23 Building Code to facilitate residential adaptive reuse of existing buildings; and Section 9
24 principally permits formula retail on a portion of Showplace Square Area.

1 Section 3. Facilitate Residential Uses Downtown. The Planning Code is hereby
2 amended by revising Sections 102, 134, 135, 140, 155.1, 155.2, 207.7, 210.1, 210.2,
3 260, 309, and 309.1, and adding Section 210.5, to read as follows:

4
5 **SEC. 102. DEFINITIONS.**

6 * * * *

7 **City.** The City and County of San Francisco.

8 **Commercial to Residential Adaptive Reuse.** Commercial to Residential Adaptive Reuse
9 shall mean to change the use of an existing Gross Floor Area from a non-residential use to a
10 residential use pursuant to Section 210.5.

11 * * * *

12 **Live/Work Unit.** A hybrid Residential and PDR Use that is defined as a structure
13 or portion of a structure combining a residential living space for a group of persons
14 including not more than four adults in the same unit with an integrated work space
15 principally used by one or more of the residents of that unit; provided, however, that no
16 otherwise qualifying portion of a structure that contains a Group A occupancy under the
17 Building Code shall be considered a Live/Work Unit. No City official, department, board,
18 or commission shall issue or approve a building permit or other land use entitlement
19 authorizing a new live/work unit as defined here, except as authorized under Section
20 210.5, or as an accessory use under Section 204.4. Lawfully approved live/work units
21 are subject to the provisions of Sections 181 and 317 of this Code.

22 * * * *

1 **SEC. 134. REAR YARDS IN R, RC, NC, ~~C~~, SPD, M, MUG, WMUG, MUO, MUR,**
2 **UMU, RED, AND RED-MX DISTRICTS; AND LOT COVERAGE REQUIREMENTS IN C**
3 **DISTRICTS.**

4 (c) **Basic Requirements.** The basic rear yard requirements shall be as follows
5 for the districts indicated:

6 * * * *

7 (2) **RM-3, RM-4, RC-3, RC-4, NC Districts other than the Pacific**
8 **Avenue NC District, ~~C~~, M, MUG, WMUG, MUO, CMUO, MUR, UMU, RED, RED-MX,**
9 **and SPD Districts.** Except as specified in this subsection (c), the minimum rear yard
10 depth shall be equal to 25% of the total depth of the lot on which the building is situated,
11 but in no case less than 15 feet.

12 * * * *

13 (E) **RC-3, RC-4, NC-3, NCT-3, Bayview, Broadway, Fillmore**
14 **Street, Geary Boulevard, Hayes-Gough, Japantown, SoMa NCT, Mission Bernal,**
15 **Mission Street, Polk Street, Lower Polk Street, Pacific Avenue, ~~C~~, M, SPD, MUR,**
16 **MUG, MUO, and UMU Districts.** Rear yards shall be provided at the lowest story
17 containing a Dwelling Unit, and at each succeeding level or story of the building. In the
18 Hayes-Gough NCT, lots fronting the east side of Octavia Boulevard between Linden
19 and Market Streets (Central Freeway Parcels L, M, N, R, S, T, U, and V) are not
20 required to provide rear yards at any level of the building, provided that the project fully
21 meets the usable open space requirement for Dwelling Units pursuant to Section 135. *of*
22 *this Code, meets* the exposure requirements of Section 140, and gives adequate
23 architectural consideration to the light and air needs of adjacent buildings given the
24 constraints of the project site.

25 * * * *

1 (H) Lot Coverage in C Districts. Lot coverage is limited to 80% at all
2 levels containing residential uses, except that on levels that include only lobbies and circulation
3 areas and on levels in which all residential uses, including circulation areas, are within 40
4 horizontal feet from a property line fronting a street or alley, up to 100% lot coverage may
5 occur. The unbuilt portion of the lot shall be open to the sky except for those obstructions
6 permitted in yards pursuant to subsections (1) through (23) of Section 136(c). Where the
7 adjacent properties have an existing rear yard, the unbuilt area of the new project shall be
8 designed to adjoin that rear yard. In accordance with Section 210.5, lot coverage requirements
9 shall not be applicable for Commercial to Residential Adaptive Reuse projects.

10 * * * *

11
12 **SEC. 135. USABLE OPEN SPACE FOR DWELLING UNITS AND GROUP**
13 **HOUSING, R, NC, MIXED USE, C, AND M DISTRICTS.**

14 * * * *

15 (d) **Amount Required.** Usable open space shall be provided for each building
16 in the amounts specified herein and in Tables 135A and B for the district in which the
17 building is located; provided, however, that (i) in the Downtown Residential (DTR)
18 Districts, open space shall be provided in the amounts specified in Section 825 ~~of this~~
19 ~~Code~~, and (ii) in accordance with Section 210.5, usable open space shall not be required for
20 Commercial to Residential Adaptive Reuse projects.

21 * * * *

22 **TABLE 135A**
23 **MINIMUM USABLE OPEN SPACE FOR DWELLING UNITS AND GROUP HOUSING**
24 **OUTSIDE THE EASTERN NEIGHBORHOODS MIXED USE DISTRICT**
25

District	Square Feet of Usable Open Space Required for Each Dwelling Unit If All Private	Ratio of Common Usable Open Space That May Be Substituted for Private
* * * *		
C-3, M-1, M-2	36 ⁽¹⁾	1.33 ⁽¹⁾
C-1, C-2	Same as for the R District establishing the dwelling unit density ratio for the C-1 or C-2 District property. <i>Group Housing requirement is per bedroom and 1/3 the amount required for a Dwelling Unit. (1)</i>	

(1) In accordance with Section 210.5, usable open space shall not be required for Commercial to Residential Adaptive Reuse projects.

* * * *

SEC. 140. ALL DWELLING UNITS IN ALL USE DISTRICTS TO FACE ON AN OPEN AREA.

(a) **Requirements for Dwelling Units.** In each Dwelling Unit in any use district, the required windows (as defined by Section 504 of the San Francisco Housing Code-) of at least one room that meets the 120-square-foot minimum superficial floor area requirement of Section 503 of the Housing Code shall face directly onto an open area of one of the following types:

* * * *

(3) In accordance with Section 210.5, this Section 140 shall not apply to Commercial to Residential Adaptive Reuse projects.

* * * *

1 **SEC. 152. SCHEDULE OF REQUIRED OFF-STREET FREIGHT LOADING**
2 **SPACES IN DISTRICTS OTHER THAN C-3 AND EASTERN NEIGHBORHOODS**
3 **MIXED USE DISTRICTS.**

4 In districts other than C-3 and Eastern Neighborhoods Mixed Use Districts, off-
5 street freight loading spaces shall be provided in the minimum quantities specified in the
6 following table, except as otherwise provided in Section 152.2 and Section 161 of this
7 Code. The measurement of Occupied Floor Area shall be as defined in this Code,
8 except that non-accessory parking spaces and driveways and maneuvering areas
9 incidental thereto shall not be counted. In accordance with Section 210.5, this Section
10 152 shall not apply to Commercial to Residential Adaptive Reuse projects.

11 * * * *

12 **SEC. 152.1. REQUIRED OFF-STREET FREIGHT LOADING AND SERVICE**
13 **VEHICLE SPACES IN C-3 AND EASTERN NEIGHBORHOODS MIXED USE**
14 **DISTRICTS.**

15 In C-3 and Eastern Neighborhoods Mixed Use Districts, off-street freight loading
16 spaces shall be provided in the minimum quantities specified in the following Table
17 152.1, except as otherwise provided in Sections 153(a)(6), 161, and as stated below in
18 this Section 152.1. Notwithstanding the requirements of this Section, including Table
19 152.1, no building in the C-3-O(SD) district shall be required to provide more than six
20 off-street freight loading or service vehicle spaces in total. The measurement of
21 Occupied Floor Area shall be as defined in this Code, except that non-accessory
22 parking spaces and driveways and maneuvering areas incidental thereto shall not be
23 counted. In accordance with Section 210.5, this Section 152.1 shall not apply to
24 Commercial to Residential Adaptive Reuse projects.

25 * * * *

1 **SEC. 155. GENERAL STANDARDS AS TO LOCATION AND ARRANGEMENT**
2 **OF OFF-STREET PARKING, FREIGHT LOADING, AND SERVICE VEHICLE**
3 **FACILITIES.**

4 Required off-street parking and freight loading facilities shall meet the following
5 standards as to location and arrangement. Facilities which are not required but are
6 actually provided shall also meet the following standards unless such standards are
7 stated to be applicable solely to required facilities. In application of the standards of this
8 Code for off-street parking and loading, reference may be made to provisions of other
9 portions of the Municipal Code concerning off-street parking and loading facilities, and
10 to standards of the Better Streets Plan and the Bureau of Engineering of the
11 Department of Public Works. Final authority for the application of such standards under
12 this Code, and for adoption of regulations and interpretations in furtherance of the
13 stated provisions of this Code shall, however, rest with the Planning Department.

14 * * * *

15 **(r) Protected Pedestrian-, Cycling-, and Transit-Oriented Street**
16 **Frontages.** In order to preserve the pedestrian character of certain districts and to
17 minimize delays to transit service, garage entries, driveways, or other vehicular access
18 to off-street parking or loading via curb cuts on development lots shall be regulated as
19 set forth in this subsection (r). These limitations do not apply to the creation of new
20 publicly-accessible Streets and Alleys. Any lot whose sole feasible vehicular access is
21 via a protected street frontage described in this subsection (r) shall be exempted from
22 any off-street parking or loading requirement found elsewhere in this Code.

23 (1) Folsom Street, from Second Street to The Embarcadero, not
24 permitted except as set forth in Section 827.

25 * * * *

1 **(7) Commercial to Residential Adaptive Reuse projects**
2 **pursuant to Section 210.5.** Pre-existing garage entries, driveways, or other vehicular
3 access to off-street parking and loading via curb cuts for Commercial to Residential
4 Adaptive Reuse projects are not subject to Section 155(r). Creation of new or
5 expanded garage entries, driveways, or other vehicular access to off-street parking and
6 loading via curb cuts shall be subject to Section 155(r).

7 **SEC. 155.1. BICYCLE PARKING: DEFINITIONS AND STANDARDS.**

8 * * * *

9 **(g) Commercial to Residential Adaptive Reuse projects.** In accordance with Section
10 210.5, the requirements of this Section 155.1 shall not apply to any Commercial to Residential
11 Adaptive Reuse projects.

12
13 **SEC. 155.2. BICYCLE PARKING: APPLICABILITY AND REQUIREMENTS**
14 **FOR SPECIFIC USES.**

15 Bicycle parking spaces are required in at least the minimum quantities specified
16 in Table 155.2. Bicycle parking shall meet the standards in Section 155.1.

17 * * * *

18 **(f) Commercial to Residential Adaptive Reuse projects.** In accordance with Section
19 210.5, the requirements of this Section 155.2 shall not apply to any Commercial to Residential
20 Adaptive Reuse projects.

21 **SEC. 169. TRANSPORTATION DEMAND MANAGEMENT PROGRAM.**

22 Sections 169 through 169.6 (hereafter referred to collectively as “Section 169”)
23 set forth the requirements of the Transportation Demand Management Program (TDM
24 Program).

25 * * * *

1 **SEC. 169.3. APPLICABILITY.**

2 * * * *

3 (b) Exemptions. Notwithstanding subsection (a), Section 169 shall not apply to
4 the following:

5 (1) One Hundred Percent Affordable Housing Projects. Residential uses
6 within Development Projects where all residential units are affordable to households at
7 or below 120% of the Area Median Income, as defined in Section 401, shall not be
8 subject to the TDM Program. Any uses other than Residential within those projects,
9 whose primary purpose is to provide services to the Residential uses within those
10 projects shall also be exempt. Other uses shall be subject to the TDM program. All uses
11 shall be subject to all other applicable requirements of the Planning Code.

12 (2) Parking Garages and Parking Lots, as defined in Section 102.
13 However, parking spaces within such Parking Garages or Parking Lots, when included
14 within a larger Development Project, may be considered in the determination of TDM
15 Plan requirements, as described in the TDM Program Standards.

16 (3) Commercial to Residential Adaptive Reuse projects per Planning
17 Code Section 210.5.

18 * * * *

19 **SEC. 207.7. REQUIRED MINIMUM DWELLING UNIT MIX.**

20 (a) **Purpose.** To ensure an adequate supply of family-sized units in new
21 housing stock, new residential construction must include a minimum percentage of units
22 of at least two and three bedrooms.

23 (b) **Applicability.**

24 * * * *

1 (4) In accordance with Section 210.5, this Section 207.7 shall not apply to
 2 Commercial to Residential Adaptive Reuse projects.

3 * * * *

4 **SEC. 210.1. C-2 DISTRICTS: COMMUNITY BUSINESS.**

5 * * * *

6 **Table 210.1**
 7 **ZONING CONTROL TABLE FOR C-2 DISTRICTS**

Zoning Category	§ References	C-2
RESIDENTIAL STANDARDS AND USES		
<i>Development Standards</i>		
* * * *		
* * * *		
Usable Open Space for Dwelling Units and Group Housing	§§ 135, 136	Same as for the R District establishing the dwelling unit density ratio for the property. <u>Group Housing requirement is per bedroom and 1/3 the amount required for a Dwelling Unit. See exceptions for Commercial to Residential Adaptive Reuse projects in Section 210.5</u>
* * * *		
Rear Yard Setback	§§ 130, 134	<u>Lot coverage is limited to 80% at all levels containing Residential Uses, except that on levels that include only lobbies and circulation areas and on levels in which all residential uses, including circulation areas, are within 40 horizontal feet from a property line fronting a street or alley, up to 100% lot coverage may occur. The unbuilt portion of the lot shall be open to the sky except for those obstructions permitted in yards pursuant to subsections (1) through (23) of Section 136(c). Where the adjacent properties have an existing rear yard, the unbuilt area of the new project shall be</u>

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		<i>designed to adjoin that rear yard. See exceptions for Commercial to Residential Adaptive Reuse projects in Section 210.5.25% of the total depth lot depth, but in no case less than 15 feet for lowest story containing a dwelling unit and each succeeding story.</i>
--	--	---

* * * *

SEC. 210.2. C-3 DISTRICTS: DOWNTOWN COMMERCIAL.

* * * *

**Table 210.2
ZONING CONTROL TABLE FOR C-3 DISTRICTS**

Zoning Category	§ References	C-3-O	C-3-O(SD)	C-3-R	C-3-G	C-3-S
RESIDENTIAL STANDARDS AND USES						
Development Standards						
* * * *						
<i>Usable Open Space [Per Dwelling Unit]</i>	§§ 135, 136	At least 36 square feet if private, and 48 square feet per Dwelling Unit if common; <i>Group Housing requirement is per bedroom and 1/3 the amount required for a Dwelling Unit. See exceptions for Commercial to Residential Adaptive Reuse projects in Section 210.5</i>				
<i>Usable Open Space for Dwelling Units and Group Housing</i>						
* * * *						
Rear Yard Setback	§§ 130, 134	<i>Lot coverage is limited to 80% at all levels containing Residential Uses, except that on levels that include only lobbies and circulation areas and on levels in which all residential uses, including circulation areas, are within 40 horizontal feet from a property line fronting a street or alley, up to 100%</i>				

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	<p><i>lot coverage may occur. The unbuilt portion of the lot shall be open to the sky except for those obstructions permitted in yards pursuant to subsections (1) through (23) of Section 136(c). Where the adjacent properties have an existing rear yard, the unbuilt area of the new project shall be designed to adjoin that rear yard. See exceptions for Commercial to Residential Adaptive Reuse projects in Section 210.5. 25% of the total depth lot depth, but in no case less than 15 feet for lowest story containing a dwelling unit and each succeeding story. Exceptions are permitted by § 309.</i></p>
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* * * *

SEC. 210.5. COMMERCIAL TO RESIDENTIAL ADAPTIVE REUSE PROGRAM.

(a) Purpose and Findings. This Section 210.5 describes the Commercial to Residential Adaptive Reuse Program. The purpose of the Program is to facilitate the adaptive reuse of non-residential buildings to support the City’s housing needs by allowing for conversion of those buildings to residential use.

(b) Commercial to Residential Adaptive Reuse Projects. A Commercial to Residential Adaptive Reuse project is a project that includes a change of use of any existing Gross Floor Area from a non-residential use to a residential use as those uses are defined in Section 102.

(c) Eligibility. To be eligible for the Commercial to Residential Adaptive Reuse Program, a project must:

(1) be located in a C-3 zoning district or a C-2 zoning district that is east of or fronting ~~Van Ness/South Van Ness Avenue~~ Franklin Street/13th Street and north of Townsend Street;

1 (2) not seek approval under Section 206.5 or 206.6; and

2 (3) not expand an existing building's envelope in a manner where the addition to
3 the building envelope represents more than ~~3320~~33% of the existing building's Gross Floor Area;
4 provided that if a project would exceed this limit, the portions of the building additions in
5 excess of 33% must meet generally prevailing code requirements. For purposes of this
6 section, additional Gross Floor Area shall be counted from the lowest floor to the
7 highest floor. and

8 ~~(4) not add more than one vertical story.~~

9 (d) Controls. Applicable provisions of the Planning Code shall control except as
10 otherwise provided in this Section 210.5. If there is a conflict between other provisions of the
11 Planning Code and this Section 210.5, this Section shall prevail; provided that this Section does
12 not alter, amend, or modify Section 249.93 (Group Housing Special Use District). For
13 Commercial to Residential Adaptive Reuse projects, the following zoning controls shall be
14 waived or modified, as described:

15 (1) Lot Coverage. Lot coverage requirements per Section 134 shall not apply.

16 (2) Open Space. Usable open space requirements per Section 135 shall not
17 apply.

18 (3) Streetscape and Pedestrian Improvements. Required streetscape and
19 pedestrian improvements per Section 138.1 shall not apply.

20 (4) Dwelling Unit Exposure. The dwelling unit exposure requirements of Section
21 140 may be satisfied by either of the following:

22 (a) providing an unobstructed open area that is at least as wide as the
23 exposed exterior width of the Dwelling Unit and is no less than five feet in every horizontal
24 dimension at each story containing the Dwelling Unit and all stories above.

1 (b) providing an unobstructed open area that is at least 5 feet wide
2 by 15 feet long at each story containing the Dwelling Unit and all stories above.

3 (5) **Bicycle Parking.** The Bicycle Parking requirements in Sections 155.1 and
4 155.2 shall not apply.

5 (6) **Dwelling Unit Mix.** The required minimum dwelling unit mix per Section
6 207.7 shall not apply.

7 (7) **Intermediate Length Occupancy.** The establishment of Intermediate Length
8 Occupancy units shall be consistent with Section 202.10, provided that the controls in Section
9 202.10(b)(1) and (b)(2) shall not apply. Intermediate Length Occupancy units shall be
10 principally permitted in Commercial to Residential Adaptive Reuse projects.

11 (8) **Live Work Units.** Live Works units are permitted in any Commercial to
12 Residential Adaptive Reuse project.

13 (9) **Transportation Demand Management (TDM) Plan Requirements.**
14 The Transportation Demand Management Plan requirements in Section 169 shall not
15 apply.

16 (10) **Preservation of Privately Owned Public Open Spaces (POPOS).**
17 Nothing in this Section 210.5 is intended to modify, alter, or waive the applicability of
18 Section 138 (POPOS) to Commercial to Residential Adaptive Reuse projects that retain
19 non-residential uses.

20 (11) **Off-Street Freight Loading and Service Vehicle Spaces.** The
21 requirements of Sections 152 and 152.1 for Off-Street Freight Loading and Service
22 Vehicle Spaces shall not apply.

23 (12) **Protected Pedestrian, Cycling, and Transit-Oriented Street**
24 **Frontages.** Pre-existing garage entries, driveways, or other vehicular access to off-
25 street parking and loading via curb cuts for Commercial to Residential Adaptive Reuse

1 projects are not subject to Section 155(r). Creation of new or expanded garage entries,
2 driveways, or other vehicular access to off-street parking and loading via curb cuts shall
3 be subject to Section 155(r).

4 (e) **Review of Projects in the C-3 District.** If a project seeks exceptions that are waived
5 or modified in subsection (d) above, the hearing requirements in Section 309 shall not apply as
6 to the consideration of those exceptions. But if a project seeks exceptions not otherwise waived
7 or modified in subsection (d) above, the hearing requirements of Section 309 shall apply.

8 (f) **Applications.** Any application to establish a residential use pursuant to this Section
9 210.5 must be filed on or before December 31, 2028.

10 **SEC. 260. HEIGHT LIMITS: MEASUREMENT.**

11 * * * *

12 (b) **Exemptions.** In addition to other height exceptions permitted by this Code,
13 the features listed in this subsection (b) shall be exempt from the height limits
14 established by this Code, in an amount up to but not exceeding that which is specified.

15 (1) The following features shall be exempt provided the limitations
16 indicated for each are observed; and provided further that the sum of the horizontal
17 areas of all features listed in this subsection (b)(1) shall not exceed ~~2~~30% of the
18 horizontal area of the roof above which they are situated, or, in C-3 Districts and in the
19 Rincon Hill Downtown Residential District, where the top of the building has been
20 separated into a number of stepped elements to reduce the bulk of the upper tower, of
21 the total of all roof areas of the upper towers; and provided further that in any R, RC-3,
22 or RC-4 District the sum of the horizontal areas of all such features located within the
23 first 10 feet of depth of the building, as measured from the front wall of the building,
24 shall not exceed 20% of the horizontal area of the roof in such first 10 feet of depth.

1 As an alternative, the sum of the horizontal areas of all features listed in
2 this subsection (b)(1) may be equal to but not exceed ~~23~~30% of the horizontal area
3 permitted for buildings and structures under any bulk limitations in Section 270 of this
4 Code applicable to the subject property.

5 Any such sum of ~~23~~30% heretofore described may be increased to ~~34~~40% by
6 unroofed screening designed either to obscure the features listed under (A) and (B)
7 below or to provide a more balanced and graceful silhouette for the top of the building or
8 structure.

9 (A) Mechanical equipment and appurtenances necessary to the
10 operation or maintenance of the building or structure itself, including chimneys,
11 ventilators, plumbing vent stacks, cooling towers, water tanks, panels or devices for the
12 collection of solar or wind energy, and window-washing equipment, together with visual
13 screening for any such features. This exemption shall be limited to the top ~~10~~ 16 feet of
14 such features where the height limit is 65 feet or less, and the top ~~16~~ 20 feet of such
15 features where the height limit is more than 65 feet. *In C-3 districts, for existing buildings*
16 *whose height exceeds the permitted height limit, these exempted features shall be measured from*
17 *the existing roofline instead of the height limit.*

18 (B) Elevator, stair and mechanical penthouses, fire towers,
19 skylights, and dormer windows. This exemption shall be limited to the top ~~10~~ 16 feet of
20 such features where the height limit is 65 feet or less, and the top ~~16~~ 20 feet of such
21 features where the height limit is more than 65 feet. However, for elevator penthouses,
22 the exemption shall be limited to the top 16 feet and limited to the footprint of the
23 elevator shaft, regardless of the height limit of the building. The design of all elevator
24 penthouses in Residential Districts shall be consistent with the "Residential Design
25 Guidelines" as adopted and periodically amended for specific areas or conditions by the

1 Planning Commission. In C-3 districts, for existing buildings whose height exceeds the
2 permitted height limit, these exempted features shall be measured from the existing roofline
3 instead of the height limit.

4 * * * *

5 (E) In any C-3 District, the CMUO District, and any MUR or MUG
6 District within the Central SoMa Special Use District, enclosed space related to the
7 recreational, Restaurant, or Bar use of the roof, not to exceed 16 feet in height. In C-3
8 districts, for existing buildings whose height exceeds the permitted height limit, these exempted
9 features shall be measured from the existing roofline instead of the height limit.

10 * * * *

11
12 **SEC. 309. PERMIT REVIEW IN C-3 DISTRICTS.**

13 The provisions and procedures set forth in this Section 309 shall govern the
14 review of project authorization and building and site permit applications for (1) the
15 construction or substantial alteration of structures in C-3 Districts, (2) the granting of
16 exceptions to certain requirements of this Code where the provisions of this Section are
17 invoked, and (3) the approval of open space and streetscape requirements of the
18 Planning Code. When any action authorized by this Section is taken, any determination
19 with respect to the proposed project required or authorized pursuant to CEQA may also
20 be considered. This Section shall not require additional review in connection with a site
21 or building permit application if review hereunder was completed with respect to the
22 same proposed structure or alteration in connection with a project authorization
23 application pursuant to Section 322.

24 * * * *

1 (d) ~~Notice of Proposed Approval for Projects that do not require Public Hearing. If an~~
2 ~~application does not require a Planning Commission hearing pursuant to Subsection 309(e)(1)~~
3 ~~below, the application or building or site permit may be reviewed and approved~~
4 ~~administratively. At the determination of the Planning Director, applications for especially~~
5 ~~significant scopes of work may be subject to the notification requirements of Section 333 of this~~
6 ~~Code. If a request for Planning Commission review is made pursuant to subsection 309(f), the~~
7 ~~application will be subject to the notification and hearing procedures of this Section. If no~~
8 ~~request for Commission review is made, the Zoning Administrator may approve the project~~
9 ~~administratively.~~

10 (e) **Hearing and Determination of Applications for Exceptions.**

11 (1) Hearing. The Planning Commission shall hold a public hearing on a
12 Section 309 application if:

13 (A) ~~The project would result in a net addition of more than 50,000~~
14 ~~square feet of gross floor area of space, or~~

15 (B) The project includes the construction of a new building greater
16 than 120 ~~75~~ feet in height (excluding any exceptions permitted per Section 260(b)), or
17 includes a vertical addition to an existing building with a height of 120 ~~75~~ feet or less
18 resulting in a total building height greater than 120 ~~75~~ feet; or

19 (B~~C~~) The project would require an exception as provided in
20 Subsection 309(a); provided that the hearing requirements of this Section 309 shall not apply
21 to Commercial to Residential Adaptive Reuse projects seeking exceptions or modifications
22 pursuant to Section 210.5(d).

23 * * * *

24 (f) ~~**Planning Commission Review Upon Request.**~~

1 — ~~(1) **Requests.** Within 10 days after notice of the proposed Zoning Administrator~~
2 ~~approval has been given, as provided in subsection (d), any person may request in writing that~~
3 ~~the Planning Commission impose additional modifications on the project as provided in~~
4 ~~subsection (b) or consider the application for compliance with the open space and streetscape~~
5 ~~requirements of the Planning Code. The written request shall state why additional modifications~~
6 ~~should be imposed notwithstanding its compliance with the requirements of this Code and shall~~
7 ~~identify the policies or objectives that would be promoted by the imposition of conditions, or~~
8 ~~shall state why the open space and streetscape requirements have not been complied with.~~

9 — ~~(2) **Commission Consideration.** The Planning Commission shall consider at a~~
10 ~~public hearing each written request for additional modifications and for consideration of the~~
11 ~~open space and streetscape requirements of the Planning Code compliance and may, by majority~~
12 ~~vote, direct that a hearing be conducted to consider such modifications or compliance, which~~
13 ~~hearing may be conducted at the same meeting that the written request is considered and~~
14 ~~decided. Notice of such hearing shall be provided pursuant to the requirements of Section 333 of~~
15 ~~this Code, provided that mailed notice shall also be provided to any person who has requested~~
16 ~~such notice, and to any person who has submitted a request for additional requirements. In~~
17 ~~determining whether to conduct such a hearing, the Planning Commission shall determine~~
18 ~~whether, based upon a review of the project, reasonable grounds exist justifying a public hearing~~
19 ~~in order to consider the proposed additional modifications and the open space and streetscape~~
20 ~~requirements of the Planning Code compliance.~~

21 — ~~(3) **Commission Action.** If the Planning Commission determines to conduct a~~
22 ~~hearing to consider the imposition of additional modifications or the open space and streetscape~~
23 ~~requirements compliance, it may, after such hearing and after making appropriate findings,~~
24 ~~approve, disapprove, or approve subject to conditions the building or site permit or project~~
25 ~~authorization application. If the Planning Commission determines not to conduct a hearing, the~~

1 ~~Zoning Administrator shall approve the application subject to any conditions imposed by the~~
2 ~~Director of Planning to which the applicant has consented.~~

3 (ei) **Imposition of Conditions, General.** If, pursuant to the provisions of this
4 Section 309, the Planning Commission determines that conditions should be imposed
5 on the approval of a building or site permit application, or Section 309 application, and
6 the applicant agrees to comply, the Planning Commission may approve the application
7 subject to those conditions, and if the applicant refuses to so agree, the Planning
8 Commission may disapprove the application.

9 (fj) **Change of Conditions.** Authorization of a change in any condition
10 previously imposed pursuant to this Section 309 shall require an application for a
11 change in conditions, which application shall be subject to the procedures set forth in
12 this Section.

13 (gk) An approval action in accordance with this Section 309 shall constitute the
14 City's decision to approve the project for purposes of Administrative Code Chapter 31.

15
16 **SEC. 309.1. PERMIT REVIEW IN DOWNTOWN RESIDENTIAL DISTRICTS.**

17 The provisions and procedures set forth in this Section 309.1 shall govern the
18 review of project authorization and building and site permit applications for the
19 construction or substantial alteration of structures in Downtown Residential districts, the
20 granting of exceptions to requirements of this Code, and the imposition of modifications
21 necessary to achieve the objectives and policies of the General Plan and the purposes
22 of this Code as provided for in Section 825 and elsewhere. When any action authorized
23 by this Section is taken, any determination with respect to the proposed project required
24 or authorized pursuant to CEQA may also be considered.

