



PLANNING DEPARTMENT REPORT

Date: June 16, 2026
Report Name: Interim Zoning Controls – Conditional Use Authorization for Outdoor Laboratory Uses in PDR-1-G
Case Number: 2025-011833PCA
Board File: 251116
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Statement of Purpose

This report was prepared in response to a resolution (BF 251116), introduced by Supervisor Fielder on November 4, 2025, and enacted into law on December 16, 2025 (enactment number 600-25). The resolution imposed interim zoning controls for an 18-month period to require a Conditional Use authorization and specified findings for proposed Laboratory Uses that contain development and/or engineering laboratories that operate outdoors and/or outside of an enclosed structure in the PDR-1-G (Production, Distribution, and Repair) District. The resolution also urged the Planning Department, with input from the Office of Economic and Workforce Development (OEWD), to study whether additional controls would ensure that Laboratory Uses are consistent with the City's PDR goals.

The resolution directs the Planning Department to submit a written report to the Clerk of the Board six months after the effective date, and every six months thereafter the resolution is in effect. The final report, after 18 months, should describe the measures taken to alleviate the conditions that led to the adoption of resolution 600-25. Upon receipt of the report, a hearing is required pursuant to Planning Code Section 306.7(i) for the Land Use and Transportation Committee to consider this report.

Background

According to the adopted resolution, the interim controls were enacted in response to increasing community concerns regarding the proliferation of office-like spaces and other non-PDR uses within PDR-1-G districts. Community members, labor advocates, and neighborhood organizations raised concerns that certain land uses are functioning like offices, are in fact offices, or are otherwise inconsistent with the purpose of PDR districts.

As originally introduced, the interim zoning controls proposed requiring Conditional Use Authorization for all new Laboratory Uses within PDR-1-G districts. The proposal reflected concerns that some Laboratory Uses, while technically distinct from Office Uses under the Planning Code, may operate more like offices and contribute to the conversion of industrial space away from PDR activities.

During the legislative process, stakeholders expressed concern that applying interim controls to all Laboratory Uses would affect a broad range of emerging, scientific, research, testing, and prototyping activities that are permitted in PDR districts. In response, the interim controls were narrowed to require Conditional Use Authorization only for development and/or engineering laboratories conducted partially or wholly outside enclosed structures. This narrower approach sought to address potential land use compatibility concerns associated with outdoor laboratory operations while avoiding unnecessary impacts on indoor laboratory activities.

Against this backdrop, the resolution directs the Planning Department, in consultation with the Office of Economic and Workforce Development, to study whether additional controls are necessary to ensure that Laboratory Uses remain consistent with the City's goals for PDR space.

PDR Background

PDR districts protect light industrial and other businesses from economic competition and operational conflict inherent with uses like housing, office and large-scale retail. PDR activities include manufacturing, warehousing and logistics, auto repair, food production and other producers. PDR districts also allow for business activities like construction contracting, job training and trade schools, testing laboratories, and research in emerging industries.

Historically, PDR land was concentrated throughout San Francisco's waterfront, where proximity to shipping and port facilities supported industrial activity. Today, the concentrations of PDR are in Bayview-Hunters Point, the Central Waterfront, Dogpatch, the Mission, and South of Market (SoMa).

PDR uses were a major economic driver in San Francisco since its founding and through the 1970s. At their peak, PDR industries accounted for approximately 165,000 jobs, representing roughly one-third of all jobs in the city. Since that time, suburbanization, globalization, and the limited availability of industrial land have contributed to a significant decline in both PDR businesses and employment. By 2018, PDR employment had fallen to approximately 103,000 jobs¹, representing 14 percent of the city's total employment.

