



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.

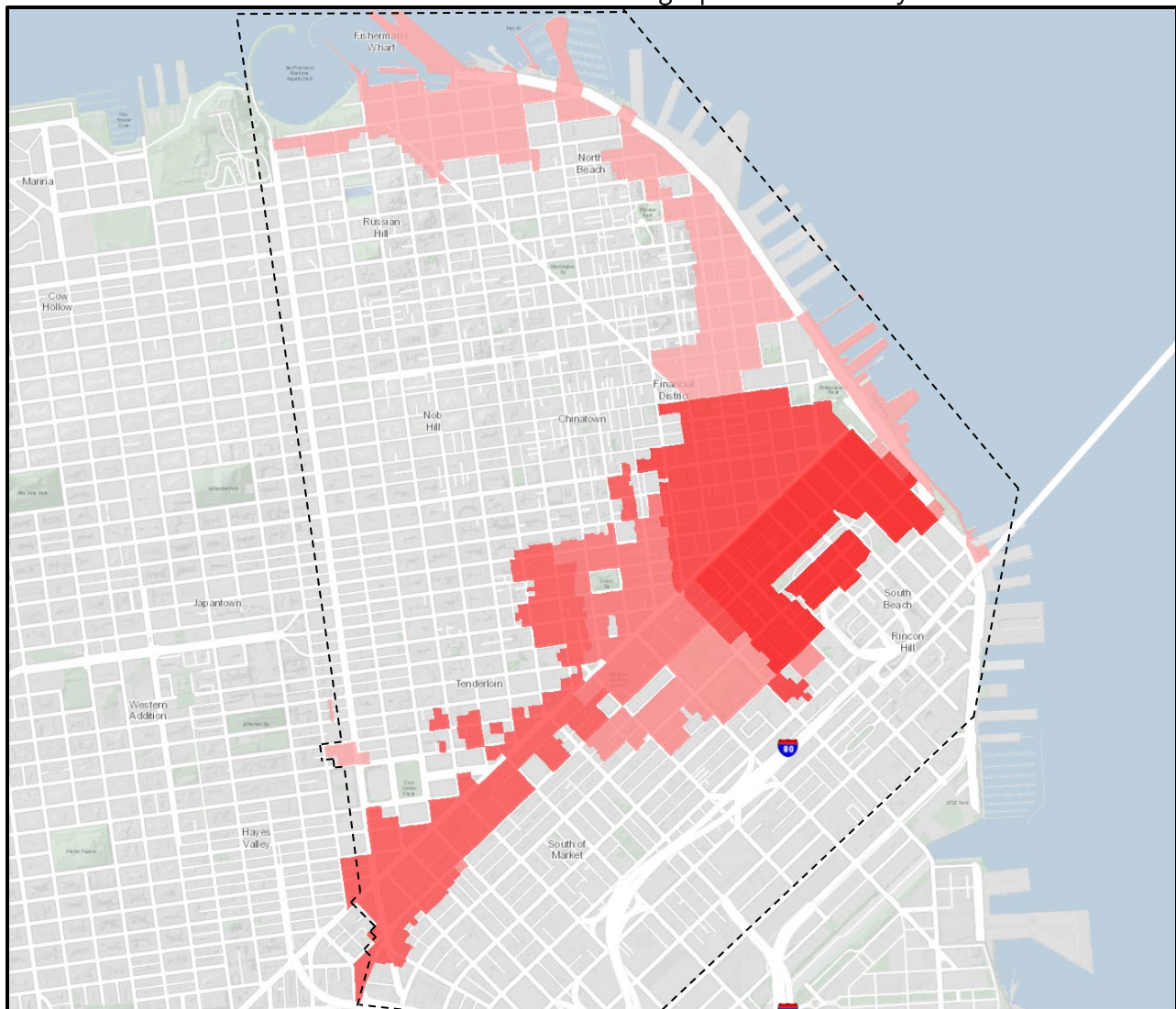
### Adaptive Reuse of Commercial Buildings

**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:
<b>Facilitate Residential Uses Downtown</b>		
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"> <li>(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;</li> <li>(2) not seek approval under Section 206.5 or 206.6;</li> <li>(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</li> <li>(4) not add more than one vertical story.</li> </ul> <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).
<b>Economically Revitalize Downtown</b>		
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.