25 * * * *

1 (c) **Hearing and Determination on Design Modifications and Applications**
2 **for Exceptions.**

3 (1) **Hearing.** The Planning Commission shall hold a public hearing for all
4 projects ~~greater than 50,000 gross square feet, for all projects~~ proposing construction of a new
5 building greater than 120 ~~85~~ feet in height or ~~greater~~ a vertical addition to an existing building
6 with a height of 120 feet or less resulting in a total building height greater than 120 feet, and for
7 applications that require exceptions as provided in ~~S~~subsection (b).

8 * * * *

9
10 Section 4. Economically Revitalize Downtown. The Planning Code is hereby
11 amended by revising Sections 102, 121.6, 145.1, 145.4, 204.3, 205.1, 210.1, 210.2, and
12 248, to read as follows:

13 **SEC. 102. DEFINITIONS.**

14 * * * *

15 **Flexible Retail.** A Retail Sales and Service Use in Neighborhood Commercial
16 Districts, subject to the requirements of Sections 179.2 and 202.9, that combines a
17 minimum of two of the following distinct Uses within a space that may be operated by
18 one or more business operators:

- 19 (1) Arts Activities;
 - 20 (2) Restaurant, Limited;
 - 21 (3) Retail Sales and Services, General;
 - 22 (4) Service, Personal;
 - 23 (5) Service, Retail Professional; and
 - 24 (6) Trade Shop.
- 25

1 **Flexible Workspace.** A Retail Sales and Service use that is a combination of any uses
2 within the Retail Sales and Service use category or a General Entertainment use that operates in
3 conjunction with a principally or conditionally permitted Non-Retail Sales and Service use other
4 than a Commercial Storage, Wholesale Sales, or Wholesale Storage use. The Retail Sales and
5 Service or General Entertainment portion of the use shall be at least one-third of the overall
6 Gross Floor Area and must face the street occupy space within the first 25 feet of the
7 storefront.

8 * * * *

9
10 **SEC. 121.6. LARGE-SCALE RETAIL USES.**

11 ~~(a) Notwithstanding any other provision of this Code, establishment of a single~~
12 ~~retail use in excess of 50,000 gross square feet in any zoning district other than the C-3~~
13 ~~Zoning Districts shall require conditional use authorization pursuant to Section 303~~
14 ~~unless such use already is prohibited. This Subsection 121.6 shall apply to the~~
15 ~~establishment of a new use and the expansion of an existing use. (b) Notwithstanding~~
16 ~~any other provision of this Code, establishment of a single retail use in excess of 90,000 gross~~
17 ~~square feet within a C-3 Zoning District shall require conditional use authorization pursuant to~~
18 ~~Section 303 unless such use already is prohibited. This Subsection shall apply only to the~~
19 ~~establishment of a new use (c) Notwithstanding any other provision of this Code,~~
20 ~~establishment of a single retail use in excess of 120,000 gross square feet is prohibited in any~~
21 ~~zoning district other than a C-3 Zoning District. This Subsection shall apply to the establishment~~
22 ~~of a new use and the expansion of an existing use. (d) Notwithstanding any other provision of~~
23 ~~this Code, establishment of a single retail use in excess of 120,000 gross square feet in a C-3~~
24 ~~Zoning District shall be prohibited if it would sell groceries; contain more than 20,000~~
25 ~~Stockkeeping Units (SKUs); and devote more than five percent (5%) of its total sales floor area~~

1 ~~to the sale of non-taxable merchandise. This Subsection shall apply only to the establishment of a~~
2 ~~new use.(e) For purposes of this Section, 121.6:—(1) “sales floor area” includes only~~
3 ~~interior building space devoted to the sale of merchandise, and does not include restrooms,~~
4 ~~office space, storage space, automobile service areas, or open-air garden sales space;—(2)~~
5 ~~“non-taxable merchandise” includes only grocery products not subject to California State sales~~
6 ~~tax; and—(3) “single retail use” shall include, except for Hotels and Motels, all Retail~~
7 ~~and Service Uses listed in Section 102 and retail uses identified in Article 8 of this Code.~~

8
9 **SEC. 145.1. STREET FRONTAGES IN NEIGHBORHOOD COMMERCIAL,**
10 **RESIDENTIAL-COMMERCIAL, COMMERCIAL, AND MIXED USE DISTRICTS.**

11 * * * *

12 (c) **Controls.** The following requirements shall generally apply, except for those
13 controls listed in subsections (1) Above Grade Parking Setback and (4) Ground Floor
14 Ceiling Height, which only apply to a "development lot" as defined above.

15 In NC-S Districts, the applicable frontage shall be the primary
16 facade(s) that contains customer entrances to commercial spaces.

17 * * * *

18 (6) **Transparency and Fenestration.** Frontages with active uses that are
19 not PDR must be fenestrated with transparent windows and doorways for no less than
20 60% of the street frontage at the ground level and allow visibility to the inside of the
21 building. The use of dark or mirrored glass shall not count towards the required
22 transparent area. Buildings located inside of, or within an unobstructed line of less than
23 300 feet of an Urban Bird Refuge, as defined in Section 139(c)(1), shall follow glazing
24 requirements within Section 139(c) of this Code.

In C-3 zoning districts, for tenant spaces with at least two frontages and active uses that are not PDR, frontages must be fenestrated with transparent windows and doorways for no less than 60% of the street frontage at the ground level or contain window displays of at least four feet in depth to allow visibility to the inside of the building or activate the street.

* * * *

SEC. 145.4. REQUIRED GROUND FLOOR COMMERCIAL USES.

* * * *

Table 145.4

<i>Reference for Commercial, Neighborhood Commercial, and Residential- Commercial Districts</i>	<i>Reference for Mixed Use Districts</i>	<i>Use</i>
* * * *		
N/A	890.37	Entertainment, Other
<u>102</u>	<u>N/A</u>	<u>Flexible Workspace</u>
102	N/A	Grocery, General
* * * *		

* * * *

(d) Controls.

(1) Active commercial uses which are permitted by the specific district in which they are located are required on the ground floor of all street frontages listed in § subsection (b) above.

(2) Active commercial uses shall comply with the standards applicable to active uses as set forth in Section 145.1(c)(3) and shall further be consistent with any applicable design guidelines.

1 (3) On those street frontages listed in § subsection (b), an individual
2 ground floor nonresidential use may not occupy more than 75 contiguous linear feet for
3 the first 25 feet of depth along a street-facing facade. Separate individual storefronts
4 shall wrap large ground floor uses for the first 25 feet of depth, as illustrated in Figure
5 145.4. This requirement shall not apply to such street frontages within the C districts.

6 * * * *

7
8 **SEC. 204.3. ACCESSORY USES FOR USES OTHER THAN DWELLINGS IN**
9 **C, RC, M, AND PDR DISTRICTS.**

10 * * * *

11 (e) Accessory Storage in C Districts. Accessory storage on the second floor and above
12 is permitted for stock and trade relating to retail uses with street level storefronts in the same
13 building. There shall be no limitation on the square footage of accessory storage as long as the
14 storage supports a ground floor use in the same building.

15
16 **SEC. 205.1. TEMPORARY USES: SIXTY-DAY LIMIT.**

17 A temporary use may be authorized for a period not to exceed 60 days for any of
18 the following uses:

19 * * * *

20 (e) Within the C-3-R District, installation of a temporary Sign, other than a General
21 Advertising Sign, or a temporary decorative or artistic display or installation. Such Sign or
22 installation shall have a maximum height of 16 feet above the roofline of the building to which it
23 is affixed.

24
25 **SEC. 205.2. TEMPORARY USES: ONE- TO SIX-YEAR LIMIT.**

1 A temporary use may be authorized for the following uses as specified below:

2 (a) **Temporary authorization for a period not to exceed one year.**

3 (1) Temporary Wireless Telecommunications Services (WTS) Facilities, if
4 the following requirements are met:

5 (A) The Planning Director determines that the Temporary WTS
6 Facility shall be sited and constructed so as to:

7 (iA) avoid proximity to residential dwellings to the maximum
8 extent feasible;

9 (iiB) comply with the provisions of Article 29 of the Police
10 Code;

11 (iiiC) be no taller than needed;

12 (ivD) be physically screened to the maximum extent
13 feasible; and

14 (vE) be erected for no longer than reasonably required.

15 (B2) Permits in excess of 90 days for Temporary WTS Facilities
16 operated for commercial purposes shall be subject to Sections 311 and 312 of this
17 Code, where applicable.

18 (C3) The Planning Department may require, where appropriate,
19 notices along street frontages abutting the location of the Temporary WTS Facility
20 indicating the nature of the facility and the duration of the permit.

21 (2) Pop-Up Activations. Pop-Up Activations are temporary Non-Residential
22 uses, including but not limited to Pop-Up Retail, Entertainment, or Arts Activity uses, permitted
23 within either a vacant space last occupied by a Non-Residential use or a space occupied by a
24 legally established Non-Residential use, and that is located within a C-3 zoning district or a C-
25 2 zoning dDistrict that is east of or fronting Van Ness/South Van Ness Avenue

1 Franklin/13th Street and north of Townsend Street or within an NC, NCT, or Mixed-Use
 2 District that is south of Market Street, north of Townsend/Division/13th Streets, and east of
 3 South Van Ness Avenue. Such uses may include Formula Retail uses so long as Formula
 4 Retail uses are principally permitted in the underlying zoning.

5 * * * *

7 **SEC. 210.1. C-2 DISTRICTS: COMMUNITY BUSINESS.**

8 * * * *

9 **Table 210.1**
ZONING CONTROL TABLE FOR C-2 DISTRICTS

Zoning Category	§ References	C-2
RESIDENTIAL STANDARDS AND USES		
* * * *		
Use Characteristics		
Zoning Category	§ References	C-2
Intermediate Length Occupancy	§§ 102, 202.10	P(6)
* * * *		
Residential Uses		
Zoning Category	§ References	C-2
Residential Density, Dwelling Units (5)	§ 207	P at a density ratio not exceeding the number of dwelling units permitted in the nearest R District, with the distance to such R District measured from the midpoint of the front lot line or from a point directly across the street therefrom, whichever permits the greater density; provided, that the maximum density ratio shall in no case be less than one unit for each 800 square feet of lot area. NP above. (8)

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Senior Housing	§§ 102, 202.2(f)	P up to twice the number of dwelling units otherwise permitted as a principal use in the district and meeting all the requirements of § 202.2(f)(1). C up to twice the number of dwelling units otherwise permitted as a principal use in the district and meeting all requirements of § 202.2(f)(1) except for § 202.2(f)(1)(D)(iv), related to location. <u>(8)</u>
Residential Density, Group Housing	§ 208	P at a density ratio not exceeding the maximum density permitted for group housing in the nearest R District, with the distance to such R District measured from the midpoint of the front lot line or from a point directly across the street therefrom, whichever permits the greater density; provided, that the maximum density ratio shall in no case be less than one bedroom for each 275 square feet of lot area. NP above. <u>(8)</u>
<u>NON-RESIDENTIAL STANDARDS AND USES</u>		
* * * *		
<u>Industrial Use Category</u>		
Industrial Uses*	§ 102	NP
<u>Agricultural and Beverage Processing 1</u>	<u>§ 102</u>	<u>P</u>

1	<i>Agricultural and Beverage Processing 2</i>	§ 102	P
2	<i>Manufacturing, Light</i>	§ 102	P
3	* * * *		
4	<i>Sales and Service Category</i>		
5	Retail Sales and Service*	§§ 102, 202.2(a)	P
6	<i>Animal Hospital</i>	§ 102	€
7	* * * *		
8	Non-Retail Sales and Service*	§ 102	P
9	<i>Laboratory</i>	§ 102	NP
10	<i>Life Science</i>	§ 102	NP

* * * *

(6) NP for buildings with three or fewer Dwelling Units; C for buildings with 10 or more Dwelling Units. *P for Commercial to Residential Adaptive Reuse projects pursuant to Section 210.5, regardless of building size.*

(7) C on the 2nd floor and above, except that a Massage Establishment located on the 2nd floor or above accessory to a Hotel, Personal Service, or Health Service is P.

(8) In C-2 zoning districts east of or fronting ~~Van Ness/South Van Ness Avenue~~ Franklin Street/13th Street and north of Townsend Street, there is no density limit. Density is regulated by the permitted height and bulk, and required setbacks, exposure, open space, and other Code requirements applicable to each development lot.

SEC. 210.2. C-3 DISTRICTS: DOWNTOWN COMMERCIAL.

* * * *

**Table 210.2
ZONING CONTROL TABLE FOR C-3 DISTRICTS**

Zoning Category	§ References	C-3-O	C-3-O(SD)	C-3-R	C-3-G	C-3-S
RESIDENTIAL STANDARDS AND USES						
* * * *						
Use Characteristics						
Intermediate Length Occupancy	§§102, 202.10	P(8)	P(8)	P(8)	P(8)	P(8)
* * * *						
Residential Uses						
Residential Density, Dwelling Units (7)	§ 207	No density limit. Density is regulated by the permitted height and bulk, and required setbacks, exposure, and open space of each development lot.				
Senior Housing	§§ 102, 202.2(f)	No density limit. Density is regulated by the permitted height and bulk, and required setbacks, exposure, and open space of each development lot. <i>Required if development meets all requirements of Section § 202.2(f)(1), except for § 202.2(f)(1)(D)(iv), related to location.</i>				
* * * *						
NON-RESIDENTIAL STANDARDS AND USES						
* * * *						
Commercial Use Characteristics						
* * * *						
Formula Retail	§§ 102, 303.1	P	P	P	P (6)	P
* * * *						
Entertainment, Arts and Recreation Use Category						
Entertainment, Arts and Recreation Uses*	§ 102	P	P	P	P	P
Entertainment, Outdoor	§ 102	NP	NP	NP	NP	<u>CP</u>
Livery Stable	§ 102	NP	NP	NP	NP	NP
Open Recreation Area	§ 102	NP	NP	NP	P	P

1	* * * *						
2	Institutional Use Category						
3	Institutional Uses*	§§ 102, 202.2(e)	P	P	P	P	P
4	* * * *						
5	Residential Care Facility	§ 102	P	P	P	P	C <u>P</u>
6	Trade School	§ 102	NP	NP	NP	P	P
7	Sales and Service Category						
8	Retail Sales and Service*	§§ 102, 202.2(a)	P	P	P	P	P
9	<i>Animal Hospital</i>	§ 102	NP	NP	NP	C	C
10	* * * *						
11	Non-Retail Sales and Service*	§ 102	P (1)	P (1)	P (2) <u>(1)</u>	P (1)	P (1)
12	* * * *						
13	Design Professional	§ 102	P	P	P (2) <u>(1)</u>	P	P
14	* * * *						

* Not listed below.

(1) C required if at or below the ground floor.

(2) ~~[Reserved] NP if located on floors one and two and does not offer on-site services to the general public. C required if located on the third floor, or floors four through six and the use is larger than 5,000 gross square feet in size.~~

~~—For uses located on the third floor, in addition to the criteria set forth in Section 303, a Conditional Use Authorization pursuant to this note shall be given only if the Commission determines that: the proposed use would not require modification of the location that would negatively impact existing architectural, historic and aesthetic features, or otherwise inhibit the conversion back to a principally permitted use in the future; the proposed use would not have an actual or potential adverse impact on adjacent zoning districts in which non-retail sales and services uses are not permitted; and the proposed use will not result in the development of non-~~

1 ~~retail sales and services uses such that the District's primary function is no longer an area for~~
2 ~~comparison shopper retailing and direct consumer services. Provided further that for any~~
3 ~~Conditional Use Authorization given pursuant to the preceding sentence, the Planning~~
4 ~~Commission also consider the following: whether the proposed use would complement or~~
5 ~~support principally permitted uses in the District, and whether the site of the proposed use is not~~
6 ~~conducive to any principally permitted uses in the District by virtue of physical limitations,~~
7 ~~including but not limited to the size and orientation of the floor plate and the nature of~~
8 ~~independent access to the third floor~~

9 * * * *

10 (6) ~~[Reserved.] C required for Formula Retail on properties in the C-3-G District with~~
11 ~~frontage on Market Street, between 6th Street and the intersection of Market Street, 12th Street,~~
12 ~~and Franklin Street.~~

13 (7) Construction of Accessory Dwelling Units may be permitted pursuant to
14 Sections 207(c)(4) and 207(c)(6).

15 (8) NP for buildings with three or fewer Dwelling Units; C for buildings with 10 or
16 more Dwelling Units. P for Commercial to Residential Adaptive Reuse projects pursuant to
17 Section 210.5, regardless of building size.

18
19 **SEC. 248. TRANSIT CENTER C-3-O(SD) COMMERCIAL SPECIAL USE**
20 **DISTRICT.**

21 A Special Use District entitled the "Transit Center C-3-O(SD) Commercial
22 Special Use District" is hereby established for a portion of the C-3-O(SD) district in the
23 downtown area around the Transbay Transit Center within ~~the City and County of~~ San
24 Francisco, the boundaries of which are designated on Sectional Map SU01 of the
25

1 Zoning Map of the City and County of San Francisco. The following provisions shall
2 apply within the Special Use District:

3 * * * *

4 (c) **Controls.** All new development on lots larger than ~~20,000~~ 15,000 square
5 feet in the Special Use District shall include not less than ~~2~~ two gross square feet of
6 principally or conditionally permitted commercial uses for every ~~1~~ one gross square foot
7 of dwellings or other housing uses.

8 (d) **Exceptions.** Exceptions to the controls in ~~§~~ subsection (c) may be granted by
9 the Planning Commission according to the procedures in Section 309 only if the
10 Commission makes one of the following affirmative findings:

11 (1) That the development consists of multiple buildings on a single lot or
12 adjacent lots that are entitled as a single development project pursuant to Section 309,
13 and that commercial uses account for greater than ~~50% percent~~ of the project's
14 aggregate total gross floor area for all buildings and where the project sponsor
15 demonstrates that it is infeasible or impractical to construct commercial uses on the
16 footprint of the portion of the site dedicated to dwellings and/or other housing uses due
17 to the size and configuration of that portion of the lot; or

18 (2) That the footprint of the portion of the site dedicated to dwellings
19 and/or other housing uses is less than 15,000 square feet and the lot contains existing
20 buildings which are to be retained; or

21 (3) That the downtown commercial vacancy rate is persistently high and the
22 project would fulfill its inclusionary requirement pursuant to Planning Code Section 415 through
23 100% on-site or off-site units within the C-3 District.

1 Section 5. Streamline Sign Permitting in C-3 Districts and Citywide. The
2 Planning Code is hereby amended by revising Section 604, to read as follows:

3 **SEC. 604. PERMITS AND CONFORMITY REQUIRED.**

4 * * * *

5 (h) **Nonconforming Signs; Replacement, Alteration, Reconstruction,**
6 **Relocation, Intensification, or Expansion.** Unless otherwise provided in this Code or
7 in other Codes or regulations, a lawfully existing sign which fails to conform to the
8 provisions of this Article 6 shall be brought into conformity when the activity for which
9 the sign has been posted ceases operation or moves to another location, when a new
10 building is constructed, or at the end of the sign's normal life. Such sign may not,
11 however, be replaced, altered, reconstructed, relocated, intensified, or expanded in area
12 or in any dimension except in conformity with the provisions of this Code, including
13 §subsection (i) below. Ordinary maintenance and minor repairs shall be permitted, but
14 such maintenance and repairs shall not include replacement, alteration, reconstruction,
15 relocation, intensification, or expansion of the sign; provided, however, that alterations
16 of a structural nature required to reinforce a part or parts of a lawfully existing sign to
17 meet the standards of seismic loads and forces of the Building Code, to replace a
18 damaged or weathered signboard, to ensure safe use and maintenance of that sign, to
19 remediate hazardous materials, or any combination of the above alterations shall be
20 considered ordinary maintenance and shall be allowed. A sign which is damaged or
21 destroyed by fire or other calamity shall be governed by the provisions of Sections
22 181(d) and 188(b) of this Code.

23 A sign which is voluntarily destroyed or removed by its owner or which is required
24 by law to be removed may be restored only in full conformity with the provisions of this
25 Code, except as authorized in §subsection (i) below. A general advertising sign that has

1 been removed shall not be reinstalled, replaced, or reconstructed at the same location,
2 and the erection, construction, and/or installation of a general advertising sign at that
3 location to replace the previously existing sign shall be deemed to be a new sign in
4 violation of Section 611(a) of this Code; provided, however, that such reinstallation,
5 replacement, or reconstruction pursuant to a permit duly issued prior to the effective
6 date of this requirement shall not be deemed a violation of Section 611(a) and shall be
7 considered a lawfully existing nonconforming general advertising sign; and further
8 provided that this prohibition shall not prevent a general advertising sign from being
9 relocated to that location pursuant to a Relocation Agreement and conditional use
10 authorization under Sections 611 and 303(k) of this Code and Section 2.21 of the ~~San~~
11 ~~Francisco~~ Administrative Code.

12 A nonconforming Neon Sign may be physically detached from the building for any
13 required repairs or maintenance, except that such maintenance or repairs shall not include
14 replacement, reconstruction, relocation, intensification, or expansion of the Neon Sign. After the
15 off-site repair or maintenance work is complete, the Neon Sign may be reinstalled at the
16 premises in the same location where the Neon Sign was previously affixed, so long as such
17 replacement is completed within 18 months of removal.

18 * * * *

19 (m) Existing Signs in the C-3 Zoning District and portions of the C-2 Zoning
20 District. Existing signage in the C-3 zoning dDistrict or a C-2 zoning district that is east of
21 or fronting Franklin Street/13th Street and north of Townsend Street shall not be subject to
22 the provisions of this Section 604 or a more restrictive provision in a special sign district in
23 Section 608 et seq., provided that a change from general advertising to nongeneral
24 advertising sign copy or from nongeneral advertising to general advertising sign copy or an
25 increase in area including, but not limited to, any extensions in the form of writing.

1 representation, emblem or any figure of similar character shall in itself constitute a new sign
2 subject to the provisions of this Section 604. Consistent with Section 608, this provision
3 shall control over any conflicting, more restrictive provision in a special sign district.
4

5 Section 6. Streamline Historic Preservation Review. The Planning Code is
6 hereby amended by revising Sections 1005 and 1111.1, to read as follows:

7 **SEC. 1005. CONFORMITY AND PERMITS.**

8 * * * *

9 (e) After receiving a permit application from the Central Permit Bureau in
10 accordance with the preceding subsection, the Department shall ascertain whether a
11 Certificate of Appropriateness is required or has been approved for the work proposed
12 in such permit application. If a Certificate of Appropriateness is required and has been
13 issued, and if the permit application conforms to the work approved in the Certificate of
14 Appropriateness, the permit application shall be processed without further reference to
15 this Article 10. If a Certificate of Appropriateness is required and has not been issued, or
16 if the permit application does not conform to what was approved, the permit application
17 shall be disapproved or held by the Department until such time as conformity does exist
18 either through modifications to the proposed work or through the issuance of an
19 amended or new Certificate of Appropriateness. Notwithstanding the foregoing, in the
20 following cases the Department shall process the permit application without further
21 reference to this Article 10:

22 * * * *

23 (9) When the application is for a permit to install a City-sponsored
24 Landmark plaque to a landmark or district, provided that the improvements conform to
25 the requirements outlined in Section 1006.6 of this Code; or

1 (10) When the application is for a Qualifying Scope of Work, as delegated by
2 HPC to Department and periodically updated, and the site is located in C-3 zoning districts.

3 * * * *

4
5 **SEC. 1111.1. DETERMINATION OF MINOR AND MAJOR ALTERATIONS.**

6 * * * *

7 (c) All applications for a Permit to Alter that are not Minor Alterations delegated
8 to Department staff shall be scheduled for a hearing by the HPC pursuant to the
9 procedures in Section 1111.4 and 1111.5 below. Notwithstanding the foregoing, in the
10 following cases the Department shall process the permit application without further
11 reference to the Permit to Alter procedures outlined herein:

12 (1) When the application is for a permit to make improvements to provide
13 an accessible entrance to a Significant or Contributory building or any building within a
14 Conservation District provided that the improvements conform to the requirements
15 outlined in Section 1111.6 of this Code;

16 (2) When the application is for a permit to install business signs to a
17 Significant or Contributory building or any building within a Conservation District
18 provided that signage and transparency conform to the requirements outlined in Section
19 1111.6 of this Code; ~~or~~

20 (3) When the application is for a permit to install non-visible rooftop
21 appurtenances to a Significant or Contributory building or any building within a
22 Conservation District provided that the improvements conform to the requirements
23 outlined in Section 1111.6 of this Code;

1 (4) When the application is for a permit to install an awning to a Significant or
2 Contributory building or any building within a Conservation District provided that the awning
3 conforms to the requirements outlined in Section 1111.6 of this Code; or

4 (5) When the application is for a Qualifying Scope of Work, as delegated by HPC
5 to the Department, as periodically updated.

6
7 Section 7. Provide Alternatives to On-Site Open Space in Certain C-3 Districts.
8 The Planning Code is hereby amended by revising Section 426, to read as follows:

9 **SEC. 426. PAYMENT FOR REQUIRED NON-RESIDENTIAL OPEN SPACE**
10 **NOT PROVIDED IN THE EASTERN NEIGHBORHOODS MIXED USE AND C-3-O(SD)**
11 **DISTRICTS.**

12 * * * *

13 (b) **C-3-O(SD) District.** In the C-3-O(SD) District, if a project sponsor chooses
14 to pay the in-lieu fee described in Section 138(j)(4), a fee of \$1,410 shall be required for
15 each square foot of usable open space not provided. This fee shall be adjusted in
16 accordance with Section 409. This fee shall be paid into the Transit Center District
17 Open Space Fund, as described in Sections 424.6 et seq. of this Article 4. Said fee shall
18 be used for the purpose of acquiring, designing, and improving public open space,
19 recreational facilities, and other open space resources, which are expected to be used
20 solely or in substantial part by persons who live, work, shop, or otherwise do business in
21 the Transit Center District.

22 (c) **C-3-O District, C-3-S District, and C-3-G District.** In the C-3-O, C-3-S, and C-3-G
23 Districts, if a project sponsor chooses to pay the in-lieu fee described in Section 138(j)(4), a fee
24 of \$1,410 shall be required for each square foot of usable open space not provided. The amount
25 of this fee shall equal the fee payable under this subsection (b) and shall be adjusted in

1 accordance with Section 409. This fee shall be paid into the Downtown Park Fund, as described
2 in Section 412 of this Article 4. Said fee shall be used for the purpose of acquiring, designing,
3 and improving public open space, recreational facilities, and other open space resources, which
4 are expected to be used solely or in substantial part by persons who live, work, shop, or
5 otherwise do business Downtown.

6 (d) C-3-R District. In the C-3-R Districts, if a project sponsor chooses to pay the in-lieu
7 fee described in Section 138(j)(4), a fee shall be required for each square foot of usable open
8 space not provided. The amount of this fee shall equal the fee payable under this subsection (b)
9 and shall be adjusted in accordance with Section 409. This fee shall be paid into the Union
10 Square Park, Recreation, and Open Space Fee, as described in Sections 434 of this Article 4.
11 Said fee shall be used for the purpose of acquiring, designing, and improving public open space,
12 recreational facilities, and other open space resources, which are expected to be used solely or
13 in substantial part by persons who live, work, shop, or otherwise do business Downtown.

14
15 Section 8. Facilitate Residential Adaptive Reuse in the Building Code. Chapter
16 1A of the 2022 San Francisco Building Code is hereby amended by adding Section
17 111A, to read as follows:

18 **SECTION 111A – ADAPTIVE REUSE**

19 **111A.1 Purpose and intent.** The purpose of this Section 111A (consisting of Sections
20 111A.1, 111A.2, and 111A.3) is to amend, expand, establish, and clarify alternative building
21 standards for the conversion of existing non-residential buildings to accommodate new
22 residential uses and still provide reasonable safety to the building occupants, as a means to
23 promote the safe, flexible use of the existing structures, as part of the City’s strategy for
24 economic recovery.

1 Key to the furtherance of this purpose is the ability of the Building Official and Fire Code
2 Official to effectively use their authority to grant code modifications or authorizations for
3 alternative materials, design and methods of construction, and equipment to address practical
4 difficulties involved in complying with the strict provisions of the code or consider alternative
5 design or methods not specifically prescribed in the code.

6 For example, the Building Official and Fire Code Official are authorized to consider
7 alternative building standards consistent with Sections 17951 and 19957 of the California
8 Health and Safety Code.

9 **111A.2 Scope.** This Section 111A may apply to projects that meet the definition and
10 applicable requirements for Commercial to Residential Adaptive Reuse projects pursuant to
11 Planning Code Section 210.5.

12 Nothing in this Section 111A shall preclude the use of the California Historical Building
13 Code for the conversion of a building that the Planning Department has determined to be a
14 qualified historic building or that may otherwise be eligible to use the California Historical
15 Building Code. If a project elects to use the standards established in the California Historical
16 Building Code, that project shall not be permitted to use the alternative building standards of
17 this Section 111A.

18 **111A.3 Compliance requirements.** Generally, the San Francisco Building Code, which
19 adopts and amends the most recent edition of the California Building Standards Code, applies to
20 new construction or a change of use or occupancy. For the conversion of existing non-
21 residential buildings to accommodate new residential uses, however, alternative building
22 standards described in an alternative building standards manual (described below) may apply.

23 The Building Official and Fire Code Official shall prepare, maintain, and update, as
24 necessary and appropriate, an alternative building standards manual, which shall provide the
25 building standards applicable to Commercial to Residential Adaptive Reuse projects as defined

1 in Planning Code Section 210.5. This alternative building standards manual shall include
 2 technical information and implementation parameters, standards for determining technical
 3 infeasibility, and alternative standards if technical infeasibility is present, as well as other rules,
 4 requirements and procedures as the City deems necessary, for implementing the intent of this
 5 Section 111A.