In response to these trends, San Francisco adopted a series of policies aimed at preserving industrial activities and increasing the diversity of jobs in the City. In particular, the Eastern Neighborhoods plans created a series of PDR districts to protect the large, flexible spaces needed by light industrial businesses and emerging industries. These districts include:

¹ <https://sfplanning.org/news/2018-commerce-industry-inventory-report-published>

District	Purpose	% of Land Zoned
PDR-1-B (Buffer)	Buffer between neighborhoods and industry, primarily in Bayview Hunters Point. Allows for typically smaller producers and uses that are less intensive, with limited delivery activity	0.10%
PDR-1-D (Design)	Retain and encourage clusters of design-related businesses and lower-intensity PDR. May include furniture makers, home décor, industrial design, and prototyping.	0.17%
PDR-1-G (General)	Retain and encourage existing production, distribution, and repair activities and promote new business formation. More intensive than PDR-1-B and PDR-1-D, but less than PDR-2. Includes the above, as well as larger manufacturing, distribution, lab, and other uses.	0.88%
PDR-2 (Core Industrial)	Encourage the introduction, intensification, and protection of a wide range of light and contemporary industrial activities. Typically larger floorplates or open-air activities and uses that require trucking operations. Prohibits heaviest industrial uses.	2.63%

Planning for PDR in the Mission District

The Mission Area Plan (hereinafter “the Plan”) was adopted as part of the Eastern Neighborhoods rezoning process. At the time, policymakers were increasingly concerned about the loss of industrial land to housing, office development, biotechnology, and other mixed-use projects. To address these concerns, the Plan established policies intended to preserve industrial land while recognizing the growing role of the knowledge-based economy.

The Plan identified the "Knowledge Sector" as including industries that create value primarily through expertise and intellectual property, including information technology, digital media, publishing, professional services, financial services, environmental technologies, and life sciences and biotechnology.

Although the Plan recognized the economic importance of these industries and their ability to generate jobs and tax revenue, it also acknowledged that knowledge-sector uses functioning as office uses could increase the risk of displacing PDR and other activities. Accordingly, the Plan generally supported R&D uses that involve production, fabrication, testing, manufacturing, or other industrial components while recommending that office-only research activities be regulated similarly to traditional office uses.

By 2015, the Mission Action Plan 2020, and later Mission Action Plan 2030, also included strategies aimed at preserving PDR districts, protecting working-class jobs, and maintaining critical community-serving economic resources within the Mission. These concerns and conditions form much of the context for the interim controls in PDR-1-G districts, which comprise a substantial portion of the Mission District's industrial land. Particular attention has been directed toward Laboratory or other uses that resemble office operations.

Laboratory Uses

Planning Code Section 102 defines a Laboratory Use as follows:

Laboratory. *A Non-Retail Sales and Services Use intended or primarily suitable for scientific research. The space requirements of uses within this category include specialized facilities and/or built accommodations that distinguish the space from Office uses, Light Manufacturing, or Heavy Manufacturing. Examples of laboratories include the following:*

- (a) Chemistry, biochemistry, or analytical laboratory;*
- (b) Engineering laboratory;*
- (c) Development laboratory;*
- (d) Biological laboratories including those classified by the Centers for Disease Control (CDC) and National Institutes of Health (NIH) as Biosafety level 1, Biosafety level 2, or Biosafety level 3;*
- (e) Animal facility or vivarium, including laboratories classified by the CDC/NIH as Animal Biosafety level 1, Animal Biosafety level 2, or Animal Biosafety level 3;*
- (f) Support laboratory;*
- (g) Quality assurance/Quality control laboratory;*
- (h) Core laboratory; and*
- (i) Cannabis testing facility (any use requiring License Type 8—Testing Laboratory, as defined in California Business and Professions Code, Division 10).*

Laboratory Uses encompass a wide spectrum of activities and therefore present a range of land use and policy considerations. They are distinguished from other uses in that they are primarily focused on research or testing and contain specialized facilities for those purposes. Some laboratories have machinery and tools dedicated to product testing, prototyping, or development. Others may have wet labs dedicated to biotechnology research, food testing, or contamination analysis. Additionally, other labs are designed for research primarily on computers in environments that resemble office space.

