

**REVISED LEGISLATIVE DIGEST**

(5/1/2017, Amended in Committee)

[Planning Code - Exempting Certain Historic Landmarks from Conditional Use Authorization Requirement to Replace Production, Distribution, and Repair, Institutional Community, and Arts Activities Uses]

**Ordinance amending Planning Code Section 202.8, included in the November 8, 2016 general election as Proposition X, to exempt certain designated historic landmarks from obtaining conditional use authorization to remove certain Production, Distribution, and Repair, Institutional Community, and Arts Activities Uses, and providing replacement space for such uses; 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.**

Existing Law

Planning Code Section 202.8 requires conditional use authorization and replacement space for removal through conversion or demolition of Production, Distribution, and Repair (PDR), Institutional Community, and Arts Activities uses in certain South of Market zoning districts.

Subsection 202.8(i) provides that the Board of Supervisors “by ordinance and by at least a two-thirds vote of all its members” may amend Section 202.8 “at any time after its effective date.” This ordinance amends Section 202.8.

Amendments to Current Law

The proposed legislation would exempt a project from the need to obtain a conditional use permit under Section 202.8(a) and to replace any removed PDR, Institutional Community, or Arts Activities if:

1. No more than 50% of the property’s PDR, Institutional Community, or Arts Activities space is converted; and
2. The space to be converted is located within a landmark designated under Article 10 of the Planning Code or individually listed on the National Register of Historic Places as long as the building was designated or listed on or before July 1, 2016.

Additionally, any project that meets the above two requirements and also includes a contract or agreement with the City meeting the requirements of California Civil Code Section 1954.28(d) (such as, for example, a development agreement), which, as part of the terms of that contract, rents, leases, or sells at 50% below market rate the property’s remaining PDR,

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Institutional Community, or Arts Activities space, may convert an additional 25% of the property's PDR, Institutional Community, or Arts Activities space.

Background Information

On August 2, 2016, the Board of Supervisors approved Motion No. M16-105, ordering an initiative ordinance entitled "Initiative Ordinance - Planning Code - Requiring Conditional Use Authorization for Replacement of Production, Distribution, Repair, Institutional Community, and Arts Activities Uses," be submitted to the voters at the November 8, 2016 general election. Motion No. M16-105, including the initiative ordinance, is found in Board File No. 160698. The initiative ordinance was designated Proposition X on the November 8, 2016, ballot. Proposition X added Section 202.8 to the Planning Code.

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