6 The Building Official and Fire Code Official shall develop, as deemed necessary and
 7 appropriate, in cooperation with other City departments and stakeholders, information sheets,
 8 administrative bulletins, training manuals, and educational materials to assist in the
 9 implementation of this alternative building standards manual and this Section 111A.

10
 11 Section 9. Principally Permitting Formula Retail on a Portion of Showplace
 12 Square Area. The Planning Code is hereby amended by revising Section 843, to read
 13 as follows:

14 **SEC. 843. UMU – URBAN MIXED USE DISTRICT.**

15 * * * *

16 **Table 843**

17 **UMU – URBAN MIXED USE DISTRICT ZONING CONTROL TABLE**

No.	Zoning Category	§ References	Urban Mixed Use District Controls
* * * *			
Retail Sales and Services			
* * * *			
843.46	Formula Retail	§§ 303.1, 843.45	C. If approved, subject to size controls in Section 843.45. <u>(3)</u>

1 * * * *

2 * * * *

3 (3) P on Assessor’s Parcel Block No. 3781, Lot 003, and the size controls in Section
4 843.45 shall not apply.

5 * * * *

6
7 Section 10. Effective Date. This ordinance shall become effective 30 days after
8 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns
9 the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or
10 the Board of Supervisors overrides the Mayor’s veto of the ordinance.

11
12 Section 11. Scope of Ordinance. In enacting this ordinance, the Board of
13 Supervisors intends to amend only those words, phrases, paragraphs, subsections,
14 sections, articles, numbers, punctuation marks, charts, diagrams, or any other
15 constituent parts of the Municipal Code that are explicitly shown in this ordinance as
16 additions, deletions, Board amendment additions, and Board amendment deletions in
17 accordance with the “Note” that appears under the official title of the ordinance.

18 APPROVED AS TO FORM:
19 DAVID CHIU, City Attorney

20
21 By: Austin M. Yang
AUSTIN M. YANG
Deputy City Attorney

22 n:\legana\as2023\2300216\01681542.docx



May 11, 2023

Ms. Angela Calvillo, Clerk
Mayor Breed and President Peskin
Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: Transmittal of Planning Department Case Number 2023-003165PCA: Planning and Building Codes -
Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization
Board File No. 230371

Planning Commission Recommendation: Approval with Modification

Dear Ms. Calvillo, Mayor Breed and President Peskin,

On May 4, 2023 the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance, introduced by Mayor Breed and President Peskin that would amend would amend the Planning Code and Building Code to support more residential uses Downtown by facilitating the adaptive reuse of commercial buildings, help to economically revitalize Downtown by allowing flexibility for more uses, and streamline permitting and review of project applications to better support the economic revitalization of Downtown. At the hearing the Planning Commission recommended approval with modification.

The Commission's proposed modifications were as follows:

- Clarify formula retail uses would be principally permitted as temporary uses.
- Amend the definition of flexible workspace to (1) clarify that the Retail Sales and Service use or the General Entertainment use must be principally or conditionally permitted and (2) remove the provision that the use must occupy the first 25 feet of the storefront and state the use must face the street.
- Waive Transportation Demand Management Plan (TDM) Requirements for Commercial to Residential Adaptive Reuse Projects.
- Modify the western geographic boundary of the Commercial to Residential Adaptive Reuse Program to

include all parcels zoned C-3 or C-2 east of Franklin Street / 13th Street, instead of east of Van Ness Avenue.

- Amend the exposure control for Commercial to Residential Adaptive Reuse projects to clarify the intended meaning and to provide an alternative route to compliance.
- Amend the eligibility criteria in Section 210.5 to allow all eligible commercial to residential adaptive reuse projects to take advantage of zoning modifications and to allow additions of up to 33% of the Existing Gross Floor Area (GFA) instead of 20% GFA and maximum of 1 story.
- Add language to require the Planning Commission to hold a hearing to evaluate the Commercial to Residential Adaptive Reuse Program prior to the program expiring on December 31, 2028.
- Add language to clarify how existing POPOs (Privately-owned public open spaces) would be treated for Commercial to Residential Adaptive Reuse projects.

Mayor Breed and President Peskin, please advise the City Attorney at your earliest convenience if you wish to incorporate the changes recommended by the Commission.

Please find attached documents relating to the actions of the Commission. If you have any questions or require further information please do not hesitate to contact me.

Sincerely,

Lily Langlois
Principal Planner

cc: Austin Yang, Deputy City Attorney
Andres Power, Office of Mayor London N. Breed
Sunny Angulo, Aide to President Peskin
Jacob Bintliff, OEWD
Erica Major, Office of the Clerk of the Board

Attachments:

Planning Commission Resolution
Planning Department Executive Summary



PLANNING COMMISSION RESOLUTION NO. 21319

HEARING DATE: MAY 4, 2023

Project Name: Planning and Building Codes - Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization

Case Number: 2023-003165PCA/ Board File No. 230371

Initiated by: Mayor Breed; President Peskin / Introduced April 4, 2023, Substitute Ordinance April 11, 2023

Staff Contact: Lily Langlois, Principal Planner, Citywide Division
lily.langlois@sfgov.org, 628-652-7472

Reviewed by: Joshua Switzky, Deputy Director of Citywide Division
joshua.switzky@sfgov.org, 628.652.7464

APPROVING A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO 1) FACILITATE RESIDENTIAL USES DOWNTOWN BY AUTHORIZING THE CONVERSION OF NON-RESIDENTIAL USES TO RESIDENTIAL USE IN C (COMMERCIAL) ZONING DISTRICTS, AND EXEMPTING SUCH PROJECTS FROM REQUIREMENTS FOR REAR YARD, OPEN SPACE, STREETScape IMPROVEMENTS, DWELLING UNIT EXPOSURE, BIKE PARKING, DWELLING UNIT MIX, AND INTERMEDIATE LENGTH OCCUPANCY CONTROLS, AND STREAMLINING ADMINISTRATIVE APPROVALS FOR PROJECTS IN THE C-3 ZONING DISTRICT, AND MODIFYING THE DIMENSIONAL LIMITS ON EXEMPTIONS TO HEIGHT RESTRICTIONS FOR MECHANICAL EQUIPMENT, ELEVATOR, STAIR, AND MECHANICAL PENTHOUSES; 2) ECONOMICALLY REVITALIZE DOWNTOWN BY ADDING FLEXIBLE WORKSPACE AS A DEFINED USE, AUTHORIZING LARGE SCALE RETAIL USES IN THE C-3 ZONING DISTRICT, ALLOWING WINDOW DISPLAYS IN THE C-3 ZONING DISTRICT, ALLOWING FLEXIBLE WORKSPACE AS AN ACTIVE GROUND FLOOR COMMERCIAL USE ALONG CERTAIN STREET FRONTAGES IN C-3 ZONING DISTRICTS, ALLOWING ACCESSORY STORAGE IN ANY C ZONING DISTRICT, ALLOWING THE TEMPORARY INSTALLATION FOR 60 DAYS OF CERTAIN SIGNS IN THE C-3-R DISTRICT, ALLOWING TEMPORARY NON-RESIDENTIAL USES IN VACANT SPACES FOR UP TO ONE YEAR, REDUCING DENSITY LIMITS FOR RESIDENTIAL DWELLING UNITS AND SENIOR HOUSING IN THE C-2 ZONING DISTRICTS EAST OF OR FRONTING VAN NESS/SOUTH VAN NESS AVENUE AND NORTH OF HARRISON STREET, PRINCIPALLY PERMITTING LABORATORY, LIFE SCIENCE, AGRICULTURAL AND BEVERAGE PROCESSING, AND ANIMAL HOSPITALS IN C-2 ZONING DISTRICTS, PRINCIPALLY PERMITTING SENIOR HOUSING, RESIDENTIAL CARE FACILITIES, OUTDOOR ENTERTAINMENT, OPEN RECREATION AREAS, ANIMAL HOSPITALS, AND TRADE SCHOOLS IN THE C-3 ZONING DISTRICT, ALLOWING FORMULA

RETAIL AS A GROUND FLOOR USE ON MARKET STREET, PRINCIPALLY PERMITTING OFFICE AND DESIGN PROFESSIONAL USES ON THE SECOND FLOOR AND HIGHER IN THE C-3-R ZONING DISTRICT, AND REQUIRING CONSIDERATION OF OFFICE VACANCY IN CONSIDERATION OF GRANTING EXCEPTIONS IN THE TRANSIT CENTER COMMERCIAL SPECIAL USE DISTRICT; 3) STREAMLINE SIGN PERMITTING CITYWIDE AND IN THE C-3 DISTRICTS BY ALLOWING FOR THE REPAIR AND REHABILITATION OF CERTAIN NEON SIGNS, AND EXEMPTING EXISTING BUSINESS SIGNS IN THE C-3 ZONING DISTRICT FROM CERTAIN ZONING CONTROLS; 4) STREAMLINE HISTORIC PRESERVATION REVIEW OF ADMINISTRATIVE CERTIFICATES OF APPROPRIATENESS, AND MINOR PERMITS TO ALTER FOR AWNINGS, AND QUALIFYING SCOPES OF WORK, AS MAY BE DELEGATED BY THE HISTORIC PRESERVATION COMMISSION; 5) PROVIDE ALTERNATIVES TO ON-SITE OPEN SPACE IN CERTAIN C-3 DISTRICTS BY ALLOWING FOR PAYMENT OF AN IN LIEU FEE AS AN ALTERNATIVE TO PROVIDING OPEN SPACE; 6) FACILITATE RESIDENTIAL ADAPTIVE REUSE BY AMENDING THE BUILDING CODE TO ADD STANDARDS FOR ADAPTIVE REUSE OF NON-RESIDENTIAL BUILDINGS; ADOPTING FINDINGS, INCLUDING ENVIRONMENTAL FINDINGS, PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.

WHEREAS, on April 4, 2023, Mayor Breed and Supervisor Peskin introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 230371, which would amend the Planning Code to support more Residential Uses Downtown by facilitating conversion of commercial buildings to residential, economically revitalize Downtown by allowing flexibility for more uses, and streamline permitting and review of some Planning Code requirements to better support economic revitalization downtown.

WHEREAS, the Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on May 4, 2023; and,

WHEREAS, the proposed ordinance is within the scope of the environmental analysis for the 2022 Housing Element Update. On November 17, 2022, the Planning Commission reviewed and considered the Final EIR (FEIR) for the 2022 Housing Element Update and certified the FEIR through approval of Motion No. 21206. The Planning Department reviewed and considered the proposed changes to the Planning Code and the Building Code and finds that the physical environmental impacts of these changes are within the scope of the analysis and findings for the Housing Element 2022 Update EIR.

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, the Historic Preservation Commission has heard the proposed ordinance on April 19, 2023 and adopted a recommendation for approval in Resolution No. 01326; 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 with modifications** the proposed ordinance. The Commission's proposed recommendations are as follows:

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 shift to hybrid work, with its consequent reduction in office workers and foot traffic, has adversely impacted the City's Downtown and other sectors of the City's economy, including retail and small business, and more broadly has impacted use and activation of public space, transportation, and public safety. This legislation would help facilitate adaptive reuse of commercial buildings. If governmental efforts at reducing regulatory barriers for adaptive reuse projects are successful the result will be to re-activate the Downtown core, increase the City's housing stock, and establish new housing options in the Downtown core. This legislation would also help to bring new life to downtown and economically revitalize downtown by allowing flexibility for more uses and streamline permitting and review of some Planning Code requirements.

Land Use Flexibility

Recommendation 1: Clarify formula retail uses would be principally permitted as temporary uses. Since formula retail is currently principally permitted in C-3 zoning districts, the use should also be principally permitted for temporary uses (pop-ups). The clarification will help streamline review and approvals should there be any questions about formula retail as temporary uses.

Recommendation 2: Amend the definition of flexible workspace. Clarify that the Retail Sales and Service use or the General Entertainment use must be principally or conditionally permitted on the ground floor. As drafted the flexible workspace definition does not place any limits on which Retail Sales and Service use or General Entertainment uses would be permitted. This could potentially permit uses that are currently not permitted. The intent is to ensure that the Retail Sales and Service use or the General Entertainment use allowed as part of flexible workspace is also principally or conditionally permitted in the zoning district the lot sits within. If the Retail Sales and Service use or the General Entertainment use needs a conditional use then Flexible Workspace would also need a conditional use. Also, remove the provision that the use must occupy the first 25 feet of the storefront and state the use must face the street.

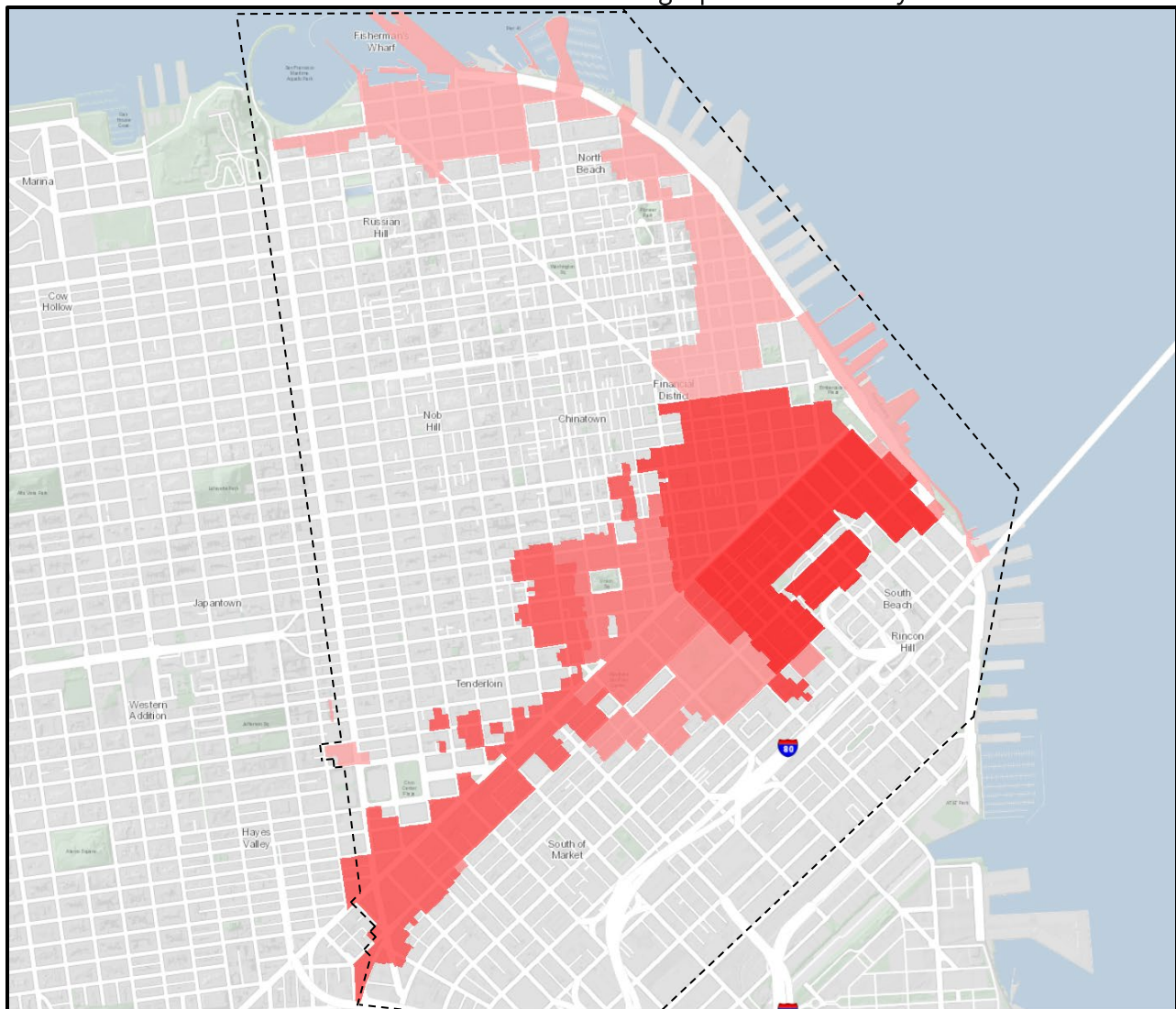
Adaptive Reuse of Commercial Buildings

Recommendation 3: Waive Transportation Demand Management Plan (TDM) Requirements for Commercial to Residential Adaptive Reuse Projects. The TDM requirement is intended to reduce vehicle miles traveled (VMT) generated by new development projects that are providing parking or otherwise intensifying the vehicle trip generation at a project site. An adaptive reuse project is likely to either (1) not provide accessory parking for the residential uses (because there currently is no parking on-site), in which case the VMT generation would be very low and effectively fully compliant with the TDM program requirement already, or (2) provide residential parking but not increase the number of spaces that already exists on site. In considering the latter scenario, the VMT/trip generation impacts are typically greater for non-residential uses than residential uses, therefore a residential building with the same amount of parking should be less impactful in terms of VMT than the non-

residential building was with that same amount of parking. Staff recommends waiving the TDM requirement for the same reason other planning code requirements are being waived because they ought not be applicable to changes of use to residential in an existing building.

Recommendation 4: Modify the western geographic boundary of the program to include all parcels zoned C-3 or C-2 east of Franklin Street / 13th Street, instead of east of Van Ness Avenue. As currently drafted, there are a handful of parcels that would be excluded from the proposed Ordinance, which was not the sponsor's intent. Moving the boundary line two blocks to the west, from Van Ness to Franklin Street/13th Street, will ensure all intended parcels are included.

Commercial Districts with Geographical Boundary



Recommendation 5: Amend the exposure control to clarify the intended meaning and to provide an alternative route to compliance. The current draft introduces the term “exposed exterior width” (of a Dwelling Unit) which is not found elsewhere in the Planning Code. Revising the text would avoid introducing a new term, simplify the control and add another route to compliance for more flexibility. The recommended exposure control is:

The dwelling unit exposure requirements of Section 140 may be satisfied by, either of the following:

- 1. providing an unobstructed open area that is at least as wide as the Dwelling Unit receiving light from this open area and is no less than five feet in every horizontal dimension at each story containing the Dwelling Unit and all stories above.*
- 2. providing an unobstructed open area that is at least 5'-0" wide by 15'-0" long at each story containing the Dwelling Unit and all stories above."*

Recommendation 6: Amend the eligibility criteria in Section 210.5 to allow all eligible adaptive reuse projects to take advantage of zoning modifications and to allow additions of up to 1/3 of the Existing Gross Floor Area (GFA) instead of 20% GFA and maximum of 1 story. As currently drafted, to qualify for the zoning modifications, including waiver of hearings, a project may include an addition of 20% of Gross Floor Area to an existing building up to a one-story vertical addition. The Department recommends altering the eligibility criteria to remove the limit on one vertical story and to increase the addition from 20% to allow additions of up to 1/3 of the Gross Floor Area. This could potentially help support the economic feasibility of projects. The Department additionally recommends allowing projects that exceed the addition of 1/3 of the existing Gross Floor Area to take advantage of the Commercial to Residential Adaptive Reuse Program but subject the portion of the project that exceeds 1/3 additional Gross Floor Area to current Planning Code controls (i.e. does not get the zoning modifications under Section 210.5(d)).

Recommendation 7: Add language to require the Planning Commission to hold a hearing to evaluate the Commercial to Residential Adaptive Reuse Program prior to the program expiring on December 31, 2028. The Planning Commission proposed an amendment to the legislation to add language to Planning Code Section 210.5(f) to state, *"Following January 1, 2027 the Planning Commission shall hold a hearing to evaluate the Commercial to Residential Adaptive Reuse Program and make a recommendation to the Board of Supervisors on the Program, including whether to extend the application period beyond December 31, 2028."*

Recommendation 8: Clarify how existing POPOs (Privately-owned public open spaces) would be treated for Commercial to Residential Adaptive Reuse projects. As currently drafted, the legislation does not include language about POPOs which are a requirement for office uses in C-3 zoning districts. POPOS are publicly accessible spaces in forms of plazas, terraces, atriums, small parks, which are provided and maintained by private developers. Staff recommended to the Commission that language should be added to the Planning Code to clarify that a Commercial to Residential Adaptive Reuse project which retains a commercial use above the ground floor would have to retain the existing POPOs, and a Commercial to Residential Adaptive Reuse project which does not retain a commercial use above the ground floor, would not have to retain the existing POPOS.

In the City's FY 12-13 budget, responsibility for providing strategic direction, planning and oversight of early care and education programs was consolidated in the new agency, OECE.

The proposed Ordinance will correct the Planning Code so that it is in line with the City's current practices and adopted budget.

General Plan Compliance

The proposed Ordinance and the Commission's recommended modifications are consistent with the following Objectives and Policies of the General Plan:

DOWNTOWN PLAN

OBJECTIVE 5

RETAIN A DIVERSE BASE OF SUPPORT COMMERCIAL ACTIVITY IN AND NEAR DOWNTOWN

POLICY 5.1

Provide space for support commercial activities within the downtown and in adjacent areas.

The proposed Ordinance would expand the types of commercial uses that are permitted downtown to help to economically revitalize downtown.

OBJECTIVE 7

EXPAND THE SUPPLY OF HOUSING IN AND ADJACENT TO DOWNTOWN.

POLICY 7.1

Promote the inclusion of housing in downtown commercial developments.

POLICY 7.2

Facilitate conversion of underused industrial and commercial areas to residential use.

The proposed Ordinance would help facilitate adaptive reuse of commercial buildings to housing by waiving certain Planning Code requirements for existing buildings.

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 1

MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

Policy 1.1

Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences that cannot be mitigated.

The proposed Ordinance will facilitate the establishment of new commercial and residential uses. Any potential undesirable consequences may be addressed through existing regulatory controls.

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.

Policy 2.3

Maintain a favorable social and cultural climate in the city in order to enhance its attractiveness as a firm location.

HOUSING ELEMENT

OBJECTIVE 7

EXPANDING HOUSING CHOICES

POLICY 7.3.4

Study feasibility challenges and support proposals for adaptive re-use of vacant and underutilized commercial office buildings to potentially increase housing and affordable housing opportunities, especially if building types work well for groups that would benefit from their proximity to transit, services, or institutions, such as seniors, teachers, or students.

The proposed ordinance will help to facilitate adaptive reuse of commercial buildings and could help to create more housing units in an area of the City that is well-connected to jobs of various skill levels, and numerous public transit options.

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 support neighborhood serving retail by allowing more retail uses downtown and expanding retail uses would provide more opportunities for resident employment in and ownership of neighborhood-serving retail.

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 support more housing and more affordable housing by facilitating the adaptive reuse of commercial buildings.

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 expand the types of industrial uses that are permitted which could help to expand our industrial and service sectors downtown.

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 will further the purposes of Articles 10 and 11 of the Planning Code by continuing to protect the special architectural, historical and aesthetic value of the City's downtown 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 facilitate the adaptive reuse of existing buildings which would help to continue to protect 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 WITH MODIFICATIONS the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on May 4, 2023.



Jonas P. Ionin
Commission Secretary

AYES: Braun, Diamond, Imperial, Koppel, Moore, Tanner

NOES: None

ABSENT: Ruiz

ADOPTED: May 4, 2023



EXECUTIVE SUMMARY

PLANNING CODE TEXT AMENDMENT

HEARING DATE: May 4, 2023

90-Day Deadline: When the 90-day review period ends or the new expiration date from an extension resolution

Project Name: Planning and Building Codes - Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization

Case Number: 2023-003165PCA/ Board File No. 230371

Initiated by: Mayor Breed; President Peskin / Introduced April 4, 2023, Substitute Ordinance April 11, 2023

Staff Contact: Lily Langlois, Principal Planner, Citywide Division
lily.langlois@sfgov.org, 628-652-7472

Reviewed by: Joshua Switzky, Deputy Director of Citywide Division
joshua.switzky@sfgov.org, 628.652.7464

Recommendation: Approval with Modifications

Planning Code Amendment

The proposed Ordinance would amend the Planning Code and Building Code to support more residential uses Downtown by facilitating the adaptive reuse of commercial buildings, help to economically revitalize Downtown by allowing flexibility for more uses, and streamline permitting and review of project applications to better support the economic revitalization of Downtown.

	The Way It Is Now:	The Way It Would Be:
Facilitate Residential Uses Downtown		
1.	Commercial to Residential Adaptive Reuse, Commercial to Residential Adaptive Reuse Project and Commercial to Residential Adaptive Reuse Program are terms not defined in the Planning Code.	Commercial to Residential Adaptive Reuse would be a new definition in the Planning Code Section 102, Commercial to Residential Adaptive Reuse would be defined as to change the use of existing Gross Floor Area from a non-residential use to a residential use.

		<p>Commercial to Residential Adaptive Reuse Projects would be a project that includes a change of use of any existing Gross Floor Area from a non-residential use to a residential use.</p> <p>Commercial to Residential Adaptive Reuse Program would be a new Planning Code Section 210.5.</p> <p>To be eligible for the Commercial to Residential Adaptive Reuse Program, a project would:</p> <ul style="list-style-type: none"> (1) be located in a C zoning district that is east of or fronting Van Ness/South Van Ness Avenue and north of Townsend Street; (2) not seek approval under Section 206.5 or 206.6; (3) not expand an existing building’s envelope in a manner where the addition to the building envelope represents more than 20% of the existing building’s Gross Floor Area; and (4) not add more than one vertical story. <p>Any application would have to be filed on or before December 31, 2028.</p>
2.	Development controls for rear yard, open space, streetscape improvements, dwelling unit exposure, bike parking and dwelling unit mix are required for residential uses in C districts	These development controls would be waived or modified for Commercial to Residential Adaptive Reuse projects.
3.	C-3 and C-2 zoning districts have rear yard requirements for residential uses.	C-3 and C-2 zoning districts would be regulated by lot coverage for residential uses and would not have rear yard requirements.
4.	Height exceptions for mechanical equipment and appurtenances necessary to the operation or maintenance of the building is limited to the top 10 feet if the height limit is 65 feet or less, and the top 16 feet if the height limit is more than 65 feet.	Height exceptions for mechanical equipment and appurtenances necessary to the operation or maintenance of the building would be limited to the top 16 feet if the height limit is 65 feet or less, and the top 20 feet if the height limit is greater than 65 feet. In C-3 districts, for existing buildings whose height exceeds the permitted height limit, these exempted features would be measured from the existing roofline instead of the height limit.
5.	Height exceptions for elevator, stair and mechanical penthouses, fire towers, skylights, and dormer windows are limited to the top 10 feet if the height limit is 65 feet or less, and the top 16 feet if the height limit is greater than 65 feet.	Height exceptions for elevator, stair and mechanical penthouses, fire towers, skylights, and dormer windows would be limited to the top 16 feet if the height limit is 65 feet or less, and the top 20 feet if the height limit is greater than 65 feet. In C-3 districts, for existing buildings whose height exceeds the permitted height limit, these exempted features would be

		measured from the existing roofline instead of the height limit.
6.	Height exceptions up to 16 feet is permitted for enclosed space related to recreational uses on the roof.	Height exceptions up to 16 feet would be expanded to include restaurants or bars on the roof. In C-3 districts, for existing buildings whose height exceeds the permitted height limit, these exempted features would be measured from the existing roofline instead of the height limit.
7.	The maximum allowable sum of the horizontal areas of features exempted from the measurement of height is capped at <u>20%</u> for unscreened rooftops; and at <u>30%</u> for where screening to obscure the exempted features is provided.	The maximum allowable sum of the horizontal areas of features exempted from the measurement of height is capped at <u>30%</u> for unscreened rooftops; and at <u>40%</u> for where screening to obscure the exempted features is provided.
8.	For projects in C-3 districts a hearing is required if a project would result in an addition of more than 50,000 square feet of gross floor area of space; construction of a new building greater than 75' in height or includes a vertical addition resulting in a building taller than 75'; or if the project is seeking exceptions as provided in Section 309(a).	For projects in C-3 districts a hearing would be required if a project includes the construction of a new building greater than 120' in height or includes a vertical addition resulting in a building taller than 120'; or if the project is seeking exceptions as provided in Section 309(a). A hearing would not be required for a Commercial to Residential Adaptive Reuse project.
9.	For projects in Downtown Residential (DTR) districts a hearing is required if a project would result in an addition of more than 50,000 square feet of gross floor area of space; construction of a new building greater than 85' in height or includes a vertical addition resulting in a building taller than 85'; or if the project is seeking exceptions as provided in Section 309.1(b).	For projects in Downtown Residential (DTR) districts a hearing would be required if a project includes construction of a new building greater than 120' in height or includes a vertical addition resulting in a building taller than 120'; or if the project is seeking exceptions as provided in Section 309.1(b).
Economically Revitalize Downtown		
10.	Flexible Workspace is not a defined use in Section 102.	Flexible Workspace would be a new use defined in Section 102 and defined as a <i>Retail Sales and Service Use that is a combination of any uses within the Retail Sales and Service use category or a General Entertainment Use that operates in conjunction with a principally or conditionally permitted Non-Retail Sales and Service Use other than a Commercial Storage, Wholesale Sales, or Wholesale Storage Use. The Retail Sales and Service or General Entertainment portion of the Use shall be at least one-third of the overall Gross Floor Area and occupy space within the first 25 feet of the storefront.</i> Flexible Workspace would be permitted as a required ground floor commercial use in Section 145.4

11.	In C-3 districts, a new single retail use greater than 90,000 square feet requires a conditional use, a new single retail use greater than 120,000 square feet is only permitted if the use sells groceries, contains more than 20,000 stockkeeping units, and devotes more than 5% of its total sales floor area to non-taxable merchandise. A new single retail use greater than 120,000 is not permitted in any zoning district.	In C-3 districts, there would be no size limitation on retail uses.
12.	In C-3 districts, frontages with active uses that are not PDR must be fenestrated with transparent windows and doorways for no less than 60% of the street frontage at the ground level and allow visibility to the inside of the building.	In C-3 districts, for tenant spaces with at least two frontages and active uses that are not PDR, frontages would be required to be fenestrated with transparent windows and doorways for no less than 60% of the street frontage at the ground level or contain window displays of at least four feet in depth to allow visibility to the inside of the building or activate the street.
13.	Active commercial uses are required on certain street frontages. A ground floor nonresidential use may not occupy more than 75 contiguous linear feet for the first 25 feet of depth along a street-facing facade. Separate individual storefronts shall wrap large ground floor uses for the first 25 feet of depth.	This requirement would not apply to street frontages within C districts.
14.	An accessory use cannot occupy more than one-third of the total floor area occupied by the principal use.	Accessory uses would be expanded in C districts to allow accessory storage on the second floor and above for stock and trade relating to retail uses with street level storefronts in the same building. There would be no limitation on the square footage of accessory storage if the storage supports a ground floor use in the same building.
15.	A temporary sign, other than a General Advertising Sign, or a temporary decorative or artistic display or installation is not listed as a temporary use in Section 205.1.	Section 205.1. would be expanded to allow installation of a temporary Sign, other than a General Advertising Sign, or a temporary decorative or artistic display or installation as a temporary use up to 60 days in C-3-R Districts. Such sign or installation could have a maximum height of 16 feet above the roofline of the building to which it is affixed.
16.	Pop-up activations are not listed as a temporary use in Section 205.2	Section 205.2 would be expanded to include pop-up activations within a C District that is east of or fronting Van Ness/South Van Ness Avenue and north of Harrison Street or within an NC, NCT, or Mixed-Use District that is south of Market Street, north of Townsend /Division/13th Streets, and east of South Van Ness Avenue.