Another factor is that research or laboratory uses can represent just one stage of a business that eventually evolves into a production or light manufacturing use. Many businesses innovating in the sustainability, energy, and food sectors develop in this way and ultimately create PDR jobs in San Francisco.

To get a sense of how many laboratory businesses are in San Francisco, the Planning Department filtered the San Francisco Business Registration database by the North American Industry Classification System, or NAICS code. NAICS is used by federal, state and local agencies to classify businesses by their primary industry and collect economic data. These codes are self-reported by the businesses. The Department used the following NAICS codes to identify laboratory businesses in San Francisco:

- 541713: Research and Development in Nanotechnology
- 541714: Research and Development in Biotechnology
- 541715: Research and Development in the Physical, Engineering, and Life Sciences

The results yielded 343 registered laboratory businesses, as shown in the following table.

Industry	Registered Lab Businesses
Biotechnology R&D	190
Physical/Engineering/Life Sciences R&D	152
Nanotechnology R&D	1

The businesses are distributed over 253 unique addresses. The majority of businesses are in District 6, with 111 businesses (32%) and District 10, with 84 (24%). By neighborhood, the Financial District/South Beach leads with 76, followed by Potrero Hill (62) and Mission Bay (36).

In a preliminary look at building permits between 2014-2026, 460 permits were sought on PDR-1-G-zoned parcels. 28 (6%) of these permits contain laboratory uses. 16 of the 28 (57%) permits involved a change of use. The projects show that laboratories in the PDR-1-G zone often contain other uses as well: of the 28 lab sites, 22 (79%) include PDR/industrial use and 14 (50%) include office use. The 28 lab sites are concentrated in District 10 (15 sites) and District 9 (11), with only 2 in District 6.

Outdoor Laboratory Uses

The emergence of new forms of technological research and development has also introduced operational characteristics that were not necessarily contemplated during the Eastern Neighborhoods process. The interim controls in this Case were in response to possible outdoor drone testing at 1960 Folsom Street. Building Permit Application No. 202512010636 proposed minor interior alterations and a change of use from Light Manufacturing to a Laboratory Use. The permit for indoor Laboratory Uses only was issued on February 23, 2026. Building Permit Application No. 202512010638 for the adjacent property at 1942 Folsom also proposed a change of use to a Laboratory Use.

The interim controls require Conditional Use Authorization for outdoor development and/or engineering Laboratory Uses in the PDR-1-G district, pending reports on the controls at six, 12 and 18 months. The Planning Department has not yet received a CUA required under these interim controls. The Resolution directs the Planning Department to evaluate whether additional controls are necessary and to evaluate what controls are best suited to ensure that Laboratory Uses in the PDR-1-G are consistent with the goals of the district.

Next Steps

In December 2026, the Planning Department, in collaboration with the Office of Economic and Workforce Development (OEWD), will present existing conditions related to laboratory uses and related permit applications in the Mission District with PDR-1-G zoning. The Department expects to utilize the following sources, among others that may become available:

- Planning Department and Department of Building Inspection records, including permits for alterations, new construction, changes of use, and code enforcement actions;
- Local business registration data to identify businesses operating on parcels zoned PDR-1-G;
- Commercial real estate data and analytics;
- Labor market, employment, wage, and unemployment data published by the California Employment Development Department (EDD); and
- Publicly available business and land-use mapping data.

Throughout this process, the Planning Department will also collaborate with Supervisor Fielder's Office and engage stakeholders involved in the Map 2030 planning process.

Environmental Review

This Report was determined not to be a project per State CEQA Guidelines, Sections 15378 and 15060(c)(2), because it does not result in a physical change to the environment.

Report Conclusion

The Planning Department has begun analyzing data to establish existing conditions within the PDR-1-G District and is conducting research on potential policy approaches. The Department anticipates publishing its next report in mid-December 2026.

Required Board Action

The Board may approve or disapprove this report.