17.	In C-2 zoning districts, Laboratory, Life Science, Agricultural and Beverage Processing and Light Manufacturing are not permitted, and Animal Hospitals require a conditional use.	In C-2 zoning districts, Laboratory, Life Science, Agricultural and Beverage Processing, Light Manufacturing and Animal Hospitals would be principally permitted.
18.	In C-2 and C-3 zoning districts Intermediate Length Occupancy (ILO) uses are not permitted for buildings with three or fewer Dwelling Units and require a conditional use authorization for buildings with 10 or more Dwelling Units. Live/Work Unit is not permitted.	In C-2 and C-3 zoning districts for Commercial to Residential Adaptive Reuse projects, Intermediate Length Occupancy (ILO) would be permitted regardless of the building size and Live/Work Unit would be permitted
19.	In C-2 zoning districts there are lot-based density limits for residential uses. In general, density controls are calculated based on the closest R zoning district but not less than one unit per 800 square feet of lot area.	In C-2 zoning districts east of or fronting Van Ness/South Van Ness Avenue and north of Harrison Street, there would be no residential density limit.
20.	In C-3 districts, Senior Housing, Residential Care Facilities, Outdoor Entertainment, Open Recreation Areas, Animal Hospitals, and Trade Schools are not principally permitted.	In C-3 districts, Senior Housing, Residential Care Facilities, Outdoor Entertainment, Open Recreation Areas, Animal Hospitals, and Trade Schools would be principally permitted.
21.	In C-3-R district, office and design professional uses are not permitted on floors 1 and 2, require a conditional use on floors 3, and require a conditional use on floors 4-6 if the use is greater than 5,000 square feet.	In C-3-R district, office and design professional uses would be principally permitted on floors 2 and above.
22.	Formula retail on Market Street between 6th Street and 12th Street/Franklin Street is not permitted.	Formula retail would be principally permitted on Market Street between 6th Street and 12th Street/Franklin Street.
23.	On block/lot 3781/003, formula retail uses require a conditional use and are subject to use size limitations.	On block/lot 3781/003, formula retail uses would be principally permitted and there would be no limit on use size.
24.	In C-3-O(SD) a project must provide two gross square feet of commercial uses for every one gross square foot of residential uses. Exceptions can be granted if a project cannot meet this requirement. However, there is not an explicit exception that recognizes downtown commercial vacancies.	In C-3-O(SD) an additional exception would be added to Section 248 if a project is unable to provide two gross square feet of commercial uses for every one gross square foot of residential uses. The Planning Commission would be allowed to grant an exception from the control if the downtown commercial vacancy rate is persistently high and the project would fulfill its inclusionary requirement pursuant to Planning Code Section 415 through 100% on-site or off-site units within the C-3 District.

Streamline Sign Permitting in C-3 Districts and Citywide		
25.	Nonconforming signs are permitted ordinary maintenance and minor repairs. This maintenance work is not allowed to result in replacing, altering, relocating, or expanding the sign unless it conforms with the Code.	All legal, noncomplying Neon Signs could be physically removed from the building for any required off-site repairs. The maintenance and repairs could not include replacement, alteration, reconstruction, relocation, intensification, or expansion of the Neon Sign. After the off-site repair and maintenance work is complete, the Neon Sign could be reinstalled at the premises in the same location where the Neon Sign was previously affixed.
26.	Signs are subject to the provisions in Section 604.	Existing signs in C-3 districts would not be subject to the provisions in Section 604.
Streamline Historic Preservation Review		
27.	The Department is authorized to administratively process certificates of appropriateness in specified instances described in Planning Code Section 1005(e). The Department does not have authority to issue administrative certificates of appropriateness for a Qualifying Scope of Work.	The Department would streamline Historic Preservation review of administrative certificates of appropriateness for a Qualifying Scope of Work, as delegated by the Historic Preservation Commission to the Department (as periodically updated), and the site is located in a C-3 Zoning District.
28.	The Department is authorized to administratively process minor permits to alter in specified instances described in Planning Code Section 1111.1(c). The Department does not have authority to issue minor permits to alter for awnings, and Qualifying Scopes of Work.	The Department would streamline Historic Preservation review of minor permits to alter for awnings, and for a Qualifying Scope of Work, as delegated by the Historic Preservation Commission to the Department (as periodically updated).
Provide Alternatives to the On-Site Open Space Requirement in Certain C-3 Districts		
29.	A project in the C-3-O District, C-3-S District, C-3-G District and C-3-R District must meet open space requirements on-site.	A project in the C-3-O District, C-3-S District, C-3-G District and C-3-R District could meet open space requirements by providing an in-lieu fee as an alternative to providing the required open space on-site.
Facilitate Adaptive Reuse of Non-residential Buildings by Amending the Building Code to add Standards for Adaptive Reuse Projects.		
30.	Generally, the San Francisco Building Code, which adopts and amends the most recent edition of the California Building Standards Code, applies to new construction or a change of use or occupancy. However, retrofitting existing buildings to current Building Code standards is often unfeasible. For	The Building Official and Fire Code Official shall prepare, maintain, and update, as necessary and appropriate, alternative building standards, which shall provide the building standards applicable to Commercial to Residential Adaptive Reuse projects as defined in Planning Code Section 210.5.

	the conversion of existing non-residential buildings to accommodate new residential uses, alternative building standards are necessary.	
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Background

On February 9th Mayor London Breed released the [Roadmap to Downtown San Francisco's Future](#) which outlines five key priorities, nine strategies and fifty initiatives that respond to economic trends and challenges and will help the City advance a new vision for downtown. Building on this Roadmap, the Planning Department and the Office of Economic and Workforce Development (OEWD) are working together, along with external organizations on a [Future of Downtown](#) effort to address downtown recovery in both the near- and long-term.

The Planning Department's efforts support the content outlined in Mayor Breed's Roadmap to Downtown San Francisco's Future with the Planning Department leading a specific focus on four themes; Economic Diversification and The Future of Office, Expanding Downtown Housing, Public Life and Retail, and Union Square. The [Future of Downtown](#) effort was [presented](#) to the Planning Commission on February 23, 2023.

In January 2023, the City's Budget and Legislative Analyst's Office released a [report](#) on repurposing commercial buildings for residential uses to potentially address the City's need to produce additional affordable and market-rate housing, and commercial vacancies in the Downtown office market. The findings from this report were presentation at the Board of Supervisors Land Use and Transportation Committee hearing on April 3, 2023.

Issues and Considerations

Downtown Economic Revitalization

The Ordinance contains numerous findings about the importance of Downtown to San Francisco's economic vitality, and the negative impacts the COVID-19 pandemic have had on Downtown. It describes how San Francisco is faced with a crisis of housing affordability at the same time commercial vacancy rates have increased. It describes how the shift to hybrid work, with its consequent reduction in office workers and foot traffic, has adversely impacted Downtown and other sectors of the City's economy, including retail and small business, and more broadly has impacted use and activation of public space, transportation, and public safety. To help remedy these problems, this Ordinance would incentivize the adaptive reuse of commercial buildings to housing by exempting eligible projects from certain Planning Code requirements, it would streamline approvals and review of projects, and it would amend the Planning Code to allow more land use flexibility to better support existing businesses and attract new businesses Downtown.

Economic Feasibility of Office-to-Residential Conversion

In March 2023, SPUR, Gensler, ULI and HR+A Advisors released a summary of [findings](#) from a report on office to residential conversion. The report finds that the "city's planning and building code requirements represent a major challenge for conversions". The changes to the Planning Code in this ordinance would help to facilitate adaptive reuse of commercial buildings by waiving certain planning code requirements. The legislation includes a provision that the Commercial to Residential Adaptive Reuse program sunsets in five years. The goal of this provision is to incentive housing development and encourage projects to apply and take advantage of the program. Five years may not provide sufficient time for projects to take advantage of the program or for the City to evaluate the program. The report also finds that the "city's inclusionary housing requirement and impact fees

are major barriers to conversion”. Legislation introduced by Supervisor Dorsey on April 4, 2023 [Board File No. 230372] aims to help with the economic feasibility of adaptive reuse projects by waiving certain development impact fees.

Removing some planning code requirements will help facilitate adaptive reuse of commercial buildings.

Article 10 and 11 and Historic Preservation

Over time, the Historic Preservation Commission (HPC) and Planning Department Preservation staff have developed a consistent methodology for reviewing projects associated with City Landmarks, Landmark Districts and Conservation Districts. Department Preservation staff rely upon Article 10 and Article 11 of the Planning Code, the *Secretary of the Interior’s Standards for the Treatment of Historic Properties (Standards)*, and past guidance from the HPC to review projects associated with our important historic landmarks and conservation districts. To ensure a more streamlined review of projects and also help incentivize filling vacant storefronts by reducing regulatory barriers and review timeframes, Department staff recommend administrative approval without entitlement of many project scopes within our Article 11 Conservation Districts and Article 10 Landmarks within C-3 Zoning Districts. These projects would still be reviewed by Department Preservation staff, using guidance in the Planning Code, *Standards*, direction from HPC to staff for the regularly updated delegation agreement (Qualifying Scopes of Work; currently Motion No. 0443) and forthcoming design guidelines for downtown conservation districts, which will encapsulate the consistent feedback applied by Department Preservation staff in accordance with HPC input and discussion.

General Plan Compliance and 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.

San Francisco’s recently certified Housing Element is the first General Plan Element to center on racial and social equity. It includes policies and programs that express the City’s collective vision and values for the future of housing in San Francisco. Objective 7 of the Housing Element is to expand housing choices. The Expanding Housing Choices program area includes various programs that will increase housing choices for residents in a variety of housing types. This program includes rezoning to accommodate Regional Housing Needs Assessment (RHNA) goals, allowing more homes in small and mid-rise multifamily buildings, and support for ADUs in existing residential buildings. Importantly, it also encourages actions to support additional housing near major transit nodes and jobs centers, such as new housing and conversions of office in downtown. Specifically, Housing Element Implementation Action 7.3.4 states: “*Study feasibility challenges and support proposals for adaptive reuse of vacant and under-utilized commercial office buildings to potentially increase housing and affordable housing opportunities, especially if building types work well for groups that would benefit from their proximity to transit, services, or institutions, such as seniors, teachers, or students.*” Though the proposed Ordinance does not have a direct racial and social equity benefit, increasing the amount of housing in well-resourced areas that have seen little housing production will assist in creating more housing choices and opportunities for all residents.

Downtown is important to the City’s economy, representing 75% of the City’s GPD, 40% of the City’s jobs, and has a high concentration of employment for people of color. The proposed ordinance seeks to support economic revitalization of Downtown by amending zoning controls to allow more flexibility and diversity of uses.

Maintaining a sound and diverse economic base, attracting new industries, and concentrating commercial activity are common themes in the Commerce and Industry Element and the Downtown Plan.

Implementation

The Department has determined that this ordinance will improve our current implementation procedures by streamlining review of certain projects and providing more clarity and certainty in the development review process.

Recommendation

The Department recommends that the Commission *approve with modifications* the proposed Ordinance and adopt the attached Draft Resolution to that effect. The Department's proposed recommendations are as follows:

Economically Revitalize Downtown

1. Clarify that a formula retail use would also be a principally permitted temporary use in zoning districts which principally permit formula retail.
2. Amend the definition of flexible workspace to clarify that the retail sales and services use or the general entertainment use must be principally or conditionally permitted use on the ground floor.

Facilitate Residential Uses Downtown

3. Expand the zoning modifications allowed for a Commercial to Residential Adaptive Reuse Project to include a waiver of the Transportation Demand Management Plan (TDM) Requirements (Section 169.4).
4. Modify the western geographic boundary of the program to include all parcels zoned C-3 or C-2 east of Franklin Street / 13th Street, instead of east of Van Ness Avenue.
5. Amend the exposure control to clarify the intended meaning and to provide an alternative route to compliance.
6. Amend the eligibility criteria in Section 210.5 to allow all eligible adaptive reuse projects to take advantage of zoning modifications and to allow additions of up to 1/3 of the Existing Gross Floor Area (GFA) instead of 20% GFA and maximum of 1 story

Basis for Recommendation

The shift to hybrid work, with its consequent reduction in office workers and foot traffic, has adversely impacted the City's Downtown and other sectors of the City's economy, including retail and small business, and more broadly has impacted use and activation of public space, transportation, and public safety. This legislation would help facilitate adaptive reuse of commercial buildings. If governmental efforts at reducing regulatory barriers for adaptive reuse projects are successful the result will be to re-activate the Downtown core, increase the City's housing stock, and establish new housing options in the Downtown core. This legislation would also

help to bring new life to downtown and economically revitalize downtown by allowing flexibility for more uses and streamline permitting and review of some Planning Code requirements.

Land Use Flexibility

Recommendation 1: Clarify formula retail uses would be principally permitted as temporary uses. Since formula retail is currently principally permitted in C-3 zoning districts, the use should also be principally permitted for temporary uses (pop-ups). The clarification will help streamline review and approvals should there be any questions about formula retail as temporary uses.

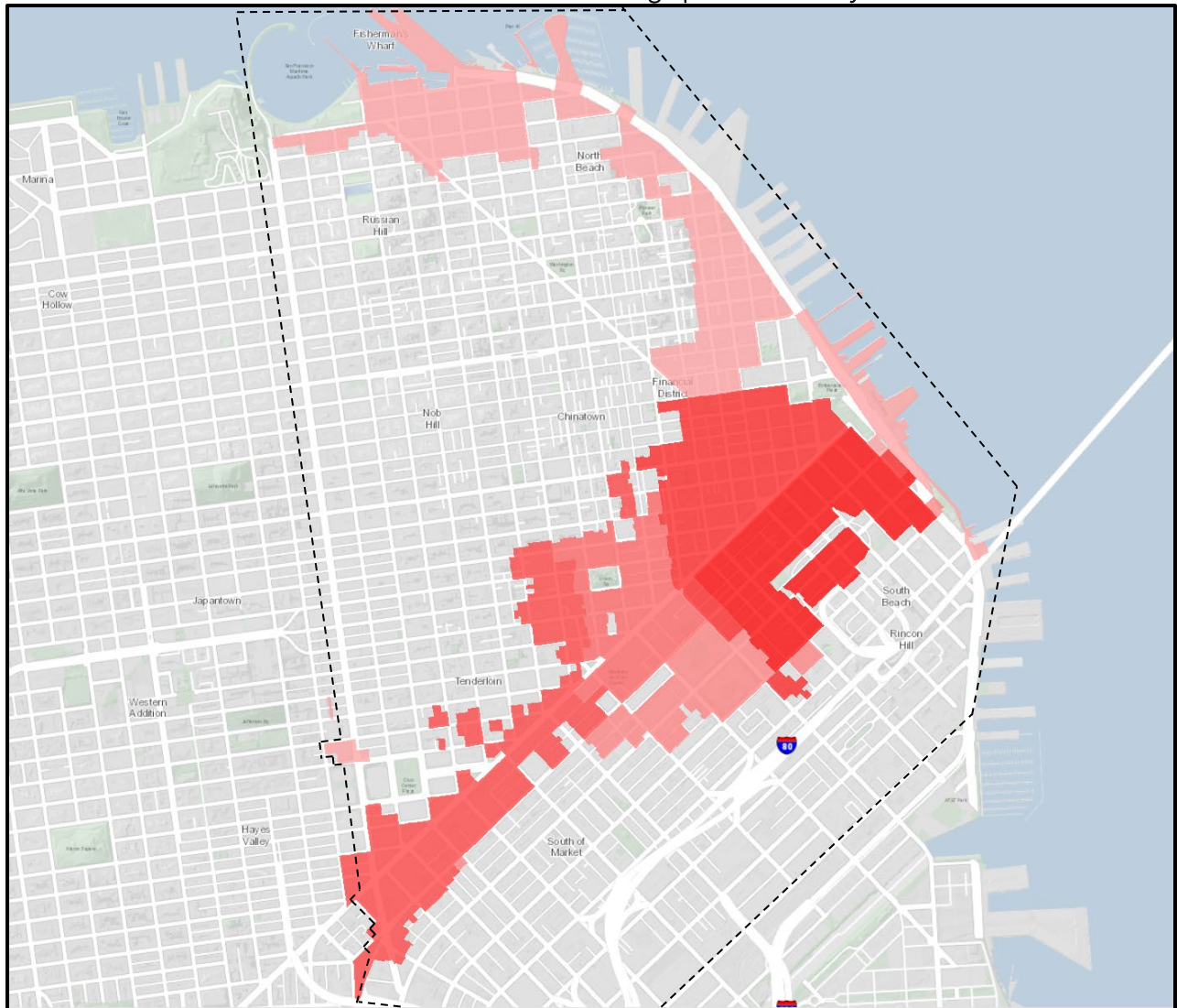
Recommendation 2: Amend the definition of flexible workspace. Clarify that the Retail Sales and Service use or the General Entertainment use must be principally or conditionally permitted on the ground floor. As drafted the flexible workspace definition does not place any limits on which Retail Sales and Service use or General Entertainment uses would be permitted. This could potentially permit uses that are currently not permitted. The intent is to ensure that the Retail Sales and Service use or the General Entertainment use allowed as part of flexible workspace is also principally or conditionally permitted in the zoning district the lot sits within. If the Retail Sales and Service use or the General Entertainment use needs a conditional use then Flexible Workspace would also need a conditional use.

Adaptive Reuse of Commercial Buildings

Recommendation 3: Waive Transportation Demand Management Plan (TDM) Requirements for Commercial to Residential Adaptive Reuse Projects. The TDM requirement is intended to reduce vehicle miles traveled (VMT) generated by new development projects that are providing parking or otherwise intensifying the vehicle trip generation at a project site. An adaptive reuse project is likely to either (1) not provide accessory parking for the residential uses (because there currently is no parking on-site), in which case the VMT generation would be very low and effectively fully compliant with the TDM program requirement already, or (2) provide residential parking but not increase the number of spaces that already exists on site. In considering the latter scenario, the VMT/trip generation impacts are typically greater for non-residential uses than residential uses, therefore a residential building with the same amount of parking should be less impactful in terms of VMT than the non-residential building was with that same amount of parking. Staff recommends waiving the TDM requirement for the same reason other planning code requirements are being waived because they ought not be applicable to changes of use to residential in an existing building.

Recommendation 4: Modify the western geographic boundary of the program to include all parcels zoned C-3 or C-2 east of Franklin Street / 13th Street, instead of east of Van Ness Avenue. As currently drafted, there are a handful of parcels that would be excluded from the proposed Ordinance, which was not the sponsor's intent. Moving the boundary line two blocks to the west, from Van Ness to Franklin Street/13th Street, will ensure all intended parcels are included.

Commercial Districts with Geographical Boundary



Recommendation 5: Amend the exposure control to clarify the intended meaning and to provide an alternative route to compliance. The current draft introduces the term “exposed exterior width” (of a Dwelling Unit) which is not found elsewhere in the Planning Code. Revising the text would avoid introducing a new term, simplify the control and add another route to compliance for more flexibility. The recommended exposure control is:

The dwelling unit exposure requirements of Section 140 may be satisfied by, either of the following:

- 1. providing an unobstructed open area that is at least as wide as the Dwelling Unit receiving light from this open area and is no less than five feet in every horizontal dimension at each story containing the Dwelling Unit and all stories above.*
- 2. providing an unobstructed open area that is at least 5'-0" wide by 15'-0" long at each story containing the*

Dwelling Unit and all stories above.”

Recommendation 6: Amend the eligibility criteria in Section 210.5 to allow all eligible adaptive reuse projects to take advantage of zoning modifications and to allow additions of up to 1/3 of the Existing Gross Floor Area (GFA) instead of 20% GFA and maximum of 1 story. As currently drafted, to qualify for the zoning modifications, including waiver of hearings, a project may include an addition of 20% of Gross Floor Area to an existing building up to a one-story vertical addition. The Department recommends altering the eligibility criteria to remove the limit on one vertical story and to increase the addition from 20% to allow additions of up to 1/3 of the Gross Floor Area. This could potentially help support the economic feasibility of projects. The Department additionally recommends allowing projects that exceed the addition of 1/3 of the existing Gross Floor Area to take advantage of the Commercial to Residential Adaptive Reuse Program but subject the portion of the project that exceeds 1/3 additional Gross Floor Area to current Planning Code controls (i.e. does not get the zoning modifications under Section 210.5(d)).

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 ordinance is within the scope of the environmental analysis for the 2022 Housing Element Update. On November 17, 2022, the Planning Commission reviewed and considered the Final EIR (FEIR) for the 2022 Housing Element Update and certified the FEIR through approval of Motion No. 21206. The Planning Department reviewed and considered the proposed changes to the Planning Code and the Building Code and finds that the physical environmental impacts of these changes are within the scope of the analysis and findings for the Housing Element 2022 Update EIR.

Public Comment

As of the date of this report, the Planning Department has received one letter in support from the Union Square Alliance.

Attachments:

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: Board of Supervisors File No.230371
- Exhibit C: Letters of Support/Opposition or other supporting documentation, etc.



PLANNING COMMISSION DRAFT RESOLUTION

HEARING DATE: May 4, 2023

Project Name: Planning and Building Codes - Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization

Case Number: 2023-003165PCA/ Board File No. 230371

Initiated by: Mayor Breed; President Peskin / Introduced April 4, 2023, Substitute Ordinance April 11, 2023

Staff Contact: Lily Langlois, Principal Planner, Citywide Division
lily.langlois@sfgov.org, 628-652-7472

Reviewed by: Joshua Switzky, Deputy Director of Citywide Division
joshua.switzky@sfgov.org, 628.652.7464

APPROVING A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO 1) FACILITATE RESIDENTIAL USES DOWNTOWN BY AUTHORIZING THE CONVERSION OF NON-RESIDENTIAL USES TO RESIDENTIAL USE IN C (COMMERCIAL) ZONING DISTRICTS, AND EXEMPTING SUCH PROJECTS FROM REQUIREMENTS FOR REAR YARD, OPEN SPACE, STREETScape IMPROVEMENTS, DWELLING UNIT EXPOSURE, BIKE PARKING, DWELLING UNIT MIX, AND INTERMEDIATE LENGTH OCCUPANCY CONTROLS, AND STREAMLINING ADMINISTRATIVE APPROVALS FOR PROJECTS IN THE C-3 ZONING DISTRICT, AND MODIFYING THE DIMENSIONAL LIMITS ON EXEMPTIONS TO HEIGHT RESTRICTIONS FOR MECHANICAL EQUIPMENT, ELEVATOR, STAIR, AND MECHANICAL PENTHOUSES; 2) ECONOMICALLY REVITALIZE DOWNTOWN BY ADDING FLEXIBLE WORKSPACE AS A DEFINED USE, AUTHORIZING LARGE SCALE RETAIL USES IN THE C-3 ZONING DISTRICT, ALLOWING WINDOW DISPLAYS IN THE C-3 ZONING DISTRICT, ALLOWING FLEXIBLE WORKSPACE AS AN ACTIVE GROUND FLOOR COMMERCIAL USE ALONG CERTAIN STREET FRONTAGES IN C-3 ZONING DISTRICTS, ALLOWING ACCESSORY STORAGE IN ANY C ZONING DISTRICT, ALLOWING THE TEMPORARY INSTALLATION FOR 60 DAYS OF CERTAIN SIGNS IN THE C-3-R DISTRICT, ALLOWING TEMPORARY NON-RESIDENTIAL USES IN VACANT SPACES FOR UP TO ONE YEAR, REDUCING DENSITY LIMITS FOR RESIDENTIAL DWELLING UNITS AND SENIOR HOUSING IN THE C-2 ZONING DISTRICTS EAST OF OR FRONTING VAN NESS/SOUTH VAN NESS AVENUE AND NORTH OF HARRISON STREET, PRINCIPALLY PERMITTING LABORATORY, LIFE SCIENCE, AGRICULTURAL AND BEVERAGE PROCESSING, AND ANIMAL HOSPITALS IN C-2 ZONING DISTRICTS, PRINCIPALLY PERMITTING SENIOR HOUSING, RESIDENTIAL CARE FACILITIES, OUTDOOR ENTERTAINMENT, OPEN RECREATION AREAS, ANIMAL HOSPITALS, AND TRADE SCHOOLS IN THE C-3 ZONING DISTRICT, ALLOWING FORMULA

RETAIL AS A GROUND FLOOR USE ON MARKET STREET, PRINCIPALLY PERMITTING OFFICE AND DESIGN PROFESSIONAL USES ON THE SECOND FLOOR AND HIGHER IN THE C-3-R ZONING DISTRICT, AND REQUIRING CONSIDERATION OF OFFICE VACANCY IN CONSIDERATION OF GRANTING EXCEPTIONS IN THE TRANSIT CENTER COMMERCIAL SPECIAL USE DISTRICT; 3) STREAMLINE SIGN PERMITTING CITYWIDE AND IN THE C-3 DISTRICTS BY ALLOWING FOR THE REPAIR AND REHABILITATION OF CERTAIN NEON SIGNS, AND EXEMPTING EXISTING BUSINESS SIGNS IN THE C-3 ZONING DISTRICT FROM CERTAIN ZONING CONTROLS; 4) STREAMLINE HISTORIC PRESERVATION REVIEW OF ADMINISTRATIVE CERTIFICATES OF APPROPRIATENESS, AND MINOR PERMITS TO ALTER FOR AWNINGS, AND QUALIFYING SCOPES OF WORK, AS MAY BE DELEGATED BY THE HISTORIC PRESERVATION COMMISSION; 5) PROVIDE ALTERNATIVES TO ON-SITE OPEN SPACE IN CERTAIN C-3 DISTRICTS BY ALLOWING FOR PAYMENT OF AN IN LIEU FEE AS AN ALTERNATIVE TO PROVIDING OPEN SPACE; 6) FACILITATE RESIDENTIAL ADAPTIVE REUSE BY AMENDING THE BUILDING CODE TO ADD STANDARDS FOR ADAPTIVE REUSE OF NON-RESIDENTIAL BUILDINGS; ADOPTING FINDINGS, INCLUDING ENVIRONMENTAL FINDINGS, PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.

WHEREAS, on April 4, 2023, Mayor Breed and Supervisor Peskin introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 230371, which would amend the Planning Code to support more Residential Uses Downtown by facilitating conversion of commercial buildings to residential, economically revitalize Downtown by allowing flexibility for more uses, and streamline permitting and review of some Planning Code requirements to better support economic revitalization downtown.

WHEREAS, the Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on May 4, 2023; and,

WHEREAS, the proposed ordinance is within the scope of the environmental analysis for the 2022 Housing Element Update. On November 17, 2022, the Planning Commission reviewed and considered the Final EIR (FEIR) for the 2022 Housing Element Update and certified the FEIR through approval of Motion No. 21206. The Planning Department reviewed and considered the proposed changes to the Planning Code and the Building Code and finds that the physical environmental impacts of these changes are within the scope of the analysis and findings for the Housing Element 2022 Update EIR.

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, the Historic Preservation Commission has heard the proposed ordinance on April 19, 2023 and adopted a recommendation for approval in Resolution No. 01326; 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 with modifications** the proposed ordinance. The Commission's proposed recommendations are as follows:

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 shift to hybrid work, with its consequent reduction in office workers and foot traffic, has adversely impacted the City's Downtown and other sectors of the City's economy, including retail and small business, and more broadly has impacted use and activation of public space, transportation, and public safety. This legislation would help facilitate adaptive reuse of commercial buildings. If governmental efforts at reducing regulatory barriers for adaptive reuse projects are successful the result will be to re-activate the Downtown core, increase the City's housing stock, and establish new housing options in the Downtown core. This legislation would also help to bring new life to downtown and economically revitalize downtown by allowing flexibility for more uses and streamline permitting and review of some Planning Code requirements.

Land Use Flexibility

Recommendation 1: Clarify formula retail uses would be principally permitted as temporary uses. Since formula retail is currently principally permitted in C-3 zoning districts, the use should also be principally permitted for temporary uses (pop-ups). The clarification will help streamline review and approvals should there be any questions about formula retail as temporary uses.

Recommendation 2: Amend the definition of flexible workspace. Clarify that the Retail Sales and Service use or the General Entertainment use must be principally or conditionally permitted on the ground floor. As drafted the flexible workspace definition does not place any limits on which Retail Sales and Service use or General Entertainment uses would be permitted. This could potentially permit uses that are currently not permitted. The intent is to ensure that the Retail Sales and Service use or the General Entertainment use allowed as part of flexible workspace is also principally or conditionally permitted in the zoning district the lot sits within. If the Retail Sales and Service use or the General Entertainment use needs a conditional use then Flexible Workspace would also need a conditional use.

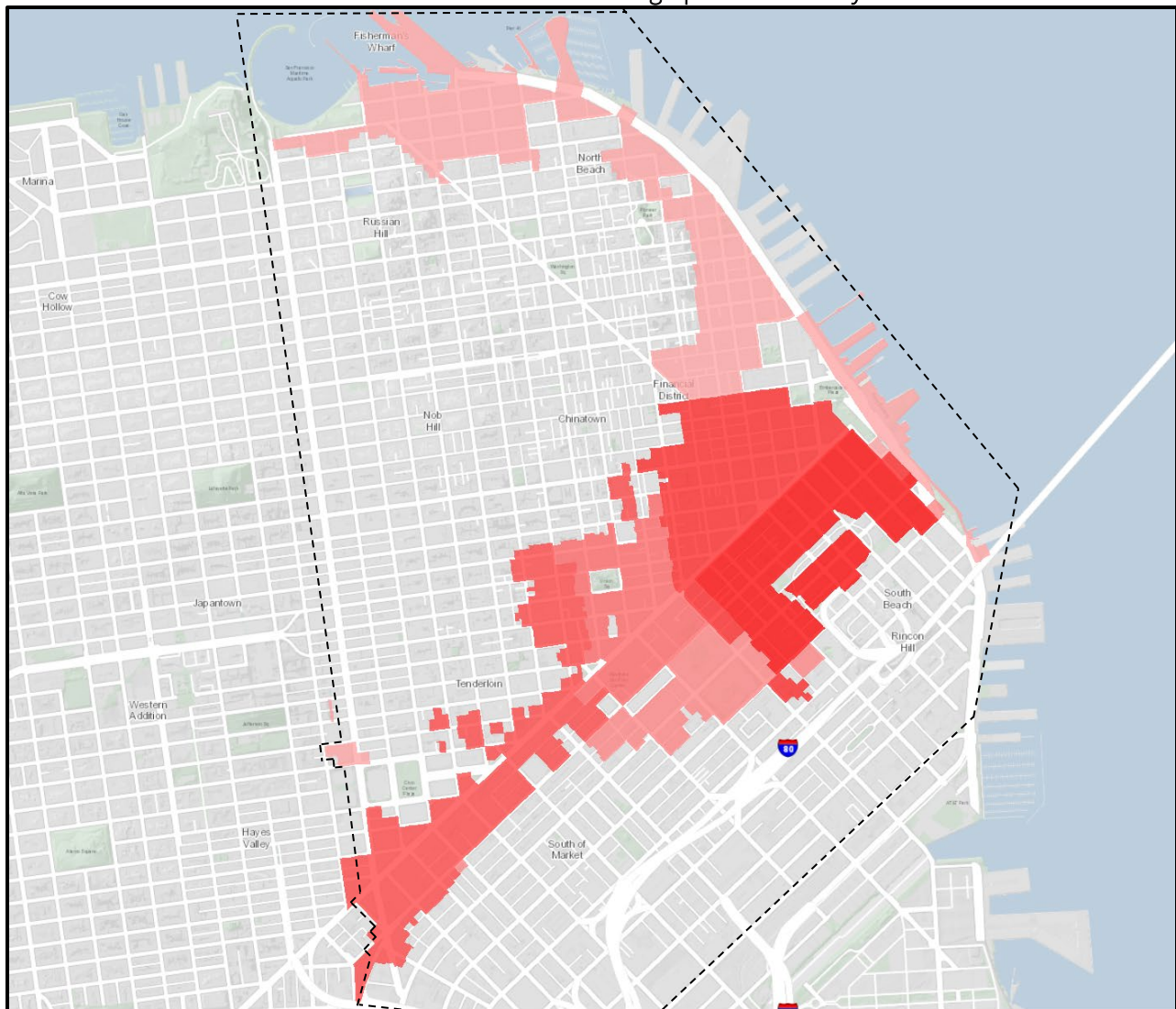
Adaptive Reuse of Commercial Buildings

Recommendation 3: Waive Transportation Demand Management Plan (TDM) Requirements for Commercial to Residential Adaptive Reuse Projects. The TDM requirement is intended to reduce vehicle miles traveled (VMT) generated by new development projects that are providing parking or otherwise intensifying the vehicle trip generation at a project site. An adaptive reuse project is likely to either (1) not provide accessory parking for the residential uses (because there currently is no parking on-site), in which case the VMT generation would be very low and effectively fully compliant with the TDM program requirement already, or

(2) provide residential parking but not increase the number of spaces that already exists on site. In considering the latter scenario, the VMT/trip generation impacts are typically greater for non-residential uses than residential uses, therefore a residential building with the same amount of parking should be less impactful in terms of VMT than the non-residential building was with that same amount of parking. Staff recommends waiving the TDM requirement for the same reason other planning code requirements are being waived because they ought not be applicable to changes of use to residential in an existing building.

Recommendation 4: Modify the western geographic boundary of the program to include all parcels zoned C-3 or C-2 east of Franklin Street / 13th Street, instead of east of Van Ness Avenue. As currently drafted, there are a handful of parcels that would be excluded from the proposed Ordinance, which was not the sponsor’s intent. Moving the boundary line two blocks to the west, from Van Ness to Franklin Street/13th Street, will ensure all intended parcels are included.

Commercial Districts with Geographical Boundary



Recommendation 5: Amend the exposure control to clarify the intended meaning and to provide an alternative route to compliance. The current draft introduces the term “exposed exterior width” (of a Dwelling

Unit) which is not found elsewhere in the Planning Code. Revising the text would avoid introducing a new term, simplify the control and add another route to compliance for more flexibility. The recommended exposure control is:

The dwelling unit exposure requirements of Section 140 may be satisfied by, either of the following:

- 1. providing an unobstructed open area that is at least as wide as the Dwelling Unit receiving light from this open area and is no less than five feet in every horizontal dimension at each story containing the Dwelling Unit and all stories above.*
- 2. providing an unobstructed open area that is at least 5'-0" wide by 15'-0" long at each story containing the Dwelling Unit and all stories above."*

Recommendation 6: Amend the eligibility criteria in Section 210.5 to allow all eligible adaptive reuse projects to take advantage of zoning modifications and to allow additions of up to 1/3 of the Existing Gross Floor Area (GFA) instead of 20% GFA and maximum of 1 story. As currently drafted, to qualify for the zoning modifications, including waiver of hearings, a project may include an addition of 20% of Gross Floor Area to an existing building up to a one-story vertical addition. The Department recommends altering the eligibility criteria to remove the limit on one vertical story and to increase the addition from 20% to allow additions of up to 1/3 of the Gross Floor Area. This could potentially help support the economic feasibility of projects. The Department additionally recommends allowing projects that exceed the addition of 1/3 of the existing Gross Floor Area to take advantage of the Commercial to Residential Adaptive Reuse Program but subject the portion of the project that exceeds 1/3 additional Gross Floor Area to current Planning Code controls (i.e. does not get the zoning modifications under Section 210.5(d)).

In the City's FY 12-13 budget, responsibility for providing strategic direction, planning and oversight of early care and education programs was consolidated in the new agency, OECE.

The proposed Ordinance will correct the Planning Code so that it is in line with the City's current practices and adopted budget.

General Plan Compliance

The proposed Ordinance and the Commission's recommended modifications are consistent with the following Objectives and Policies of the General Plan:

DOWNTOWN PLAN

OBJECTIVE 5

RETAIN A DIVERSE BASE OF SUPPORT COMMERCIAL ACTIVITY IN AND NEAR DOWNTOWN

POLICY 5.1

Provide space for support commercial activities within the downtown and in adjacent areas.

The proposed Ordinance would expand the types of commercial uses that are permitted downtown to help to economically revitalize downtown.

OBJECTIVE 7

EXPAND THE SUPPLY OF HOUSING IN AND ADJACENT TO DOWNTOWN.

POLICY 7.1

Promote the inclusion of housing in downtown commercial developments.

POLICY 7.2

Facilitate conversion of underused industrial and commercial areas to residential use.

The proposed Ordinance would help facilitate adaptive reuse of commercial buildings to housing by waiving certain Planning Code requirements for existing buildings.

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 1

MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

Policy 1.1

Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences that cannot be mitigated.

The proposed Ordinance will facilitate the establishment of new commercial and residential uses. Any potential undesirable consequences may be addressed through existing regulatory controls.

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.

Policy 2.3

Maintain a favorable social and cultural climate in the city in order to enhance its attractiveness as a firm location.

HOUSING ELEMENT

OBJECTIVE 7

EXPANDING HOUSING CHOICES

POLICY 7.3.4

Study feasibility challenges and support proposals for adaptive re-use of vacant and underutilized commercial office buildings to potentially increase housing and affordable housing opportunities, especially if building types work well for groups that would benefit from their proximity to transit, services, or institutions, such as seniors, teachers, or students.

The proposed ordinance will help to facilitate adaptive reuse of commercial buildings and could help to create more housing units in an area of the City that is well-connected to jobs of various skill levels, and numerous public transit options.

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 support neighborhood serving retail by allowing more retail uses downtown and expanding retail uses would provide more opportunities for resident employment in and ownership of neighborhood-serving retail.

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 support more housing and more affordable housing by facilitating the adaptive reuse of commercial buildings.

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 expand the types of industrial uses that are permitted which could help

to expand our industrial and service sectors downtown.

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 will further the purposes of Articles 10 and 11 of the Planning Code by continuing to protect the special architectural, historical and aesthetic value of the City's downtown 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 facilitate the adaptive reuse of existing buildings which would help to continue to protect 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 WITH MODIFICATIONS the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on May 4, 2023,

Jonas P. Ionin
Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED:

1 [Planning and Building Codes - Commercial to Residential Adaptive Reuse and Downtown
2 Economic Revitalization]

3 **Ordinance amending the Planning Code to 1) facilitate residential uses Downtown**
4 **by authorizing the conversion of non-residential uses to residential use in C**
5 **(Commercial) zoning districts, and exempting such projects from requirements**
6 **for rear yard, open space, streetscape improvements, dwelling unit exposure,**
7 **bike parking, dwelling unit mix, and Intermediate Length Occupancy controls,**
8 **permitting live work units in such project, streamlining administrative approvals**
9 **for projects in the C-3 zoning district, and modifying the dimensional limits on**
10 **exemptions to height restrictions for mechanical equipment, elevator, stair, and**
11 **mechanical penthouses; 2) economically revitalize Downtown by adding Flexible**
12 **Workspace as a defined use, authorizing large scale retail uses in the C-3 zoning**
13 **district, allowing window displays in the C-3 zoning district, allowing Flexible**
14 **Workspace as an active ground floor commercial use along certain street**
15 **frontages in C-3 zoning districts, allowing accessory storage in any C zoning**
16 **district, allowing the temporary installation for 60 days of certain signs in the**
17 **C-3-R district, allowing temporary non-residential uses in vacant spaces for up to**
18 **one year, reducing density limits for Residential Dwelling Units and Senior**
19 **Housing in the C-2 zoning districts east of or fronting Van Ness/South Van Ness**
20 **Avenue and north of Townsend Street, principally permitting Laboratory, Life**
21 **Science, Agricultural and Beverage Processing, and Animal Hospitals in C-2**
22 **zoning districts, principally permitting Senior Housing, Residential Care Facilities,**
23 **Outdoor Entertainment, Open Recreation Areas, Animal Hospitals, and Trade**
24 **Schools in the C-3 zoning district, allowing formula retail as a ground floor use on**
25 **Market Street, principally permitting office and design professional uses on the**

1 second floor and higher in the C-3-R zoning district, and requiring consideration
2 of office vacancy in consideration of granting exceptions in the Transit Center
3 Commercial Special Use District; 3) streamline sign permitting citywide and in the
4 C-3 districts by allowing for the repair and rehabilitation of certain neon signs,
5 and exempting existing business signs in the C-3 zoning district from certain
6 zoning controls; 4) streamline Historic Preservation review of administrative
7 certificates of appropriateness, and minor permits to alter for awnings, and
8 Qualifying Scopes of Work, as may be delegated by the Historic Preservation
9 Commission; 5) provide alternatives to on-site open space in certain C-3 districts
10 by allowing for payment of an in lieu fee as an alternative to providing open
11 space; 6) facilitate residential adaptive reuse by amending the Building Code to
12 add standards for adaptive reuse of non-residential buildings; and 7) principally
13 permit formula retail and waive size limitations for such uses on a portion of
14 Showplace Square Area (555-9th Street, Assessor's Parcel Block No. 3781, Lot
15 No. 003); affirming the Planning Department's determination under the California
16 Environmental Quality Act; making findings of consistency with the General Plan,
17 and the eight priority policies of Planning Code, Section 101.1; and making
18 findings of public necessity, convenience, and welfare pursuant to Planning
19 Code, Section 302.

20 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
21 **Additions to Codes** are in *single-underline italics Times New Roman font*.
22 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
23 **Board amendment additions** are in double-underlined Arial font.
24 **Board amendment deletions** are in ~~strikethrough Arial font~~.
25 **Asterisks (* * * *)** indicate the omission of unchanged Code subsections or parts of tables.

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

1 Section 1. Environmental, Land Use, and Building Findings.

2 (a) The Planning Department has determined that the actions contemplated in
3 this ordinance comply with the California Environmental Quality Act (California Public
4 Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of
5 the Board of Supervisors in File No. ____ and is incorporated herein by reference. The
6 Board affirms this determination.

7 (b) On _____, the Planning Commission, in Resolution No. _____,
8 adopted findings that the actions contemplated in this ordinance are consistent, on
9 balance, with the City’s General Plan and eight priority policies of Planning Code
10 Section 101.1. The Board adopts these findings as its own. A copy of said Resolution
11 is on file with the Clerk of the Board of Supervisors in File No. _____, and is
12 incorporated herein by reference.

13 (c) Pursuant to Planning Code Section 302, the Board finds that this Planning
14 Code amendment will serve the public necessity, convenience, and welfare for the
15 reasons set forth in Planning Commission Resolution No. _____, and the Board
16 incorporates such reasons herein by reference. A copy of said resolution is on file with
17 the Clerk of the Board of Supervisors in File No. _____.

18 (d) On _____, at a duly noticed public hearing, the Building
19 Inspection Commission considered this ordinance in accordance with Charter Section
20 D3.750-5 and Building Code Section 104A.2.11.1.1. A copy of a letter from the
21 Secretary of the Building Inspection Commission regarding the Commission’s
22 recommendation is on file with the Clerk of the Board of Supervisors in File No.
23 _____.

24 (e) No local findings are required under California Health and Safety Code
25 Section 17958.7 because the amendments to the Building Code contained in this

1 ordinance do not regulate materials or manner of construction or repair, and instead
2 relate in their entirety to administrative procedures for implementing the code and
3 remedies available for enforcing code violations, which are expressly excluded from the
4 definition of a “building standard” by California Health and Safety Code Section
5 18909(c).

6

7 Section 2. General Background and Findings.

8 (a) California faces a severe crisis of housing affordability and availability,
9 prompting the Legislature to declare, in Section 65589.5 of the Government Code, that
10 the state has “a housing supply and affordability crisis of historic proportions. The
11 consequences of failing to effectively and aggressively confront this crisis are hurting
12 millions of Californians, robbing future generations of a chance to call California home,
13 stifling economic opportunities for workers and businesses, worsening poverty and
14 homelessness, and undermining the state’s environmental and climate objectives.”

15 (b) This crisis of housing affordability and availability is particularly severe in San
16 Francisco. It is characterized by dramatic increases in rent and home sale prices over
17 recent years.

18 (c) According to the Planning Department’s 2020 Housing Inventory, the cost of
19 housing in San Francisco has increased dramatically since the Great Recession of
20 2008-2009, with the median sale price for a two-bedroom house more than tripling from
21 2011 to 2021, from \$493,000 to \$1,580,000. This includes a 9% increase from 2019 to
22 2020 alone, even in the face of the COVID-19 pandemic. The median rental price for a
23 two-bedroom apartment saw similar although slightly smaller increases, nearly doubling
24 from \$2,570 to \$4,500 per month, from 2011 to 2019, before declining in 2020 due to
25 the pandemic.

1 (d) These housing cost trends come after decades of underproduction of
2 housing in the Bay Area, according to the Planning Department’s 2019 Housing
3 Affordability Strategies Report. The City’s Chief Economist has estimated that
4 approximately 5,000 new market-rate housing units per year would be required to keep
5 housing prices in San Francisco constant with the general rate of inflation.

6 (e) Moreover, San Francisco will be challenged to meet increased Regional
7 Housing Needs Allocation (“RHNA”) goals in the upcoming 2023-2031 Housing Element
8 cycle, which total 82,069 units over eight years, more than 2.5 times the goal of the
9 previous eight-year cycle. The importance of meeting these goals to address housing
10 needs is self-evident. In addition, under relatively new State laws like Senate Bill 35
11 (2017), failure to meet the 2023-2031 RHNA housing production goals would result in
12 limitations on San Francisco’s control and discretion over certain projects.

13 (f) At the same time, the City faces reduced demand for office space and large
14 increases in commercial vacancy rates, as the impacts to the workforce wrought by the
15 COVID-19 pandemic – most notably the shift toward remote work – persist even as
16 public health threats have waned. These changes have been particularly prominent in
17 the Greater Downtown Area, defined as the North Financial District, South Financial
18 District, Mid-Market, Union Square, Jackson Square, Mission Bay/China Basin, North
19 Waterfront, Showplace Square, South of Market, and the Van Ness Corridor (referred to
20 in this ordinance as “Downtown”). In the Greater Downtown Area, the office sector has
21 experienced a fourfold increase in total vacancy rate between the third quarter of 2019
22 and the third quarter of 2022, driven largely by reduced space needs due to the rise of
23 remote work.

24 (g) To address the twin problems of under-utilized office space and lack of
25 affordable and available housing in San Francisco, a recent report from the Board of

1 Supervisors' Budget and Legislative Analyst, dated January 6, 2023, urges City
2 policymakers to consider programs to incentivize the conversion of office space into
3 residential units ("BLA Report"). The BLA Report identifies various policy options to
4 incentivize the conversion of office buildings, including reducing regulatory hurdles,
5 such as protracted approval timeframes; exempting or relaxing projects from various
6 standards in the Planning Code; and offering financial incentives to offset the costly
7 architectural and engineering challenges of these conversions.

8 (h) Prior to the COVID-19 pandemic, two-thirds of the City's total jobs were
9 located Downtown, representing more than three-quarters of the City's total gross
10 domestic product ("GDP"). San Francisco is also the economic hub for the Bay Area.
11 With a \$250 billion annual GDP in 2022, San Francisco accounted for more than one-
12 quarter of the nine-county Bay Area economy — and 79% of the City's share of the Bay
13 Area economy stems from office-based industries concentrated Downtown. Downtown-
14 based businesses have historically generated nearly half of the City's sales tax revenue
15 and almost all (95%) of the City's business tax revenue. This revenue funds many key
16 services such as public safety, cleaning, open space, and transportation.

17 (i) The shift to hybrid work, with its consequent reduction in office workers and
18 foot traffic, has adversely impacted the City's Downtown and other sectors of the City's
19 economy, including retail and small business, and more broadly has impacted use and
20 activation of public space, transportation, and public safety.

21 (k) On February 9, 2023, Mayor Breed issued a Roadmap to Downtown San
22 Francisco's Future. Several of the plan's key policies include: (1) the economic
23 diversification of Downtown and the revisioning of office space there, (2) expanding
24 Downtown housing, (3) activating Downtown and enacting zoning controls that draw
25 people Downtown, and (4) maximizing flexibility for uses and economic activity in the

1 Union Square area, which has historically played a unique role citywide, regionally, and
2 internationally as a center for shopping, entertainment, and services.

3 (l) This ordinance would incentivize the conversion of non-residential buildings
4 into residential units by exempting eligible projects from certain Planning Code
5 standards. It also would enact local code changes to support existing and attract new
6 businesses Downtown, and streamline approvals to draw consumers back Downtown.

7 (m) To achieve these ends, this ordinance contains seven sections, each of
8 which comprises a policy objective: Section 3 includes Planning Code amendments to
9 facilitate residential uses Downtown, including the creation of a Commercial to
10 Residential Adaptive Reuse program; Section 4 includes Planning Code amendments to
11 economically revitalize downtown, by creating a new Retail Sales and Service Use type
12 and relaxing restrictions on existing uses Downtown; Section 5 includes Planning Code
13 Amendments to streamline sign permitting in C-3 zoning districts as well as Citywide;
14 Section 6 will streamline Historic Preservation review of administrative certificates of
15 appropriateness, and minor permits to alter for awnings, and Qualifying Scopes of
16 Work; Section 7 provides an in lieu fee alternative to on-site privately-owned public
17 space requirements in certain C-3 Districts; Section 8 amends the San Francisco
18 Building Code to facilitate residential adaptive reuse of existing buildings; and Section 9
19 principally permits formula retail on a portion of Showplace Square Area.

20
21 Section 3. Facilitate Residential Uses Downtown. The Planning Code is hereby
22 amended by revising Sections 102, 134, 135, 140, 155.1, 155.2, 207.7, 210.1, 210.2,
23 260, 309, and 309.1, and adding Section 210.5, to read as follows:

24
25 **SEC. 102. DEFINITIONS.**

1 * * * *

2 **City.** The City and County of San Francisco.

3 **Commercial to Residential Adaptive Reuse.** *Commercial to Residential Adaptive Reuse*
4 *shall mean to change the use of an existing Gross Floor Area from a non-residential use to a*
5 *residential use pursuant to Section 210.5.*

6 * * * *

7 **Live/Work Unit.** A hybrid Residential and PDR Use that is defined as a structure
8 or portion of a structure combining a residential living space for a group of persons
9 including not more than four adults in the same unit with an integrated work space
10 principally used by one or more of the residents of that unit; provided, however, that no
11 otherwise qualifying portion of a structure that contains a Group A occupancy under the
12 Building Code shall be considered a Live/Work Unit. No City official, department, board,
13 or commission shall issue or approve a building permit or other land use entitlement
14 authorizing a new live/work unit as defined here, except as authorized under Section
15 210.5, or as an accessory use under Section 204.4. Lawfully approved live/work units
16 are subject to the provisions of Sections 181 and 317 of this Code.

17 * * * *

18
19 **SEC. 134. REAR YARDS IN R, RC, NC, ~~CS~~ SPD, M, MUG, WMUG, MUO, MUR,**
20 **UMU, RED, AND RED-MX DISTRICTS; AND LOT COVERAGE REQUIREMENTS IN C**
21 **DISTRICTS.**

22 (c) **Basic Requirements.** The basic rear yard requirements shall be as follows
23 for the districts indicated:

24 * * * *

1 (2) **RM-3, RM-4, RC-3, RC-4, NC Districts other than the Pacific**
2 **Avenue NC District, ~~C~~, M, MUG, WMUG, MUO, CMUO, MUR, UMU, RED, RED-MX,**
3 **and SPD Districts.** Except as specified in this subsection (c), the minimum rear yard
4 depth shall be equal to 25% of the total depth of the lot on which the building is situated,
5 but in no case less than 15 feet.

6 * * * *

7 (E) **RC-3, RC-4, NC-3, NCT-3, Bayview, Broadway, Fillmore**
8 **Street, Geary Boulevard, Hayes-Gough, Japantown, SoMa NCT, Mission Bernal,**
9 **Mission Street, Polk Street, Lower Polk Street, Pacific Avenue, ~~C~~, M, SPD, MUR,**
10 **MUG, MUO, and UMU Districts.** Rear yards shall be provided at the lowest story
11 containing a Dwelling Unit, and at each succeeding level or story of the building. In the
12 Hayes-Gough NCT, lots fronting the east side of Octavia Boulevard between Linden
13 and Market Streets (Central Freeway Parcels L, M, N, R, S, T, U, and V) are not
14 required to provide rear yards at any level of the building, provided that the project fully
15 meets the usable open space requirement for Dwelling Units pursuant to Section 135. ~~of~~
16 ~~this Code,~~ meets the exposure requirements of Section 140, and gives adequate
17 architectural consideration to the light and air needs of adjacent buildings given the
18 constraints of the project site.

19 * * * *

20 (H) Lot Coverage in C Districts. Lot coverage is limited to 80% at all
21 levels containing residential uses, except that on levels that include only lobbies and circulation
22 areas and on levels in which all residential uses, including circulation areas, are within 40
23 horizontal feet from a property line fronting a street or alley, up to 100% lot coverage may
24 occur. The unbuilt portion of the lot shall be open to the sky except for those obstructions
25 permitted in yards pursuant to subsections (1) through (23) of Section 136(c). Where the

1 adjacent properties have an existing rear yard, the unbuilt area of the new project shall be
 2 designed to adjoin that rear yard. In accordance with Section 210.5, lot coverage requirements
 3 shall not be applicable for Commercial to Residential Adaptive Reuse projects.

4 * * * *

5
 6 **SEC. 135. USABLE OPEN SPACE FOR DWELLING UNITS AND GROUP**
 7 **HOUSING, R, NC, MIXED USE, C, AND M DISTRICTS.**

8 * * * *

9 (d) **Amount Required.** Usable open space shall be provided for each building
 10 in the amounts specified herein and in Tables 135A and B for the district in which the
 11 building is located; provided, however, that (i) in the Downtown Residential (DTR)
 12 Districts, open space shall be provided in the amounts specified in Section 825 ~~of this~~
 13 ~~Code~~, and (ii) in accordance with Section 210.5, usable open space shall not be required for
 14 Commercial to Residential Adaptive Reuse projects.

15 * * * *

16 **TABLE 135A**
 17 **MINIMUM USABLE OPEN SPACE FOR DWELLING UNITS AND GROUP HOUSING**
 18 **OUTSIDE THE EASTERN NEIGHBORHOODS MIXED USE DISTRICT**

District	Square Feet of Usable Open Space Required for Each Dwelling Unit If All Private	Ratio of Common Usable Open Space That May Be Substituted for Private
* * * *		
C-3, M-1, M-2	36 (1)	1.33 (1)

<p>1 2 3 4</p> <p style="text-align: center;">C-1, C-2</p>	<p>Same as for the R District establishing the dwelling unit density ratio for the C-1 or C-2 District property. <i>Group Housing requirement is per bedroom and 1/3 the amount required for a Dwelling Unit. (1)</i></p>	
---	--	--

5
6
7

(1) In accordance with Section 210.5, usable open space shall not be required for Commercial to Residential Adaptive Reuse projects.

8
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* * * *

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11

SEC. 140. ALL DWELLING UNITS IN ALL USE DISTRICTS TO FACE ON AN OPEN AREA.

12
13
14
15

(a) **Requirements for Dwelling Units.** In each Dwelling Unit in any use district, the required windows (as defined by Section 504 of the San Francisco Housing Code-) of at least one room that meets the 120-square-foot minimum superficial floor area requirement of Section 503 of the Housing Code shall face directly onto an open area of one of the following types:

16
17

* * * *

18
19

(3) In accordance with Section 210.5, this Section 140 shall not apply to Commercial to Residential Adaptive Reuse projects.

20
21

* * * *

22
23

SEC. 155.1. BICYCLE PARKING: DEFINITIONS AND STANDARDS.

24
25

* * * *

(g) Commercial to Residential Adaptive Reuse projects. In accordance with Section 210.5, the requirements of this Section 155.1 shall not apply to any Commercial to Residential Adaptive Reuse projects.

Development Standards

* * * *

* * * *

Usable Open Space for Dwelling Units and Group Housing	§§ 135, 136	Same as for the R District establishing the dwelling unit density ratio for the property. <u>Group Housing requirement is per bedroom and 1/3 the amount required for a Dwelling Unit. See exceptions for Commercial to Residential Adaptive Reuse projects in Section 210.5</u>
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* * * *

Rear Yard Setback	§§ 130, 134	<u>Lot coverage is limited to 80% at all levels containing Residential Uses, except that on levels that include only lobbies and circulation areas and on levels in which all residential uses, including circulation areas, are within 40 horizontal feet from a property line fronting a street or alley, up to 100% lot coverage may occur. The unbuilt portion of the lot shall be open to the sky except for those obstructions permitted in yards pursuant to subsections (1) through (23) of Section 136(c). Where the adjacent properties have an existing rear yard, the unbuilt area of the new project shall be designed to adjoin that rear yard. See exceptions for Commercial to Residential Adaptive Reuse projects in Section 210.5.25% of the total depth lot depth, but in no case less than 15 feet for lowest story containing a dwelling unit and each succeeding story.</u>
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SEC. 210.2. C-3 DISTRICTS: DOWNTOWN COMMERCIAL.

* * * *

**Table 210.2
ZONING CONTROL TABLE FOR C-3 DISTRICTS**

Zoning Category	§ References	C-3-O	C-3-O(SD)	C-3-R	C-3-G	C-3-S
RESIDENTIAL STANDARDS AND USES						
Development Standards						
* * * *						
<i>Usable Open Space [Per Dwelling Unit]</i> <i>Usable Open Space for Dwelling Units and Group Housing</i>	§§ 135, 136	At least 36 square feet if private, and 48 square feet per Dwelling Unit if common; <i>Group Housing requirement is per bedroom and 1/3 the amount required for a Dwelling Unit. See exceptions for Commercial to Residential Adaptive Reuse projects in Section 210.5</i>				
* * * *						
Rear Yard Setback	§§ 130, 134	<i>Lot coverage is limited to 80% at all levels containing Residential Uses, except that on levels that include only lobbies and circulation areas and on levels in which all residential uses, including circulation areas, are within 40 horizontal feet from a property line fronting a street or alley, up to 100% lot coverage may occur. The unbuilt portion of the lot shall be open to the sky except for those obstructions permitted in yards pursuant to subsections (1) through (23) of Section 136(c). Where the adjacent properties have an existing rear yard, the unbuilt area of the new project shall be designed to adjoin that rear yard. See exceptions for Commercial to Residential Adaptive Reuse projects in Section 210.5. 25% of the total depth lot depth, but in no case less than 15 feet for lowest story containing a</i>				

dwelling unit and each succeeding story. Exceptions are permitted by § 309.

* * * *

SEC. 210.5. COMMERCIAL TO RESIDENTIAL ADAPTIVE REUSE PROGRAM.

(a) Purpose and Findings. This Section 210.5 describes the Commercial to Residential Adaptive Reuse Program. The purpose of the Program is to facilitate the adaptive reuse of non-residential buildings to support the City's housing needs by allowing for conversion of those buildings to residential use.

(b) Commercial to Residential Adaptive Reuse Projects. A Commercial to Residential Adaptive Reuse project is a project that includes a change of use of any existing Gross Floor Area from a non-residential use to a residential use as those uses are defined in Section 102.

(c) Eligibility. To be eligible for the Commercial to Residential Adaptive Reuse Program, a project must:

(1) be located in a C zoning district that is east of or fronting Van Ness/South Van Ness Avenue and north of Townsend Street;

(2) not seek approval under Section 206.5 or 206.6;

(3) not expand an existing building's envelope in a manner where the addition to the building envelope represents more than 20% of the existing building's Gross Floor Area; and

(4) not add more than one vertical story.

(d) Controls. Applicable provisions of the Planning Code shall control except as otherwise provided in this Section 210.5. If there is a conflict between other provisions of the Planning Code and this Section 210.5, this Section shall prevail; provided that this Section does not alter, amend, or modify Section 249.93 (Group Housing Special Use District). For

1 Commercial to Residential Adaptive Reuse projects, the following zoning controls shall be
2 waived or modified, as described:

3 (1) **Lot Coverage.** Lot coverage requirements per Section 134 shall not apply.

4 (2) **Open Space.** Usable open space requirements per Section 135 shall not
5 apply.

6 (3) **Streetscape and Pedestrian Improvements.** Required streetscape and
7 pedestrian improvements per Section 138.1 shall not apply.

8 (4) **Dwelling Unit Exposure.** The dwelling unit exposure requirements of Section
9 140 may be satisfied by providing an unobstructed open area that is at least as wide as the
10 exposed exterior width of the Dwelling Unit and is no less than five feet in every horizontal
11 dimension at each story containing the Dwelling Unit and all stories above.

12 (5) **Bicycle Parking.** The Bicycle Parking requirements in Sections 155.1 and
13 155.2 shall not apply.

14 (6) **Dwelling Unit Mix.** The required minimum dwelling unit mix per Section
15 207.7 shall not apply.

16 (7) **Intermediate Length Occupancy.** The establishment of Intermediate Length
17 Occupancy units shall be consistent with Section 202.10, provided that the controls in Section
18 202.10(b)(1) and (b)(2) shall not apply. Intermediate Length Occupancy units shall be
19 principally permitted in Commercial to Residential Adaptive Reuse projects.

20 (8) **Live Work Units.** Live Works units are permitted in any Commercial to
21 Residential Adaptive Reuse project.

22 (e) **Review of Projects in the C-3 District.** If a project seeks exceptions that are waived
23 or modified in subsection (d) above, the hearing requirements in Section 309 shall not apply as
24 to the consideration of those exceptions. But if a project seeks exceptions not otherwise waived
25 or modified in subsection (d) above, the hearing requirements of Section 309 shall apply.

1 (f) Applications. Any application to establish a residential use pursuant to this Section
2 210.5 must be filed on or before December 31, 2028.

3
4 **SEC. 260. HEIGHT LIMITS: MEASUREMENT.**

5 * * * *

6 (b) **Exemptions.** In addition to other height exceptions permitted by this Code,
7 the features listed in this subsection (b) shall be exempt from the height limits
8 established by this Code, in an amount up to but not exceeding that which is specified.

9 (1) The following features shall be exempt provided the limitations
10 indicated for each are observed; and provided further that the sum of the horizontal
11 areas of all features listed in this subsection (b)(1) shall not exceed ~~2~~30% of the
12 horizontal area of the roof above which they are situated, or, in C-3 Districts and in the
13 Rincon Hill Downtown Residential District, where the top of the building has been
14 separated into a number of stepped elements to reduce the bulk of the upper tower, of
15 the total of all roof areas of the upper towers; and provided further that in any R, RC-3,
16 or RC-4 District the sum of the horizontal areas of all such features located within the
17 first 10 feet of depth of the building, as measured from the front wall of the building,
18 shall not exceed 20% of the horizontal area of the roof in such first 10 feet of depth.

19 As an alternative, the sum of the horizontal areas of all features listed in
20 this subsection (b)(1) may be equal to but not exceed ~~2~~30% of the horizontal area
21 permitted for buildings and structures under any bulk limitations in Section 270 of this
22 Code applicable to the subject property.

23 Any such sum of ~~2~~30% heretofore described may be increased to ~~3~~40% by
24 unroofed screening designed either to obscure the features listed under (A) and (B)

1 below or to provide a more balanced and graceful silhouette for the top of the building or
2 structure.

3 (A) Mechanical equipment and appurtenances necessary to the
4 operation or maintenance of the building or structure itself, including chimneys,
5 ventilators, plumbing vent stacks, cooling towers, water tanks, panels or devices for the
6 collection of solar or wind energy, and window-washing equipment, together with visual
7 screening for any such features. This exemption shall be limited to the top ~~16~~ 16 feet of
8 such features where the height limit is 65 feet or less, and the top ~~16~~ 20 feet of such
9 features where the height limit is more than 65 feet. In C-3 districts, for existing buildings
10 whose height exceeds the permitted height limit, these exempted features shall be measured from
11 the existing roofline instead of the height limit.

12 (B) Elevator, stair and mechanical penthouses, fire towers,
13 skylights, and dormer windows. This exemption shall be limited to the top ~~16~~ 16 feet of
14 such features where the height limit is 65 feet or less, and the top ~~16~~ 20 feet of such
15 features where the height limit is more than 65 feet. However, for elevator penthouses,
16 the exemption shall be limited to the top 16 feet and limited to the footprint of the
17 elevator shaft, regardless of the height limit of the building. The design of all elevator
18 penthouses in Residential Districts shall be consistent with the "Residential Design
19 Guidelines" as adopted and periodically amended for specific areas or conditions by the
20 Planning Commission. In C-3 districts, for existing buildings whose height exceeds the
21 permitted height limit, these exempted features shall be measured from the existing roofline
22 instead of the height limit.

23 * * * *

24 (E) In any C-3 District, the CMUO District, and any MUR or MUG
25 District within the Central SoMa Special Use District, enclosed space related to the

1 recreational, Restaurant, or Bar use of the roof, not to exceed 16 feet in height. In C-3
2 districts, for existing buildings whose height exceeds the permitted height limit, these exempted
3 features shall be measured from the existing roofline instead of the height limit.

4 * * * *

5
6 **SEC. 309. PERMIT REVIEW IN C-3 DISTRICTS.**

7 The provisions and procedures set forth in this Section 309 shall govern the
8 review of project authorization and building and site permit applications for (1) the
9 construction or substantial alteration of structures in C-3 Districts, (2) the granting of
10 exceptions to certain requirements of this Code where the provisions of this Section are
11 invoked, and (3) the approval of open space and streetscape requirements of the
12 Planning Code. When any action authorized by this Section is taken, any determination
13 with respect to the proposed project required or authorized pursuant to CEQA may also
14 be considered. This Section shall not require additional review in connection with a site
15 or building permit application if review hereunder was completed with respect to the
16 same proposed structure or alteration in connection with a project authorization
17 application pursuant to Section 322.

18 * * * *

19 ~~(d) Notice of Proposed Approval for Projects that do not require Public Hearing. If an~~
20 ~~application does not require a Planning Commission hearing pursuant to Subsection 309(e)(1)~~
21 ~~below, the application or building or site permit may be reviewed and approved~~
22 ~~administratively. At the determination of the Planning Director, applications for especially~~
23 ~~significant scopes of work may be subject to the notification requirements of Section 333 of this~~
24 ~~Code. If a request for Planning Commission review is made pursuant to subsection 309(f), the~~
25 ~~application will be subject to the notification and hearing procedures of this Section. If no~~

1 ~~request for Commission review is made, the Zoning Administrator may approve the project~~
2 ~~administratively.~~

3 ~~(e)~~ **Hearing and Determination of Applications for Exceptions.**

4 (1) Hearing. The Planning Commission shall hold a public hearing on a
5 Section 309 application if:

6 (A) ~~The project would result in a net addition of more than 50,000~~
7 ~~square feet of gross floor area of space, or~~

8 ~~(B)~~ The project includes the construction of a new building greater
9 than ~~120~~ 75 feet in height (excluding any exceptions permitted per Section 260(b)), or
10 includes a vertical addition to an existing building with a height of ~~120~~ 75 feet or less
11 resulting in a total building height greater than ~~120~~ 75 feet; or

12 ~~(B)~~ The project would require an exception as provided in
13 Subsection 309(a); provided that the hearing requirements of this Section 309 shall not apply
14 to Commercial to Residential Adaptive Reuse projects seeking exceptions or modifications
15 pursuant to Section 210.5(d).

16 * * * *

17 ~~(f)~~ **Planning Commission Review Upon Request.**

18 ~~—(1) Requests. Within 10 days after notice of the proposed Zoning Administrator~~
19 ~~approval has been given, as provided in subsection (d), any person may request in writing that~~
20 ~~the Planning Commission impose additional modifications on the project as provided in~~
21 ~~subsection (b) or consider the application for compliance with the open space and streetscape~~
22 ~~requirements of the Planning Code. The written request shall state why additional modifications~~
23 ~~should be imposed notwithstanding its compliance with the requirements of this Code and shall~~
24 ~~identify the policies or objectives that would be promoted by the imposition of conditions, or~~
25 ~~shall state why the open space and streetscape requirements have not been complied with.~~

1 —~~(2) **Commission Consideration.** The Planning Commission shall consider at a~~
2 ~~public hearing each written request for additional modifications and for consideration of the~~
3 ~~open space and streetscape requirements of the Planning Code compliance and may, by majority~~
4 ~~vote, direct that a hearing be conducted to consider such modifications or compliance, which~~
5 ~~hearing may be conducted at the same meeting that the written request is considered and~~
6 ~~decided. Notice of such hearing shall be provided pursuant to the requirements of Section 333 of~~
7 ~~this Code, provided that mailed notice shall also be provided to any person who has requested~~
8 ~~such notice, and to any person who has submitted a request for additional requirements. In~~
9 ~~determining whether to conduct such a hearing, the Planning Commission shall determine~~
10 ~~whether, based upon a review of the project, reasonable grounds exist justifying a public hearing~~
11 ~~in order to consider the proposed additional modifications and the open space and streetscape~~
12 ~~requirements of the Planning Code compliance.~~

13 —~~(3) **Commission Action.** If the Planning Commission determines to conduct a~~
14 ~~hearing to consider the imposition of additional modifications or the open space and streetscape~~
15 ~~requirements compliance, it may, after such hearing and after making appropriate findings,~~
16 ~~approve, disapprove, or approve subject to conditions the building or site permit or project~~
17 ~~authorization application. If the Planning Commission determines not to conduct a hearing, the~~
18 ~~Zoning Administrator shall approve the application subject to any conditions imposed by the~~
19 ~~Director of Planning to which the applicant has consented.~~

20 (*et*) **Imposition of Conditions, General.** If, pursuant to the provisions of this
21 Section 309, the Planning Commission determines that conditions should be imposed
22 on the approval of a building or site permit application, or Section 309 application, and
23 the applicant agrees to comply, the Planning Commission may approve the application
24 subject to those conditions, and if the applicant refuses to so agree, the Planning
25 Commission may disapprove the application.

1 (f) **Change of Conditions.** Authorization of a change in any condition
2 previously imposed pursuant to this Section 309 shall require an application for a
3 change in conditions, which application shall be subject to the procedures set forth in
4 this Section.

5 (g) An approval action in accordance with this Section 309 shall constitute the
6 City's decision to approve the project for purposes of Administrative Code Chapter 31.

7
8 **SEC. 309.1. PERMIT REVIEW IN DOWNTOWN RESIDENTIAL DISTRICTS.**

9 The provisions and procedures set forth in this Section 309.1 shall govern the
10 review of project authorization and building and site permit applications for the
11 construction or substantial alteration of structures in Downtown Residential districts, the
12 granting of exceptions to requirements of this Code, and the imposition of modifications
13 necessary to achieve the objectives and policies of the General Plan and the purposes
14 of this Code as provided for in Section 825 and elsewhere. When any action authorized
15 by this Section is taken, any determination with respect to the proposed project required
16 or authorized pursuant to CEQA may also be considered.

17 * * * *

18 (c) **Hearing and Determination on Design Modifications and Applications**
19 **for Exceptions.**

20 (1) **Hearing.** The Planning Commission shall hold a public hearing for all
21 projects ~~greater than 50,000 gross square feet, for all projects~~ proposing construction of a new
22 building greater than 120 ~~85~~ feet in height or ~~greater~~ a vertical addition to an existing building
23 with a height of 120 feet or less resulting in a total building height greater than 120 feet, and for
24 applications that require exceptions as provided in ~~S~~subsubsection (b).

25 * * * *

1
2 Section 4. Economically Revitalize Downtown. The Planning Code is hereby
3 amended by revising Sections 102, 121.6, 145.1, 145.4, 204.3, 205.1, 210.1, 210.2, and
4 248, to read as follows:

5 **SEC. 102. DEFINITIONS.**

6 * * * *

7 **Flexible Retail.** A Retail Sales and Service Use in Neighborhood Commercial
8 Districts, subject to the requirements of Sections 179.2 and 202.9, that combines a
9 minimum of two of the following distinct Uses within a space that may be operated by
10 one or more business operators:

- 11 (1) Arts Activities;
- 12 (2) Restaurant, Limited;
- 13 (3) Retail Sales and Services, General;
- 14 (4) Service, Personal;
- 15 (5) Service, Retail Professional; and
- 16 (6) Trade Shop.

17 ***Flexible Workspace.*** A Retail Sales and Service use that is a combination of any uses
18 within the Retail Sales and Service use category or a General Entertainment use that operates in
19 conjunction with a principally or conditionally permitted Non-Retail Sales and Service use other
20 than a Commercial Storage, Wholesale Sales, or Wholesale Storage use. The Retail Sales and
21 Service or General Entertainment portion of the use shall be at least one-third of the overall
22 Gross Floor Area and occupy space within the first 25 feet of the storefront.

23 * * * *

24
25 **SEC. 121.6. LARGE-SCALE RETAIL USES.**

1 ~~(a)~~ Notwithstanding any other provision of this Code, establishment of a single
2 retail use in excess of 50,000 gross square feet in any zoning district other than the C-3
3 Zoning Districts shall require conditional use authorization pursuant to Section 303
4 unless such use already is prohibited. This ~~Subs~~ection 121.6 shall apply to the
5 establishment of a new use and the expansion of an existing use. ~~(b) Notwithstanding~~
6 ~~any other provision of this Code, establishment of a single retail use in excess of 90,000 gross~~
7 ~~square feet within a C-3 Zoning District shall require conditional use authorization pursuant to~~
8 ~~Section 303 unless such use already is prohibited. This Subsection shall apply only to the~~
9 ~~establishment of a new use~~ ~~(c) Notwithstanding any other provision of this Code,~~
10 ~~establishment of a single retail use in excess of 120,000 gross square feet is prohibited in any~~
11 ~~zoning district other than a C-3 Zoning District. This Subsection shall apply to the establishment~~
12 ~~of a new use and the expansion of an existing use.~~ ~~(d) Notwithstanding any other provision of~~
13 ~~this Code, establishment of a single retail use in excess of 120,000 gross square feet in a C-3~~
14 ~~Zoning District shall be prohibited if it would sell groceries; contain more than 20,000~~
15 ~~Stockkeeping Units (SKUs); and devote more than five percent (5%) of its total sales floor area~~
16 ~~to the sale of non-taxable merchandise. This Subsection shall apply only to the establishment of a~~
17 ~~new use.~~ ~~(e)~~ For purposes of this Section, ~~121.6:~~—(1) “sales floor area” includes only
18 interior building space devoted to the sale of merchandise, and does not include restrooms,
19 office space, storage space, automobile service areas, or open air garden sales space;—(2)
20 “non-taxable merchandise” includes only grocery products not subject to California State sales
21 tax; and—(3) “single retail use” shall include, except for Hotels and Motels, all Retail
22 and Service Uses listed in Section 102 and retail uses identified in Article 8 of this Code.

23

24 **SEC. 145.1. STREET FRONTAGES IN NEIGHBORHOOD COMMERCIAL,**
25 **RESIDENTIAL-COMMERCIAL, COMMERCIAL, AND MIXED USE DISTRICTS.**

1 * * * *

2 (c) **Controls.** The following requirements shall generally apply, except for those
3 controls listed in subsections (1) Above Grade Parking Setback and (4) Ground Floor
4 Ceiling Height, which only apply to a "development lot" as defined above.

5 In NC-S Districts, the applicable frontage shall be the primary
6 facade(s) that contains customer entrances to commercial spaces.

7 * * * *

8 (6) **Transparency and Fenestration.** Frontages with active uses that are
9 not PDR must be fenestrated with transparent windows and doorways for no less than
10 60% of the street frontage at the ground level and allow visibility to the inside of the
11 building. The use of dark or mirrored glass shall not count towards the required
12 transparent area. Buildings located inside of, or within an unobstructed line of less than
13 300 feet of an Urban Bird Refuge, as defined in Section 139(c)(1), shall follow glazing
14 requirements within Section 139(c) of this Code.

15 In C-3 zoning districts, for tenant spaces with at least two frontages and active
16 uses that are not PDR, frontages must be fenestrated with transparent windows and doorways
17 for no less than 60% of the street frontage at the ground level or contain window displays of at
18 least four feet in depth to allow visibility to the inside of the building or activate the street.

19 * * * *

20
21 **SEC. 145.4. REQUIRED GROUND FLOOR COMMERCIAL USES.**

22 * * * *

23 **Table 145.4**

Reference for Commercial, Neighborhood Commercial, and Residential- Commercial Districts	Reference for Mixed Use Districts	Use
---	--	------------

1	* * * *		
2	N/A	890.37	Entertainment, Other
3	<u>102</u>	<u>N/A</u>	<u>Flexible Workspace</u>
4	102	N/A	Grocery, General
5			
6	* * * *		

7 * * * *

8 (d) **Controls.**

9 (1) Active commercial uses which are permitted by the specific district in
 10 which they are located are required on the ground floor of all street frontages listed in
 11 § subsection (b) above.

12 (2) Active commercial uses shall comply with the standards applicable to
 13 active uses as set forth in Section 145.1(c)(3) and shall further be consistent with any
 14 applicable design guidelines.

15 (3) On those street frontages listed in § subsection (b), an individual
 16 ground floor nonresidential use may not occupy more than 75 contiguous linear feet for
 17 the first 25 feet of depth along a street-facing facade. Separate individual storefronts
 18 shall wrap large ground floor uses for the first 25 feet of depth, as illustrated in Figure
 19 145.4. This requirement shall not apply to such street frontages within the C districts.

20 * * * *

21

22 **SEC. 204.3. ACCESSORY USES FOR USES OTHER THAN DWELLINGS IN**
 23 **C, RC, M, AND PDR DISTRICTS.**

24 * * * *

1 (e) Accessory Storage in C Districts. Accessory storage on the second floor and above
2 is permitted for stock and trade relating to retail uses with street level storefronts in the same
3 building. There shall be no limitation on the square footage of accessory storage as long as the
4 storage supports a ground floor use in the same building.

5
6 **SEC. 205.1. TEMPORARY USES: SIXTY-DAY LIMIT.**

7 A temporary use may be authorized for a period not to exceed 60 days for any of
8 the following uses:

9 * * * *

10 (e) Within the C-3-R District, installation of a temporary Sign, other than a General
11 Advertising Sign, or a temporary decorative or artistic display or installation. Such Sign or
12 installation shall have a maximum height of 16 feet above the roofline of the building to which it
13 is affixed.

14
15 **SEC. 205.2. TEMPORARY USES: ONE- TO SIX-YEAR LIMIT.**

16 A temporary use may be authorized for the following uses as specified below:

17 **(a) Temporary authorization for a period not to exceed one year.**

18 (1) Temporary Wireless Telecommunications Services (WTS) Facilities, if
19 the following requirements are met:

20 (A) The Planning Director determines that the Temporary WTS
21 Facility shall be sited and constructed so as to:

22 (iA) avoid proximity to residential dwellings to the maximum
23 extent feasible;

24 (iiB) comply with the provisions of Article 29 of the Police
25 Code;

1 (iii~~C~~) be no taller than needed;
 2 (iv~~D~~) be physically screened to the maximum extent
 3 feasible; and

4 (v~~E~~) be erected for no longer than reasonably required.

5 (B~~2~~) Permits in excess of 90 days for Temporary WTS Facilities
 6 operated for commercial purposes shall be subject to Sections 311 and 312 of this
 7 Code, where applicable.

8 (C~~3~~) The Planning Department may require, where appropriate,
 9 notices along street frontages abutting the location of the Temporary WTS Facility
 10 indicating the nature of the facility and the duration of the permit.

11 (2) Pop-Up Activations. Pop-Up Activations are temporary Non-Residential
 12 uses, including but not limited to Pop-Up Retail, Entertainment, or Arts Activity uses, permitted
 13 within either a vacant space last occupied by a Non-Residential use or a space occupied by a
 14 legally established Non-Residential use, and that is located within a C District that is east of or
 15 fronting Van Ness/South Van Ness Avenue and north of Townsend Street or within an NC, NCT,
 16 or Mixed-Use District that is south of Market Street, north of Townsend/Division/13th Streets,
 17 and east of South Van Ness Avenue.

18 * * * *

20 **SEC. 210.1. C-2 DISTRICTS: COMMUNITY BUSINESS.**

21 * * * *

22 **Table 210.1**
ZONING CONTROL TABLE FOR C-2 DISTRICTS

Zoning Category	§ References	C-2
RESIDENTIAL STANDARDS AND USES		
* * * *		

Use Characteristics		
Zoning Category	§ References	C-2
Intermediate Length Occupancy	§§ 102, 202.10	P(6)
* * * *		
Residential Uses		
Zoning Category	§ References	C-2
Residential Density, Dwelling Units (5)	§ 207	P at a density ratio not exceeding the number of dwelling units permitted in the nearest R District, with the distance to such R District measured from the midpoint of the front lot line or from a point directly across the street therefrom, whichever permits the greater density; provided, that the maximum density ratio shall in no case be less than one unit for each 800 square feet of lot area. NP above. <u>(8)</u>
Senior Housing	§§ 102, 202.2(f)	P up to twice the number of dwelling units otherwise permitted as a principal use in the district and meeting all the requirements of § 202.2(f)(1). C up to twice the number of dwelling units otherwise permitted as a principal use in the district and meeting all requirements of § 202.2(f)(1) except for § 202.2(f)(1)(D)(iv), related to location. <u>(8)</u>

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Residential Density, Group Housing	§ 208	P at a density ratio not exceeding the maximum density permitted for group housing in the nearest R District, with the distance to such R District measured from the midpoint of the front lot line or from a point directly across the street therefrom, whichever permits the greater density; provided, that the maximum density ratio shall in no case be less than one bedroom for each 275 square feet of lot area. NP above. <u>(8)</u>
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NON-RESIDENTIAL STANDARDS AND USES

* * * *

Industrial Use Category

Industrial Uses*	§ 102	NP
<u>Agricultural and Beverage Processing 1</u>	<u>§ 102</u>	<u>P</u>
<u>Agricultural and Beverage Processing 2</u>	<u>§ 102</u>	<u>P</u>
<u>Manufacturing, Light</u>	<u>§ 102</u>	<u>P</u>
* * * *		

Sales and Service Category

Retail Sales and Service*	§§ 102, 202.2(a)	P
<u>Animal Hospital</u>	<u>§ 102</u>	<u>€</u>
* * * *		

1	Non-Retail Sales and Service*	§ 102	P
2	<i>Laboratory</i>	§ 102	<i>NP</i>
3	<i>Life Science</i>	§ 102	<i>NP</i>

4 * * * *

5 (6) NP for buildings with three or fewer Dwelling Units; C for buildings with 10 or
6 more Dwelling Units. P for Commercial to Residential Adaptive Reuse projects pursuant to
7 Section 210.5, regardless of building size.

8 (7) C on the 2nd floor and above, except that a Massage Establishment located
9 on the 2nd floor or above accessory to a Hotel, Personal Service, or Health Service is P.

10 (8) In C-2 zoning districts east of or fronting Van Ness/South Van Ness Avenue and north
11 of Townsend Street, there is no density limit. Density is regulated by the permitted height and
12 bulk, and required setbacks, exposure, open space, and other Code requirements applicable to
13 each development lot.

14
15 **SEC. 210.2. C-3 DISTRICTS: DOWNTOWN COMMERCIAL.**

16 * * * *

17 **Table 210.2**

18 **ZONING CONTROL TABLE FOR C-3 DISTRICTS**

Zoning Category	§ References	C-3-O	C-3-O(SD)	C-3-R	C-3-G	C-3-S
RESIDENTIAL STANDARDS AND USES						
* * * *						
Use Characteristics						
Intermediate Length Occupancy	§§102, 202.10	P(8)	P(8)	P(8)	P(8)	P(8)
* * * *						
Residential Uses						

1	Residential Density, Dwelling Units (7)	§ 207	No density limit. Density is regulated by the permitted height and bulk, and required setbacks, exposure, and open space of each development lot.				
2							
3							
4	Senior Housing	§§ 102, 202.2(f)	No density limit. Density is regulated by the permitted height and bulk, and required setbacks, exposure, and open space of each development lot. Required if development meets all requirements of Section § 202.2(f)(1), except for § 202.2(f)(1)(D)(iv), related to location.				
5							
6							
7							
8	* * * *						
9	NON-RESIDENTIAL STANDARDS AND USES						
10	* * * *						
11	Commercial Use Characteristics						
12	* * * *						
13	Formula Retail	§§ 102, 303.1	P	P	P	P	P
14	* * * *						
15	Entertainment, Arts and Recreation Use Category						
16	Entertainment, Arts and Recreation Uses*	§ 102	P	P	P	P	P
17	Entertainment, Outdoor	§ 102	NP	NP	NP	NP	NP
18	Livery Stable	§ 102	NP	NP	NP	NP	NP
19	Open Recreation Area	§ 102	NP	NP	NP	P	P
20	* * * *						
21	Institutional Use Category						
22	Institutional Uses*	§§ 102, 202.2(e)	P	P	P	P	P
23	* * * *						
24	Residential Care Facility	§ 102	P	P	P	P	NP
25	Trade School	§ 102	NP	NP	NP	P	P
	Sales and Service Category						
	Retail Sales and Service*	§§ 102, 202.2(a)	P	P	P	P	P

1	<i>Animal Hospital</i>	§ 102	NP	NP	NP	€	€
2	* * * *						
3	Non-Retail Sales and Service*	§ 102	P (1)	P (1)	P ⁽²⁾ <u>(1)</u>	P (1)	P (1)
4	* * * *						
5	Design Professional	§ 102	P	P	P ⁽²⁾ <u>(1)</u>	P	P
6	* * * *						

* Not listed below.

(1) C required if at or below the ground floor.

(2) [Reserved] NP if located on floors one and two and does not offer on-site services to the general public. C required if located on the third floor, or floors four through six and the use is larger than 5,000 gross square feet in size.

~~—For uses located on the third floor, in addition to the criteria set forth in Section 303, a Conditional Use Authorization pursuant to this note shall be given only if the Commission determines that: the proposed use would not require modification of the location that would negatively impact existing architectural, historic and aesthetic features, or otherwise inhibit the conversion back to a principally permitted use in the future; the proposed use would not have an actual or potential adverse impact on adjacent zoning districts in which non-retail sales and services uses are not permitted; and the proposed use will not result in the development of non-retail sales and services uses such that the District’s primary function is no longer an area for comparison shopper retailing and direct consumer services. Provided further that for any Conditional Use Authorization given pursuant to the preceding sentence, the Planning Commission also consider the following: whether the proposed use would complement or support principally permitted uses in the District, and whether the site of the proposed use is not conducive to any principally permitted uses in the District by virtue of physical limitations;~~

1 ~~including but not limited to the size and orientation of the floor plate and the nature of~~
2 ~~independent access to the third floor~~

3 * * * *

4 (6) ~~[Reserved.] C required for Formula Retail on properties in the C-3-G District with~~
5 ~~frontage on Market Street, between 6th Street and the intersection of Market Street, 12th Street,~~
6 ~~and Franklin Street.~~

7 (7) Construction of Accessory Dwelling Units may be permitted pursuant to
8 Sections 207(c)(4) and 207(c)(6).

9 (8) NP for buildings with three or fewer Dwelling Units; C for buildings with 10 or
10 more Dwelling Units. P for Commercial to Residential Adaptive Reuse projects pursuant to
11 Section 210.5, regardless of building size.

12
13 **SEC. 248. TRANSIT CENTER C-3-O(SD) COMMERCIAL SPECIAL USE**
14 **DISTRICT.**

15 A Special Use District entitled the "Transit Center C-3-O(SD) Commercial
16 Special Use District" is hereby established for a portion of the C-3-O(SD) district in the
17 downtown area around the Transbay Transit Center within ~~the City and County of~~ San
18 Francisco, the boundaries of which are designated on Sectional Map SU01 of the
19 Zoning Map of the City and County of San Francisco. The following provisions shall
20 apply within the Special Use District:

21 * * * *

22 (c) **Controls.** All new development on lots larger than 15,000 square feet in the
23 Special Use District shall include not less than ~~2~~ two gross square feet of principally or
24 conditionally permitted commercial uses for every ~~1~~ one gross square foot of dwellings
25 or other housing uses.

1 (d) **Exceptions.** Exceptions to the controls in ~~§~~subsection (c) may be granted by
2 the Planning Commission according to the procedures in Section 309 only if the
3 Commission makes one of the following affirmative findings:

4 (1) That the development consists of multiple buildings on a single lot or
5 adjacent lots that are entitled as a single development project pursuant to Section 309,
6 and that commercial uses account for greater than 50% ~~percent~~ of the project's
7 aggregate total gross floor area for all buildings and where the project sponsor
8 demonstrates that it is infeasible or impractical to construct commercial uses on the
9 footprint of the portion of the site dedicated to dwellings and/or other housing uses due
10 to the size and configuration of that portion of the lot; or

11 (2) That the footprint of the portion of the site dedicated to dwellings
12 and/or other housing uses is less than 15,000 square feet and the lot contains existing
13 buildings which are to be retained; or

14 (3) That the downtown commercial vacancy rate is persistently high and the
15 project would fulfill its inclusionary requirement pursuant to Planning Code Section 415 through
16 100% on-site or off-site units within the C-3 District.

17
18 Section 5. Streamline Sign Permitting in C-3 Districts and Citywide. The
19 Planning Code is hereby amended by revising Section 604, to read as follows:

20 **SEC. 604. PERMITS AND CONFORMITY REQUIRED.**

21 * * * *

22 (h) **Nonconforming Signs; Replacement, Alteration, Reconstruction,**
23 **Relocation, Intensification, or Expansion.** Unless otherwise provided in this Code or
24 in other Codes or regulations, a lawfully existing sign which fails to conform to the
25 provisions of this Article 6 shall be brought into conformity when the activity for which

1 the sign has been posted ceases operation or moves to another location, when a new
2 building is constructed, or at the end of the sign's normal life. Such sign may not,
3 however, be replaced, altered, reconstructed, relocated, intensified, or expanded in area
4 or in any dimension except in conformity with the provisions of this Code, including
5 §subsection (i) below. Ordinary maintenance and minor repairs shall be permitted, but
6 such maintenance and repairs shall not include replacement, alteration, reconstruction,
7 relocation, intensification, or expansion of the sign; provided, however, that alterations
8 of a structural nature required to reinforce a part or parts of a lawfully existing sign to
9 meet the standards of seismic loads and forces of the Building Code, to replace a
10 damaged or weathered signboard, to ensure safe use and maintenance of that sign, to
11 remediate hazardous materials, or any combination of the above alterations shall be
12 considered ordinary maintenance and shall be allowed. A sign which is damaged or
13 destroyed by fire or other calamity shall be governed by the provisions of Sections
14 181(d) and 188(b) of this Code.

15 A sign which is voluntarily destroyed or removed by its owner or which is required
16 by law to be removed may be restored only in full conformity with the provisions of this
17 Code, except as authorized in §subsection (i) below. A general advertising sign that has
18 been removed shall not be reinstalled, replaced, or reconstructed at the same location,
19 and the erection, construction, and/or installation of a general advertising sign at that
20 location to replace the previously existing sign shall be deemed to be a new sign in
21 violation of Section 611(a) of this Code; provided, however, that such reinstallation,
22 replacement, or reconstruction pursuant to a permit duly issued prior to the effective
23 date of this requirement shall not be deemed a violation of Section 611(a) and shall be
24 considered a lawfully existing nonconforming general advertising sign; and further
25 provided that this prohibition shall not prevent a general advertising sign from being

1 relocated to that location pursuant to a Relocation Agreement and conditional use
2 authorization under Sections 611 and 303(k) of this Code and Section 2.21 of the ~~San~~
3 ~~Francisco~~ Administrative Code.

4 A nonconforming Neon Sign may be physically detached from the building for any
5 required repairs or maintenance, except that such maintenance or repairs shall not include
6 replacement, reconstruction, relocation, intensification, or expansion of the Neon Sign. After the
7 off-site repair or maintenance work is complete, the Neon Sign may be reinstalled at the
8 premises in the same location where the Neon Sign was previously affixed, so long as such
9 replacement is completed within 18 months of removal.

10 * * * *

11 (m) Existing Signs in the C-3 District. Existing signage in the C-3 District shall not be
12 subject to the provisions of this Section 604, provided that a change from general advertising to
13 nongeneral advertising sign copy or from nongeneral advertising to general advertising sign
14 copy or an increase in area including, but not limited to, any extensions in the form of writing,
15 representation, emblem or any figure of similar character shall in itself constitute a new sign
16 subject to the provisions of this Section 604.

17
18 Section 6. Streamline Historic Preservation Review. The Planning Code is
19 hereby amended by revising Sections 1005 and 1111.1, to read as follows:

20 **SEC. 1005. CONFORMITY AND PERMITS.**

21 * * * *

22 (e) After receiving a permit application from the Central Permit Bureau in
23 accordance with the preceding subsection, the Department shall ascertain whether a
24 Certificate of Appropriateness is required or has been approved for the work proposed
25 in such permit application. If a Certificate of Appropriateness is required and has been

1 issued, and if the permit application conforms to the work approved in the Certificate of
2 Appropriateness, the permit application shall be processed without further reference to
3 this Article 10. If a Certificate of Appropriateness is required and has not been issued, or
4 if the permit application does not conform to what was approved, the permit application
5 shall be disapproved or held by the Department until such time as conformity does exist
6 either through modifications to the proposed work or through the issuance of an
7 amended or new Certificate of Appropriateness. Notwithstanding the foregoing, in the
8 following cases the Department shall process the permit application without further
9 reference to this Article 10:

10 * * * *

11 (9) When the application is for a permit to install a City-sponsored
12 Landmark plaque to a landmark or district, provided that the improvements conform to
13 the requirements outlined in Section 1006.6 of this Code; or

14 (10) When the application is for a Qualifying Scope of Work, as delegated by
15 HPC to Department and periodically updated, and the site is located in C-3 zoning districts.

16 * * * *

17
18 **SEC. 1111.1. DETERMINATION OF MINOR AND MAJOR ALTERATIONS.**

19 * * * *

20 (c) All applications for a Permit to Alter that are not Minor Alterations delegated
21 to Department staff shall be scheduled for a hearing by the HPC pursuant to the
22 procedures in Section 1111.4 and 1111.5 below. Notwithstanding the foregoing, in the
23 following cases the Department shall process the permit application without further
24 reference to the Permit to Alter procedures outlined herein:
25

1 (1) When the application is for a permit to make improvements to provide
2 an accessible entrance to a Significant or Contributory building or any building within a
3 Conservation District provided that the improvements conform to the requirements
4 outlined in Section 1111.6 of this Code;

5 (2) When the application is for a permit to install business signs to a
6 Significant or Contributory building or any building within a Conservation District
7 provided that signage and transparency conform to the requirements outlined in Section
8 1111.6 of this Code; ~~or~~

9 (3) When the application is for a permit to install non-visible rooftop
10 appurtenances to a Significant or Contributory building or any building within a
11 Conservation District provided that the improvements conform to the requirements
12 outlined in Section 1111.6 of this Code;

13 (4) When the application is for a permit to install an awning to a Significant or
14 Contributory building or any building within a Conservation District provided that the awning
15 conforms to the requirements outlined in Section 1111.6 of this Code; or

16 (5) When the application is for a Qualifying Scope of Work, as delegated by HPC
17 to the Department, as periodically updated.

18
19 Section 7. Provide Alternatives to On-Site Open Space in Certain C-3 Districts.
20 The Planning Code is hereby amended by revising Section 426, to read as follows:

21 **SEC. 426. PAYMENT FOR REQUIRED NON-RESIDENTIAL OPEN SPACE**
22 **NOT PROVIDED IN THE EASTERN NEIGHBORHOODS MIXED USE AND C-3-O(SD)**
23 **DISTRICTS.**

24 * * * *

1 (b) **C-3-O(SD) District.** In the C-3-O(SD) District, if a project sponsor chooses
2 to pay the in-lieu fee described in Section 138(j)(4), a fee of \$1,410 shall be required for
3 each square foot of usable open space not provided. This fee shall be adjusted in
4 accordance with Section 409. This fee shall be paid into the Transit Center District
5 Open Space Fund, as described in Sections 424.6 et seq. of this Article 4. Said fee shall
6 be used for the purpose of acquiring, designing, and improving public open space,
7 recreational facilities, and other open space resources, which are expected to be used
8 solely or in substantial part by persons who live, work, shop, or otherwise do business in
9 the Transit Center District.

10 (c) C-3-O District, C-3-S District, and C-3-G District. In the C-3-O, C-3-S, and C-3-G
11 Districts, if a project sponsor chooses to pay the in-lieu fee described in Section 138(j)(4), a fee
12 of \$1,410 shall be required for each square foot of usable open space not provided. The amount
13 of this fee shall equal the fee payable under this subsection (b) and shall be adjusted in
14 accordance with Section 409. This fee shall be paid into the Downtown Park Fund, as described
15 in Section 412 of this Article 4. Said fee shall be used for the purpose of acquiring, designing,
16 and improving public open space, recreational facilities, and other open space resources, which
17 are expected to be used solely or in substantial part by persons who live, work, shop, or
18 otherwise do business Downtown.

19 (d) C-3-R District. In the C-3-R Districts, if a project sponsor chooses to pay the in-lieu
20 fee described in Section 138(j)(4), a fee shall be required for each square foot of usable open
21 space not provided. The amount of this fee shall equal the fee payable under this subsection (b)
22 and shall be adjusted in accordance with Section 409. This fee shall be paid into the Union
23 Square Park, Recreation, and Open Space Fee, as described in Sections 434 of this Article 4.
24 Said fee shall be used for the purpose of acquiring, designing, and improving public open space,
25

1 recreational facilities, and other open space resources, which are expected to be used solely or
2 in substantial part by persons who live, work, shop, or otherwise do business Downtown.

3
4 Section 8. Facilitate Residential Adaptive Reuse in the Building Code. Chapter
5 1A of the 2022 San Francisco Building Code is hereby amended by adding Section
6 111A, to read as follows:

7 **SECTION 111A – ADAPTIVE REUSE**

8 **111A.1 Purpose and intent.** The purpose of this Section 111A (consisting of Sections
9 111A.1, 111A.2, and 111A.3) is to amend, expand, establish, and clarify alternative building
10 standards for the conversion of existing non-residential buildings to accommodate new
11 residential uses and still provide reasonable safety to the building occupants, as a means to
12 promote the safe, flexible use of the existing structures, as part of the City’s strategy for
13 economic recovery.

14 Key to the furtherance of this purpose is the ability of the Building Official and Fire Code
15 Official to effectively use their authority to grant code modifications or authorizations for
16 alternative materials, design and methods of construction, and equipment to address practical
17 difficulties involved in complying with the strict provisions of the code or consider alternative
18 design or methods not specifically prescribed in the code.

19 For example, the Building Official and Fire Code Official are authorized to consider
20 alternative building standards consistent with Sections 17951 and 19957 of the California
21 Health and Safety Code.

22 **111A.2 Scope.** This Section 111A may apply to projects that meet the definition and
23 applicable requirements for Commercial to Residential Adaptive Reuse projects pursuant to
24 Planning Code Section 210.5.

1 Nothing in this Section 111A shall preclude the use of the California Historical Building
2 Code for the conversion of a building that the Planning Department has determined to be a
3 qualified historic building or that may otherwise be eligible to use the California Historical
4 Building Code. If a project elects to use the standards established in the California Historical
5 Building Code, that project shall not be permitted to use the alternative building standards of
6 this Section 111A.

7 **111A.3 Compliance requirements.** Generally, the San Francisco Building Code, which
8 adopts and amends the most recent edition of the California Building Standards Code, applies to
9 new construction or a change of use or occupancy. For the conversion of existing non-
10 residential buildings to accommodate new residential uses, however, alternative building
11 standards described in an alternative building standards manual (described below) may apply.

12 The Building Official and Fire Code Official shall prepare, maintain, and update, as
13 necessary and appropriate, an alternative building standards manual, which shall provide the
14 building standards applicable to Commercial to Residential Adaptive Reuse projects as defined
15 in Planning Code Section 210.5. This alternative building standards manual shall include
16 technical information and implementation parameters, standards for determining technical
17 infeasibility, and alternative standards if technical infeasibility is present, as well as other rules,
18 requirements and procedures as the City deems necessary, for implementing the intent of this
19 Section 111A.

20 The Building Official and Fire Code Official shall develop, as deemed necessary and
21 appropriate, in cooperation with other City departments and stakeholders, information sheets,
22 administrative bulletins, training manuals, and educational materials to assist in the
23 implementation of this alternative building standards manual and this Section 111A.

1 Section 9. Principally Permitting Formula Retail on a Portion of Showplace
 2 Square Area. The Planning Code is hereby amended by revising Section 843, to read
 3 as follows:

4
 5 **SEC. 843. UMU – URBAN MIXED USE DISTRICT.**

6 * * * *

7 **Table 843**

8 **UMU – URBAN MIXED USE DISTRICT ZONING CONTROL TABLE**

No.	Zoning Category	§ References	Urban Mixed Use District Controls
* * * *			
Retail Sales and Services			
* * * *			
843.46	Formula Retail	§§ 303.1, 843.45	C. If approved, subject to size controls in Section 843.45. <u>(3)</u>
* * * *			

18 * * * *

19 (3) P on Assessor’s Parcel Block No. 3781, Lot 003, and the size controls in Section
 20 843.45 shall not apply.

21 * * * *

22
 23 Section 10. Effective Date. This ordinance shall become effective 30 days after
 24 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns
 25

1 the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or
2 the Board of Supervisors overrides the Mayor's veto of the ordinance.

3
4 Section 11. Scope of Ordinance. In enacting this ordinance, the Board of
5 Supervisors intends to amend only those words, phrases, paragraphs, subsections,
6 sections, articles, numbers, punctuation marks, charts, diagrams, or any other
7 constituent parts of the Municipal Code that are explicitly shown in this ordinance as
8 additions, deletions, Board amendment additions, and Board amendment deletions in
9 accordance with the "Note" that appears under the official title of the ordinance.

10
11 APPROVED AS TO FORM:
12 DAVID CHIU, City Attorney

13 By: /s/ Austin Yang
14 AUSTIN M. YANG
15 Deputy City Attorney
16 n:\legana\as2023\2300216\01668303.docx

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18
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24
25



April 27, 2023

San Francisco Planning Commission
1 Dr. Carleton B. Goodlett Place
San Francisco, CA, 94102
[By email]

Dear Commissioners:

We are writing to express our enthusiastic support for the downtown Planning Code amendment legislation scheduled to be heard by the Planning Commission on May 4, 2023.

The impetus for strategic amendments to our Union Square C3R zoning came through the Union Square Alliance's new Strategic Plan, adopted in November 2022. The Plan emphasized the need for Union Square's zoning controls, originally put in place in the 1980s, to evolve to match current realities of the downtown retail market. Specifically, the Plan calls for: 1) maintaining a strong retail requirement on the ground floor, while offering slightly more flexibility in what uses are considered "retail"; 2) significantly increasing flexibility on all floors above ground, so that residential, office, institutional and most other uses would be principally permitted.

We are extremely grateful to Mayor Breed, Board President Peskin, Planning Director Hillis and Planning Department staff for how quickly and thoughtfully they initiated discussions with us to craft specific changes to the Code in order to increase flexibility and streamline approval processes. The proposed code changes deliver exactly what we asked for in the Plan and in fact go beyond by grandfathering existing nonconforming business signs, streamlining preservation-related approvals and in several other areas.

The package of amendments before you includes not only Union Square-specific code changes but also a large number of changes that would be effective throughout the C3 zoning districts, aimed primarily at easing conversion of existing office buildings to residential. These changes will be useful for us in Union Square, and in our capacity as an advocate for Downtown as a whole we are very supportive of them.

Thank you again for your time and interest in the recovery of Downtown San Francisco!

Very truly yours,


Marisa Rodriguez, CEO

cc: Rich Hillis, Lily Langlois, Ken Rich

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

Date: April 10, 2023
To: Planning Department / Commission
From: Erica Major, Clerk of the Land Use and Transportation Committee
Subject: Board of Supervisors Legislation Referral - File No. 230371
Planning and Building Codes - Commercial to Residential Adaptive Reuse and
Downtown Economic Revitalization

- California Environmental Quality Act (CEQA) Determination
(*California Public Resources Code, Sections 21000 et seq.*)
 - Ordinance / Resolution
 - Ballot Measure

- Amendment to the Planning Code, including the following Findings:
(*Planning Code, Section 302(b): 90 days for Planning Commission review*)
 - General Plan
 - Planning Code, Section 101.1
 - Planning Code, Section 302

- Amendment to the Administrative Code, involving Land Use/Planning
(*Board Rule 3.23: 30 days for possible Planning Department review*)

- General Plan Referral for Non-Planning Code Amendments
(*Charter, Section 4.105, and Administrative Code, Section 2A.53*)
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)

- Historic Preservation Commission
 - Landmark (*Planning Code, Section 1004.3*)
 - Cultural Districts (*Charter, Section 4.135 & Board Rule 3.23*)
 - Mills Act Contract (*Government Code, Section 50280*)
 - Designation for Significant/Contributory Buildings (*Planning Code, Article 11*)

Please send the Planning Department/Commission recommendation/determination to Erica Major at Erica.Major@sfgov.org.

CEQA clearance under the 2022 Housing Element Update Final EIR,
certified by the Planning Commission by Motion No. 21206 on November 17, 2022.

A handwritten signature in black ink, appearing to be "Erica Major", is written over the bottom of the page.



MEMORANDUM TO FILE

Date: May 3, 2023

To: San Francisco Housing Element 2022 Update Environmental Impact Report File, Planning Case 2019-016230ENV

From: Debra Dwyer, Principal Planner

Re: Amendments to Planning and Building Codes regarding Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization Board File 230371

Introduction

The San Francisco Planning Commission certified the Housing Element 2022 Update final environmental impact report (Housing Element EIR) on November 17, 2022 by motion no. 21206. On December 15, 2022 the Planning Commission recommended the Housing Element 2022 Update (2022 Housing Element) by resolution no. 21221, and also initiated amendments to the San Francisco General Plan by resolution no. 21222. On January 31, 2023 the San Francisco Board of Supervisors adopted the 2022 Housing Element by Ordinance 10-23, and then Mayor Breed signed it.

Mayor Breed and Board President Peskin introduced legislation on April 4, 2023 that would modify the Planning and Building Codes (Board File 230371) to allow for Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization. Amended legislation was substituted on April 12, 2023. This memo addresses the California Environmental Quality Act (CEQA) review for the current legislation.

Summary

This ordinance would incentivize the conversion of Downtown non-residential buildings into residential units by exempting eligible projects from certain Planning Code standards. It also would enact local code changes to support existing businesses and attract new businesses Downtown and streamline approvals to draw consumers back to Downtown. This ordinance would amend the Planning and Building Codes to achieve six policy outcomes:

Planning Code Amendments

- Facilitate Residential Uses Downtown
- Economically Revitalize Downtown
- Streamline Signage Permitting in C-3 Districts and Citywide
- Streamline Historic Preservation Review for certain qualifying scopes of work (described below)
- Provide Alternatives to On-Site Open Space Requirements in Certain C-3 Districts

Building Code Amendments

- Facilitate Residential Adaptive Reuse in the Building Code

The Planning Department reviewed and considered the proposed amendments. Amendments to streamline historic preservation review of administrative certificates of appropriateness and minor permits to alter for awnings (Qualifying Scopes of Work) within Article 10 and 11 districts would alter the department's process for review and approval of these projects. Also, amendments would streamline review of sign permits citywide including within the C-3 districts to allow for the repair and rehabilitation of certain neon signs and exemption of existing business signs in the C-3 zoning district from certain zoning controls. Temporary "pop-up" non-residential uses in vacant spaces for up to one year would be permitted in certain C, NC, NCT, or Mixed-Use Districts. The changes in Planning Department review process would not result in physical environmental impacts. In addition, enabling temporary uses within vacant commercial spaces would not result in significant environmental impacts.

To economically revitalize Downtown, the amendments would add uses to the uses principally permitted in Downtown (C-3 and C-2 districts) such as Flexible Workspace (a type of Retail Sales and Service use), accessory storage, temporary pop-up activations, Intermediate Length Occupancy, trade schools among others. The uses identified would not be of greater intensity than uses already permitted in the C districts. Therefore, the amendments described above would not result in significant environmental impacts greater than those anticipated in the Housing Element 2022 Update EIR because the physical environmental impacts of the operation of these proposed uses are within the range of existing effects of the existing C district uses. Construction impacts would be within the range of those disclosed and mitigated in the Housing Element 2022 Update EIR.

Conversion of existing commercial buildings to residential use within the C districts is permitted under current Planning Code provisions. The proposed amendments would incentivize projects to adapt non-residential buildings in the C districts to residential mixed-use buildings. To facilitate these conversions, eligible projects would be exempt from requirements related to rear yard, open space, streetscape improvements, dwelling unit exposure, bike parking, dwelling unit mix, and Intermediate Length Occupancy controls. The projects anticipated in this program would modify existing buildings Downtown, provided eligibility criteria are met. State Density Bonus projects would not qualify for this program. Expansion of the existing building envelope would be limited to not more than 20 percent of the existing building's Gross Floor Area and not more than one vertical story. The hearing requirements under Planning Code Section 309 would not apply to eligible projects under the adaptive reuse program if the project sponsor only seeks exceptions listed in Section 210.5 (d). In addition, projects would be allowed to pay an in-lieu fee instead of providing on-site privately owned public open space in certain C-3 districts.

Housing Element EIR, pp. 6-8 and 6-9, under the East Side Alternative provides a discussion of the potential environmental impacts of policies, objectives, and actions if existing development patterns on the east side of the city including Downtown were to continue. The East Side Alternative would result in development of the same number of housing units in the city in 2050 as under the 2022 Housing Element, but the development would be focused on the east side of the city. Table 6-2 on EIR pp. 6-22 to 6-41 provides a comparison of the environmental effects of the East Side Alternative to the 2022 Housing Element. Most environmental impacts disclosed in the EIR for development under the East Side Alternative would be similar to those under the 2022 Housing Element. The discussion below focuses on the significant and unavoidable and the significant and unavoidable with mitigation impacts identified for development under the 2022 Housing Element and under the East Side Alternative. Impacts where the impact level of significance differs between these two scenarios are also discussed.

In the Housing Element EIR under both the 2022 Housing Element and the East Side Alternative scenarios, the following topics would result in significant and unavoidable impacts with mitigation: Built-environment Historic Resources (plan and cumulative level), Loading (plan and cumulative level), Construction noise (plan and cumulative level), and Operational noise (plan level). As disclosed in the Housing Element EIR, these impacts would be greater under the East Side Alternative due to the existing density of residential and commercial development on the east side of the city as well as project site and transportation network constraints (transit delay, loading, construction). The east side of the city is forecast to have a greater number of historic architectural resources by 2050, and therefore, a greater number of architectural resources would be adversely affected, even with mitigation.

While plan-level wind and shadow impacts would remain significant and unavoidable under both the 2022 Housing Element and the East Side Alternative, the impacts would be reduced for development under this alternative compared to under the Housing Element. For wind, this is due to the sheltering effect of existing tall buildings Downtown. For shadow, under the East Side Alternative, infill development would occur in areas with dense development that already casts shadows of varying lengths on parks and open space Downtown. Also, there would be less shadow on parks and open spaces on the west side of the city under the East Side Alternative.

The East Side Alternative would reduce the significant and unavoidable with mitigation impacts under the Housing Element to less than significant for wastewater treatment or stormwater drainage facilities, wastewater treatment capacity, and plan level criteria air pollutants. This is due to focusing development on the east side of the city where the Southeast Water Pollution Control Plant has adequate capacity. In addition, the criteria air pollutant impact of this alternative would be less than significant because the growth in VMT would be less than the growth in service population.

The Housing Element EIR disclosed similar significant and unavoidable impacts for which there is no feasible mitigation under both the Housing Element and the East Side Alternative for these topics: Construction-related potentially hazardous conditions, accessibility, or substantially delay public transit (plan and cumulative) and water supply.

Draft EIR commenters suggested the reuse of commercial buildings as residential. The Responses to Comments (RTC) provides a response to this issue. On RTC pp. 4-28 to 4-32, the RTC states that while the 2022 Housing Element does not include specific policies to adapt commercial buildings downtown to residential use, the 2022 Housing Element would not preclude such projects. In addition, the response acknowledges that physical impacts related to conversion of existing commercial buildings to residential use in Downtown are within the analysis of the East Side Alternative. Further, the impacts of development incentivized by the proposed code amendments, including construction-related impacts, would be much less compared to those disclosed for the East Side Alternative as the eligibility criteria would limit the size of additions to existing buildings.

Conclusion

For the reasons described above, the code amendments for the Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization would not cause new significant impacts or result in a substantial increase in the severity of the impacts identified in the Housing Element EIR, and no new or revised mitigation measures would be required. (See Public Resources Code section 21166; CEQA Guidelines sections 15162 and 15163.) The proposed ordinance would not result in significant physical effects beyond those analyzed and disclosed in the Housing Element 2022 Update EIR.

From: [Wes Tyler](#)
To: [MelgarStaff \(BOS\)](#); [Peskin, Aaron \(BOS\)](#); [Preston, Dean \(BOS\)](#)
Cc: [Major, Erica \(BOS\)](#); [Ken Rich](#)
Subject: File #230371 Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization
Date: Monday, June 5, 2023 11:30:25 AM

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Please approve the Ordinance amending the Planning Code for Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization.

Downtown is suffering and we are way behind in our recovery that has been too slow to adapt to our new normal. This will help.

Thank you.

Wes Tyler, CHA
General Manager
Chancellor Hotel on Union Square
"Where the Cable Cars stop at the doorstep"
433 Powell Street
San Francisco, CA 94102
Ph. 415.362.2004 Fax 415.395.9476
www.chancellorhotel.com



From: [Chris Wright](#)
To: [Peskin, Aaron \(BOS\)](#); [Preston, Dean \(BOS\)](#); [Melgar, Myrna \(BOS\)](#)
Cc: [Breed, Mayor London \(MYR\)](#); [Major, Erica \(BOS\)](#)
Subject: Advance SF Letter in Support for Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization Ordinance
Date: Monday, June 5, 2023 1:06:35 PM
Attachments: [Advance SF Letter re Commercial to Residential Adaptive Ordinance.pdf](#)

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

June 5, 2023

Honorable Myrna Melgar
Honorable Dean Preston
Honorable Aaron Peskin

San Francisco Board of Supervisors
Land Use and Transportation Committee
San Francisco City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco CA 94102

Re: Support for Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization Ordinance (File #230371)

Dear Chair Melgar, and Supervisors Preston, and Peskin,

Advance SF would like to express its strong support for the Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization Ordinance (File #230371) that will facilitate commercial-to-residential conversions and diversify commercial uses Downtown. This legislation will help streamline the process for converting offices to housing in C districts and eliminate the lengthy process required for filling building space in Union Square. This is important to ensuring Downtown can evolve into a more vibrant area for residents, employees, visitors, and businesses. Downtown needs to evolve beyond a 9-5 business district for it to continue to economically support the City and its residents. Any ordinance that sets out a clear path for how to get there – like this one – should be approved.

Advance SF is an organization comprised of San Francisco's leading employers dedicated to supporting an equitable, resilient, and vibrant economy shared by all people working and living in San Francisco. Over the past 18 months, our organization has worked with our City, business, and community partners to advocate for the Downtown Economic Core to become more economically diverse and rich with experiences.

It is very important that this legislation becomes law. It will help jumpstart projects that bring new life to Downtown and make it easier to get buildings active and full. San Francisco is the slowest jurisdiction in the state in getting housing projects entitled, and this legislation cuts through barriers that could free up nearly 3,000 units of housing, which would not only help Downtown but also help the City reach its housing goals. Making Downtown buildings more flexible is a crucial aspect of ensuring it becomes a vibrant neighborhood that is more resilient in the future.

This legislation also represents the importance of what's at stake for the future of Downtown. In addition to the Planning Commission unanimously approving the legislation last month, Mayor Breed and Board President Peskin working together on this legislation demonstrates a strong commitment to the City and that it is a very important step in renewing Downtown and helps ensure the City's recovery can progress.

For these reasons, we urge your support.

Sincerely,

Wade Rose
President
Advance SF



June 5, 2023

Honorable Myrna Melgar
Honorable Dean Preston
Honorable Aaron Peskin

San Francisco Board of Supervisors
Land Use and Transportation Committee
San Francisco City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco CA 94102

Re: Support for Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization Ordinance (File #230371)

Dear Chair Melgar, and Supervisors Preston, and Peskin,

Advance SF would like to express its strong support for the Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization Ordinance (File #230371) that will facilitate commercial to residential conversions and diversify commercial uses Downtown. This legislation will help streamline the process for converting offices to housing in C districts and eliminate the lengthy process required for filling building space in Union Square. This is important to ensuring Downtown can evolve into a more vibrant area for residents, employees, visitors, and businesses. Downtown needs to evolve beyond a 9-5 business district for it to continue to economically support the City and its residents. Any ordinance that sets out a clear path for how to get there – like this one – should be approved.

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For these reasons, we urge your support.

Sincerely,

A handwritten signature in black ink that reads "Wade Rose". The signature is written in a cursive, flowing style.

Wade Rose
President

From: [David Harrison](#)
To: [Major, Erica \(BOS\)](#)
Cc: [Angulo, Sunny \(BOS\)](#); [Bintliff, Jacob \(ECN\)](#)
Subject: BOMA SF Letter Supporting File # 230371
Date: Monday, June 5, 2023 7:54:58 AM
Attachments: [2023.06.05_BOMASF_Letter_230371.pdf](#)

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Hi Erica,

Please see the attached letter to the Land Use and Transportation Committee in Support of Ordinance 230371--Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization. Thank you.

Sincerely,

David Harrison

Manager of Government and Public Affairs

[BOMA San Francisco](#)

(202) 262-5860 (Mobile)

davidh@boma.com



June 5, 2023

Land Use and Transportation Committee Members
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102-4689

Re: Downtown Zoning and Housing Conversion Ordinance—Support

Dear Land Use and Transportation Committee Members,

On behalf of the Building Owners and Managers Association (BOMA) San Francisco, I write in support of ordinance 230371—Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization. This proposed legislation would make critical zoning and flexible use changes while reducing challenges to housing conversion, representing tremendous vision from Mayor Breed and Board President Peskin for the future of Downtown San Francisco.

As the office to housing conversion conversation has become more prevalent for Downtown, commercial real estate professionals have identified barriers such as development controls for rear yard, open space, streetscape improvements, dwelling unit exposure, and development fees that prevent projects from becoming feasible. We believe that the changes to the Planning Code in this ordinance will help to remove some of the barriers to the adaptive reuse of certain commercial buildings and help create activity that has been lost due to decreased office leasing and occupancy.

We also know that the future of Downtown San Francisco will continue to rely on robust economic activity centered around commercial office space. Our industry is continuing to adapt to new demands for flexible space, and we commend this legislation for permitting more flexibility of uses, providing updated requirements in the planning code for new ideas such as pop-up activations, and streamlining certain permitting review.

In summary, BOMA San Francisco commends Mayor Breed and Board President Peskin for their efforts to reduce regulatory barriers in search of promoting new housing downtown and by allowing flexibility for more uses and streamlined permitting and review of some planning code requirements that will impact office and retail space that must be revitalized. We are proud to support this legislation, and we thank you for your consideration.

Sincerely,

John R. Bryant
CEO, BOMA San Francisco

From: [Melanie Medina](#)
To: [Peskin, Aaron \(BOS\)](#); [Melgar, Myrna \(BOS\)](#); [Preston, Dean \(BOS\)](#)
Cc: [Ken Rich](#); marisa@unionsquarealliance.com; [Major, Erica \(BOS\)](#)
Subject: Union Square Alliance- Letter of Support re: Zoning
Date: Friday, June 2, 2023 3:30:10 PM
Attachments: [image002.png](#)
[image003.png](#)
[UnionSqAlliance Letter of Support- Zoning Changes.pdf](#)

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Dear Supervisors,

Please find attached the Union Square Alliance's letter of support regarding zoning amendments scheduled to be heard at the Land Use and Transportation Committee on Monday, June 5th, 2023.

Thank you,



Melanie Medina

Executive Assistant to the CEO

415-781-7880 x105

melanie@unionsquarealliance.com

291 Geary Street, Suite 200

San Francisco, CA 94102

www.visitunionsquaresf.com

Member Services 415-781-4456



The Union Square Business Improvement District is now the Union Square Alliance.
Please make note of our new name and email address.



June 2, 2023

San Francisco Board of Supervisors
1 Dr. Carleton B. Goodlett Place
San Francisco, CA, 94102

[By email]

Dear Board President Aaron Peskin, Supervisor Dean Preston, and Supervisor Myrna Melgar:

We are writing to express our enthusiastic support for the downtown Planning Code amendment legislation scheduled to be heard by the Land use and Transportation Committee on June 5, 2023.

The impetus for strategic amendments to our Union Square C3R zoning came through the Union Square Alliance's new Strategic Plan, adopted in November 2022. The Plan emphasized the need for Union Square's zoning controls, originally put in place in the 1980s, to evolve to match current realities of the downtown retail market. Specifically, the Plan calls for: 1) maintaining a strong retail requirement on the ground floor, while offering slightly more flexibility in what uses are considered "retail"; 2) significantly increasing flexibility on all floors above ground, so that residential, office, institutional and most other uses would be principally permitted.

We are extremely grateful to Mayor Breed, Board President Peskin, Planning Director Hillis and Planning Department staff for how quickly and thoughtfully they initiated discussions with us to craft specific changes to the Code in order to increase flexibility and streamline approval processes. The proposed code changes deliver exactly what we asked for in the Plan and in fact go beyond by grandfathering existing nonconforming business signs, streamlining preservation-related approvals and in several other areas.

The package of amendments before you include not only Union Square-specific code changes but also a large number of changes that would be effective throughout the C3 zoning districts, aimed primarily at easing conversion of existing office buildings to residential. These changes will be useful for us in Union Square, and in our capacity as an advocate for Downtown as a whole we are very supportive of them.

Thank you again for your time and interest in the recovery of Downtown San Francisco!

Very truly yours,

A handwritten signature in black ink, appearing to read "Marisa Rodriguez", written in a cursive style.

Marisa Rodriguez, CEO

cc: Erica Major, Clerk

From: [Sujata Srivastava](#)
To: [Major, Erica \(BOS\)](#); [Peskin, Aaron \(BOS\)](#); [Melgar, Myrna \(BOS\)](#); [Preston, Dean \(BOS\)](#)
Cc: [Angulo, Sunny \(BOS\)](#)
Subject: File 230371: SPUR Letter on Commercial to Residential Adaptive Reuse Ordinance
Date: Friday, June 2, 2023 3:21:53 PM
Attachments: [SPUR Letter on OTR legislation Land Use Committee.pdf](#)

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Dear Supervisors,

Please see SPUR's letter of support for the proposed ordinance with recommended Planning Commission and staff modifications.

Best,
Sujata

--

Sujata Srivastava (she • her)
San Francisco Director | [SPUR](#)
415.322.8140
ssrivastava@spur.org

SPUR

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June 2, 2023

San Francisco Board of Supervisors
Land Use and Transportation Committee
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102

Dear Supervisors,

I am writing to support the proposed ordinance from Mayor London Breed and President Aaron Peskin to facilitate commercial to residential adaptive reuse projects. Restoring the economic and social health of downtown San Francisco will require many types of efforts, including improving transit, diversifying the business mix, and introducing more entertainment. Converting underperforming office buildings to residential use could go some way toward meeting two important goals: creating workforce housing and increasing vibrancy downtown. In addition, allowing more flexibility in downtown buildings will help to fill vacant spaces downtown and create a more attractive environment for residents, workers, and visitors.

SPUR and ULI, with the support of Gensler and HR&A Advisors, conducted a study to examine the feasibility of converting office buildings to residential uses. Our study showed that the City's existing planning code and building code requirements make it difficult to redevelop an office building into housing. In addition, there are significant financial feasibility challenges to office-to-residential conversion that could be eased by relaxing impact fees and inclusionary housing requirements, and providing additional economic incentives. Many other cities across the country have been successful in creating housing through conversions by providing significant incentives.

The proposed ordinance will remove many regulatory barriers, an important first step in making office-to-residential conversions possible. The legislation will create a simpler and faster process for approvals by Planning, the Department of Building Inspections, and other departments. The recommended modifications from Planning Commission and Planning staff will further strengthen the ordinance to make it even more impactful. However, it is important to recognize that the City will need to implement additional policies to incentivize conversions given the significant financial feasibility challenges that these projects face. Because current market conditions and interest rates are not favorable for attracting new investment in Downtown San Francisco, SPUR strongly recommends that the sunset provision in the ordinance be removed to maximize the potential for adaptive reuse once conditions improve.

SPUR encourages the Land Use Committee to approve this important legislation with the recommended modifications from staff to accelerate the recovery of downtown and improve the health of the city overall.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sujata Srivastava', with a long horizontal flourish extending to the right.

Sujata Srivastava
San Francisco Director, SPUR

Member, Board of Supervisors
District 7



City and County of San Francisco

MYRNA MELGAR

DATE: June 8, 2023

TO: Angela Calvillo
Clerk of the Board of Supervisors

FROM: Supervisor Myrna Melgar, Chair, Land Use and Transportation Committee

RE: Land Use and Transportation Committee
COMMITTEE REPORT

A handwritten signature in blue ink, appearing to be "mm", located to the right of the "FROM:" line.

Pursuant to Board Rule 4.20, as Chair of the Land Use and Transportation Committee, I have deemed the following matter is of an urgent nature and request it be considered by the full Board on Tuesday, June 13, 2023, as a Committee Report:

**230371 Planning and Building Codes - Commercial to Residential Adaptive Reuse and
Downtown Economic Revitalization**
Sponsors: Mayor; Peskin

This matter will be heard in the Land Use and Transportation Committee at a Regular Meeting on June 12, 2023, at 1:30 p.m.

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

Date: April 14, 2023
To: Planning Department / Commission
From: Erica Major, Clerk of the Land Use and Transportation Committee
Subject: Board of Supervisors Legislation Referral - File No. 230371-2
Planning and Building Codes - Commercial to Residential Adaptive Reuse and
Downtown Economic Revitalization

- California Environmental Quality Act (CEQA) Determination
(*California Public Resources Code, Sections 21000 et seq.*)
 - Ordinance / Resolution
 - Ballot Measure

- Amendment to the Planning Code, including the following Findings:
(*Planning Code, Section 302(b): 90 days for Planning Commission review*)
 - General Plan
 - Planning Code, Section 101.1
 - Planning Code, Section 302

- Amendment to the Administrative Code, involving Land Use/Planning
(*Board Rule 3.23: 30 days for possible Planning Department review*)

- General Plan Referral for Non-Planning Code Amendments
(*Charter, Section 4.105, and Administrative Code, Section 2A.53*)
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)

- Historic Preservation Commission
 - Landmark (*Planning Code, Section 1004.3*)
 - Cultural Districts (*Charter, Section 4.135 & Board Rule 3.23*)
 - Mills Act Contract (*Government Code, Section 50280*)
 - Designation for Significant/Contributory Buildings (*Planning Code, Article 11*)

Please send the Planning Department/Commission recommendation/determination to Erica Major at Erica.Major@sfgov.org.

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

TO: Patrick O'Riordan, Director, Department of Building Inspection
Sonya Harris, Commission Secretary, Building Inspection Commission

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: April 14, 2023

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following legislation, introduced by Mayor Breed on April 12, 2023:

File No. 230371-2

Ordinance amending the Planning Code to 1) facilitate residential uses Downtown by authorizing the conversion of non-residential uses to residential use in C (Commercial) zoning districts, and exempting such projects from requirements for rear yard, open space, streetscape improvements, dwelling unit exposure, bike parking, dwelling unit mix, and Intermediate Length Occupancy controls, permitting live work units in such project, streamlining administrative approvals for projects in the C-3 zoning district, and modifying the dimensional limits on exemptions to height restrictions for mechanical equipment, elevator, stair, and mechanical penthouses; 2) economically revitalize Downtown by adding Flexible Workspace as a defined use, authorizing large scale retail uses in the C-3 zoning district, allowing window displays in the C-3 zoning district, allowing Flexible Workspace as an active ground floor commercial use along certain street frontages in C-3 zoning districts, allowing accessory storage in any C zoning district, allowing the temporary installation for 60 days of certain signs in the C-3-R district, allowing temporary non-residential uses in vacant spaces for up to one year, reducing density limits for Residential Dwelling Units and Senior Housing in the C-2 zoning districts east of or fronting Van Ness/South Van Ness Avenue and north of Townsend Street, principally permitting Laboratory, Life Science, Agricultural and Beverage Processing, and Animal Hospitals in C-2 zoning districts, principally permitting Senior Housing, Residential Care Facilities, Outdoor Entertainment, Open Recreation Areas, Animal Hospitals, and Trade Schools in the C-3 zoning district, allowing formula retail as a ground floor use on Market Street, principally permitting office and design professional uses on the second floor and higher in the C-3-R zoning district, and requiring consideration of office vacancy in consideration of granting exceptions in the Transit Center Commercial Special Use District; 3) streamline sign permitting citywide and in the

C-3 districts by allowing for the repair and rehabilitation of certain neon signs, and exempting existing business signs in the C-3 zoning district from certain zoning controls; 4) streamline Historic Preservation review of administrative certificates of appropriateness, and minor permits to alter for awnings, and Qualifying Scopes of Work, as may be delegated by the Historic Preservation Commission; 5) provide alternatives to on-site open space in certain C-3 districts by allowing for payment of an in lieu fee as an alternative to providing open space; 6) facilitate residential adaptive reuse by amending the Building Code to add standards for adaptive reuse of non-residential buildings; and 7) principally permit formula retail and waive size limitations for such uses on a portion of Showplace Square Area (555-9th Street, Assessor's Parcel Block No. 3781, Lot No. 003); affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.

The proposed ordinance is being transmitted pursuant to Charter, Section D3.750-5, for public hearing and recommendation. It is pending before the Land Use and Transportation Committee and will be scheduled for hearing upon receipt of your response.

Please forward me the Commission's recommendation and reports at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: Erica.Major@sfgov.org.

cc: Patty Lee, Department of Building Inspection

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

Date: April 10, 2023
To: Planning Department / Commission
From: Erica Major, Clerk of the Land Use and Transportation Committee
Subject: Board of Supervisors Legislation Referral - File No. 230371
Planning and Building Codes - Commercial to Residential Adaptive Reuse and
Downtown Economic Revitalization

- California Environmental Quality Act (CEQA) Determination
(*California Public Resources Code, Sections 21000 et seq.*)
 - Ordinance / Resolution
 - Ballot Measure

- Amendment to the Planning Code, including the following Findings:
(*Planning Code, Section 302(b): 90 days for Planning Commission review*)
 - General Plan
 - Planning Code, Section 101.1
 - Planning Code, Section 302

- Amendment to the Administrative Code, involving Land Use/Planning
(*Board Rule 3.23: 30 days for possible Planning Department review*)

- General Plan Referral for Non-Planning Code Amendments
(*Charter, Section 4.105, and Administrative Code, Section 2A.53*)
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)

- Historic Preservation Commission
 - Landmark (*Planning Code, Section 1004.3*)
 - Cultural Districts (*Charter, Section 4.135 & Board Rule 3.23*)
 - Mills Act Contract (*Government Code, Section 50280*)
 - Designation for Significant/Contributory Buildings (*Planning Code, Article 11*)

Please send the Planning Department/Commission recommendation/determination to Erica Major at Erica.Major@sfgov.org.

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
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TDD/TTY No. (415) 554-5227

MEMORANDUM

TO: Patrick O'Riordan, Director, Department of Building Inspection
Sonya Harris, Commission Secretary, Building Inspection Commission

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: April 10, 2023

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following legislation, introduced by Mayor Breed on April 10, 2023:

File No. 230371

Ordinance amending the Planning Code to 1) facilitate residential uses Downtown by authorizing the conversion of non-residential uses to residential use in C (Commercial) zoning districts, and exempting such projects from requirements for rear yard, open space, streetscape improvements, dwelling unit exposure, bike parking, dwelling unit mix, and Intermediate Length Occupancy controls, and streamlining administrative approvals for projects in the C-3 zoning district, and modifying the dimensional limits on exemptions to height restrictions for mechanical equipment, elevator, stair, and mechanical penthouses; 2) economically revitalize Downtown by adding Flexible Workspace as a defined use, authorizing large scale retail uses in the C-3 zoning district, allowing window displays in the C-3 zoning district, allowing Flexible Workspace as an active ground floor commercial use along certain street frontages in C-3 zoning districts, allowing accessory storage in any C zoning district, allowing the temporary installation for 60 days of certain signs in the C-3-R district, allowing temporary non-residential uses in vacant spaces for up to one year, reducing density limits for Residential Dwelling Units and Senior Housing in the C-2 zoning districts east of or fronting Van Ness/South Van Ness Avenue and north of Harrison Street, principally permitting Laboratory, Life Science, Agricultural and Beverage Processing, and Animal Hospitals in C-2 zoning districts, principally permitting Senior Housing, Residential Care Facilities, Outdoor Entertainment, Open Recreation Areas, Animal Hospitals, and Trade Schools in the C-3 zoning district, allowing formula retail as a ground floor use on Market Street, principally permitting office and design professional uses on the second floor and higher in the C-3-R zoning district, and requiring consideration of office vacancy in consideration of granting exceptions in the Transit Center Commercial Special Use District; 3) streamline sign permitting citywide and in the C-3 districts by

allowing for the repair and rehabilitation of certain neon signs, and exempting existing business signs in the C-3 zoning district from certain zoning controls; 4) streamline Historic Preservation review of administrative certificates of appropriateness, and minor permits to alter for awnings, and Qualifying Scopes of Work, as may be delegated by the Historic Preservation Commission; 5) provide alternatives to on-site open space in certain C-3 districts by allowing for payment of an in lieu fee as an alternative to providing open space; 6) facilitate residential adaptive reuse by amending the Building Code to add standards for adaptive reuse of non-residential buildings; and 7) affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.

The proposed ordinance is being transmitted pursuant to Charter, Section D3.750-5, for public hearing and recommendation. It is pending before the Land Use and Transportation Committee and will be scheduled for hearing upon receipt of your response.

Please forward me the Commission's recommendation and reports at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: Erica.Major@sfgov.org.

cc: Patty Lee, Department of Building Inspection

Member, Board of Supervisors
District 7



City and County of San Francisco

MYRNA MELGAR

DATE: July 12, 2023

TO: Angela Calvillo
Clerk of the Board of Supervisors

FROM: Supervisor Myrna Melgar, Chair, Land Use and Transportation Committee

RE: Land Use and Transportation Committee
COMMITTEE REPORTS

A handwritten signature in blue ink, appearing to read "MM", located to the right of the "TO:" field.

Pursuant to Board Rule 4.20, as Chair of the Land Use and Transportation Committee, I have deemed the following matters are of an urgent nature and request they be considered by the full Board on Tuesday, July 18, 2023, as Committee Reports:

File No. 230770

Administrative Code - Government Regulated Rents

Sponsors: Preston; Walton and Chan

Ordinance amending the Administrative Code to provide that tenant-occupied units in buildings that will be receiving either low-income housing tax credits or tax-exempt multifamily revenue bonds shall remain subject to the Rent Ordinance, as long as any of the existing tenants continue to reside in the unit, or unless all the tenants in the unit agree otherwise in writing; and for any such units that may have previously become exempt from the Rent Ordinance since 2018, restoring rents to the levels allowed had the Rent Ordinance continuously applied.

File No. 230690

Planning Code - Landmark Designation - Parkside Branch Library

Sponsor: Engardio

Ordinance amending the Planning Code to designate Parkside Branch Library, situated within McCoppin Square Park, 1200 Taraval Street, a portion of Assessor's Parcel Block No. 2351, Lot No. 001, as a Landmark consistent with the standards set forth in Article 10 of the Planning Code; affirming the Planning Department's determination under the California Environmental Quality Act; and making public necessity, convenience, and welfare findings under Planning Code, Section 302, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1. (Historic Preservation Commission)

File No. 230732

Planning and Building Codes - Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization

Sponsors: Mayor; Peskin

Ordinance amending the Planning Code to 1) facilitate residential uses Downtown by authorizing the conversion of non-residential uses to residential use in C (Commercial) zoning districts, and exempting such projects from requirements for rear yard, open space, streetscape

COMMITTEE REPORTS MEMORANDUM

Land Use and Transportation Committee

Page 2 of 3

improvements, dwelling unit exposure, off-street freight loading, curb cuts for vehicular access, bike parking, transportation demand management, dwelling unit mix, and Intermediate Length Occupancy controls, permitting live work units in such project, streamlining administrative approvals for projects in the C-3 zoning district, and modifying the dimensional limits on exemptions to height restrictions for mechanical equipment, elevator, stair, and mechanical penthouses; 2) economically revitalize Downtown by adding Flexible Workspace as a defined use, authorizing large scale retail uses in the C-3 zoning district, allowing window displays in the C-3 zoning district, allowing Flexible Workspace as an active ground floor commercial use along certain street frontages in C-3 zoning districts, allowing accessory storage in any C zoning district, allowing the temporary installation for 60 days of certain signs in the C-3-R district, allowing temporary non-residential uses in vacant spaces for up to one year, including formula retail, reducing density limits for Residential Dwelling Units and Senior Housing in the C-2 zoning districts east of or fronting Franklin Street/13th Street and north of Townsend Street, principally permitting Laboratory, Life Science, Agricultural and Beverage Processing, and Animal Hospitals in C-2 zoning districts, principally permitting Senior Housing, Residential Care Facilities, Outdoor Entertainment, Open Recreation Areas, Animal Hospitals, and Trade Schools in the C-3 zoning district, allowing formula retail as a ground floor use on Market Street, principally permitting office and design professional uses on the second floor and higher in the C-3-R zoning district, and requiring consideration of office vacancy in consideration of granting exceptions in the Transit Center Commercial Special Use District; 3) streamline sign permitting citywide and in the C-3 and portions of the C-2 districts by allowing for the repair and rehabilitation of certain neon signs, and exempting existing business signs in the C-3 zoning district from certain zoning controls; 4) streamline Historic Preservation review of administrative certificates of appropriateness, and minor permits to alter for awnings, and Qualifying Scopes of Work, as may be delegated by the Historic Preservation Commission; 5) increase threshold for large projects subject to commercial to residential ratios in the C-3-O district, and provide alternatives to on-site open space in certain C-3 districts by allowing for payment of an in lieu fee as an alternative to providing open space; 6) facilitate residential adaptive reuse by amending the Building Code to add standards for adaptive reuse of non-residential buildings; and 7) principally permit formula retail and waive size limitations for such uses on a portion of Showplace Square Area (555-9th Street, Assessor's Parcel Block No. 3781, Lot No. 003); affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.

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File No. 230745

Building, Planning Codes - Existing Awning Amnesty Program

Sponsors: Mayor; Peskin and Stefani

Ordinance amending the Building and Planning Codes to create a temporary amnesty program for unpermitted awnings that streamlines the application process to legalize awnings, waives applicable fees, and confers legal nonconforming status for awnings and signs that do not comply with the Planning Code; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency

with the General Plan and the eight priority policies of Planning Code Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code Section 302.

File No. 230374

Building Code - Streamlining Site Permit Review

Sponsors: Safai; Melgar

Ordinance amending the Building Code to outline the site permit application process, and define and limit the scope of Building Official review of site permits; requiring simultaneous interdepartmental review of electronically submitted applications for site permits; and affirming the Planning Department's determination under the California Environmental Quality Act.

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File No. 230026

Planning, Subdivision, and Administrative Codes and Zoning Map - Family Housing Opportunity Special Use District

Sponsors: Melgar; Engardio

Ordinance amending 1) the Planning Code to create the Family Housing Opportunity Special Use District; 2) the Planning Code to authorize the greater of up to four units or one unit per 1,000 square feet of lot area on individual lots in the RH (Residential, House) District, the greater of up to twelve units or one unit per 1,000 square feet of lot area on three merged lots and the greater of up to eight units or one unit per 1,000 square feet of lot area on two merged lots in RH-1 (Residential, House: One Family) districts, and Group Housing in RH-1 districts for eligible projects in the Special Use District; 3) the Planning Code to exempt eligible projects in the Special Use District from certain height, open space, dwelling unit exposure, and rear-yard requirements, conditional use authorizations, and neighborhood notification requirements; 4) the Subdivision Code to authorize eligible projects in the Special Use District to qualify for condominium conversion or a condominium map that includes the existing dwelling units and the new dwelling units that constitute the project; 5) the Administrative Code to require new dwelling or group housing units constructed pursuant to the density limit exception to be subject to the rent increase limitations of the Rent Ordinance; 6) the Zoning Map to show the Family Housing Opportunity Special Use District; and 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.

These matters will be heard in the Land Use and Transportation Committee at a Regular Meeting on Monday, July 17, 2023, at 1:30 p.m.



MYRNA MELGAR

DATE: July 12, 2023

TO: Angela Calvillo
Clerk of the Board of Supervisors

FROM: Supervisor Myrna Melgar, Chair, Land Use and Transportation Committee

RE: Land Use and Transportation Committee
COMMITTEE REPORTS

A handwritten signature in blue ink, appearing to be "MM", located to the right of the "TO:" field.

Pursuant to Board Rule 4.20, as Chair of the Land Use and Transportation Committee, I have deemed the following matters are of an urgent nature and request they be considered by the full Board on Tuesday, July 18, 2023, as Committee Reports:

File No. 230770

Administrative Code - Government Regulated Rents

Sponsors: Preston; Walton and Chan

Ordinance amending the Administrative Code to provide that tenant-occupied units in buildings that will be receiving either low-income housing tax credits or tax-exempt multifamily revenue bonds shall remain subject to the Rent Ordinance, as long as any of the existing tenants continue to reside in the unit, or unless all the tenants in the unit agree otherwise in writing; and for any such units that may have previously become exempt from the Rent Ordinance since 2018, restoring rents to the levels allowed had the Rent Ordinance continuously applied.

File No. 230690

Planning Code - Landmark Designation - Parkside Branch Library

Sponsor: Engardio

Ordinance amending the Planning Code to designate Parkside Branch Library, situated within McCoppin Square Park, 1200 Taraval Street, a portion of Assessor's Parcel Block No. 2351, Lot No. 001, as a Landmark consistent with the standards set forth in Article 10 of the Planning Code; affirming the Planning Department's determination under the California Environmental Quality Act; and making public necessity, convenience, and welfare findings under Planning Code, Section 302, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1. (Historic Preservation Commission)

File No. 230732

Planning and Building Codes - Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization

Sponsors: Mayor; Peskin

Ordinance amending the Planning Code to 1) facilitate residential uses Downtown by authorizing the conversion of non-residential uses to residential use in C (Commercial) zoning districts, and exempting such projects from requirements for rear yard, open space, streetscape

COMMITTEE REPORTS MEMORANDUM

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improvements, dwelling unit exposure, off-street freight loading, curb cuts for vehicular access, bike parking, transportation demand management, dwelling unit mix, and Intermediate Length Occupancy controls, permitting live work units in such project, streamlining administrative approvals for projects in the C-3 zoning district, and modifying the dimensional limits on exemptions to height restrictions for mechanical equipment, elevator, stair, and mechanical penthouses; 2) economically revitalize Downtown by adding Flexible Workspace as a defined use, authorizing large scale retail uses in the C-3 zoning district, allowing window displays in the C-3 zoning district, allowing Flexible Workspace as an active ground floor commercial use along certain street frontages in C-3 zoning districts, allowing accessory storage in any C zoning district, allowing the temporary installation for 60 days of certain signs in the C-3-R district, allowing temporary non-residential uses in vacant spaces for up to one year, including formula retail, reducing density limits for Residential Dwelling Units and Senior Housing in the C-2 zoning districts east of or fronting Franklin Street/13th Street and north of Townsend Street, principally permitting Laboratory, Life Science, Agricultural and Beverage Processing, and Animal Hospitals in C-2 zoning districts, principally permitting Senior Housing, Residential Care Facilities, Outdoor Entertainment, Open Recreation Areas, Animal Hospitals, and Trade Schools in the C-3 zoning district, allowing formula retail as a ground floor use on Market Street, principally permitting office and design professional uses on the second floor and higher in the C-3-R zoning district, and requiring consideration of office vacancy in consideration of granting exceptions in the Transit Center Commercial Special Use District; 3) streamline sign permitting citywide and in the C-3 and portions of the C-2 districts by allowing for the repair and rehabilitation of certain neon signs, and exempting existing business signs in the C-3 zoning district from certain zoning controls; 4) streamline Historic Preservation review of administrative certificates of appropriateness, and minor permits to alter for awnings, and Qualifying Scopes of Work, as may be delegated by the Historic Preservation Commission; 5) increase threshold for large projects subject to commercial to residential ratios in the C-3-O district, and provide alternatives to on-site open space in certain C-3 districts by allowing for payment of an in lieu fee as an alternative to providing open space; 6) facilitate residential adaptive reuse by amending the Building Code to add standards for adaptive reuse of non-residential buildings; and 7) principally permit formula retail and waive size limitations for such uses on a portion of Showplace Square Area (555-9th Street, Assessor's Parcel Block No. 3781, Lot No. 003); affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.

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Building, Planning Codes - Existing Awning Amnesty Program

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with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.

File No. 230374

Building Code - Streamlining Site Permit Review

Sponsors: Safai; Melgar

Ordinance amending the Building Code to outline the site permit application process, and define and limit the scope of Building Official review of site permits; requiring simultaneous interdepartmental review of electronically submitted applications for site permits; and affirming the Planning Department's determination under the California Environmental Quality Act.

File No. 230026

Planning, Subdivision, and Administrative Codes and Zoning Map - Family Housing Opportunity Special Use District

Sponsors: Melgar; Engardio

Ordinance amending 1) the Planning Code to create the Family Housing Opportunity Special Use District; 2) the Planning Code to authorize up to four units on individual lots, up to twelve units on merged lots in RH-1 (Residential-House, One Family) districts, and Group Housing in RH-1 districts for eligible projects in the Special Use District; 3) the Planning Code to exempt eligible projects in the Special Use District from certain height, open space, dwelling unit exposure, and rear-yard setback requirements, conditional use authorizations, and neighborhood notification requirements; 4) amending the Subdivision Code to authorize eligible projects in the Special Use District to qualify for condominium conversion or a condominium map that includes the existing dwelling units and the new dwelling units that constitute the project; 5) amending the Administrative Code to require new dwelling or group housing units constructed pursuant to the density limit exception to be subject to the rent increase limitations of the Rent Ordinance; 6) amending the Zoning Map to show the Family Housing Opportunity Special Use District; and 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.

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