<b>Streamline Sign Permitting in C-3 Districts and Citywide</b>		
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.
<b>Streamline Historic Preservation Review</b>		
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).
<b>Provide Alternatives to the On-Site Open Space Requirement in Certain C-3 Districts</b>		
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.
<b>Facilitate Adaptive Reuse of Non-residential Buildings by Amending the Building Code to add Standards for Adaptive Reuse Projects.</b>		
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 / 13<sup>th</sup> 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.

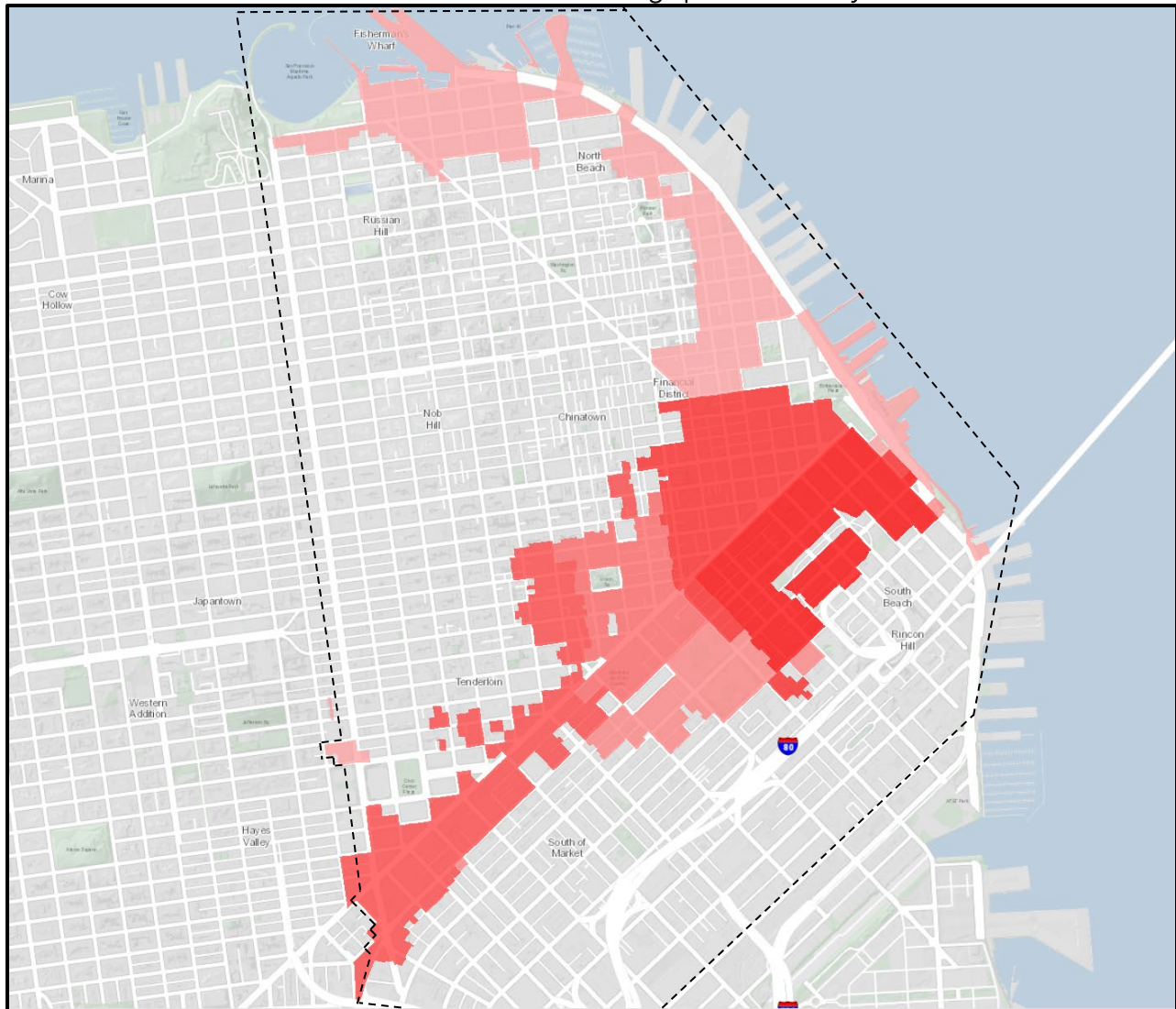
**Recommendation 2: Amend the definition of flexible workspace.** Clarify that the Retail Sales and Service use or the General Entertainment use must be principally or conditionally permitted on the ground floor. As drafted the flexible workspace definition does not place any limits on which Retail Sales 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.

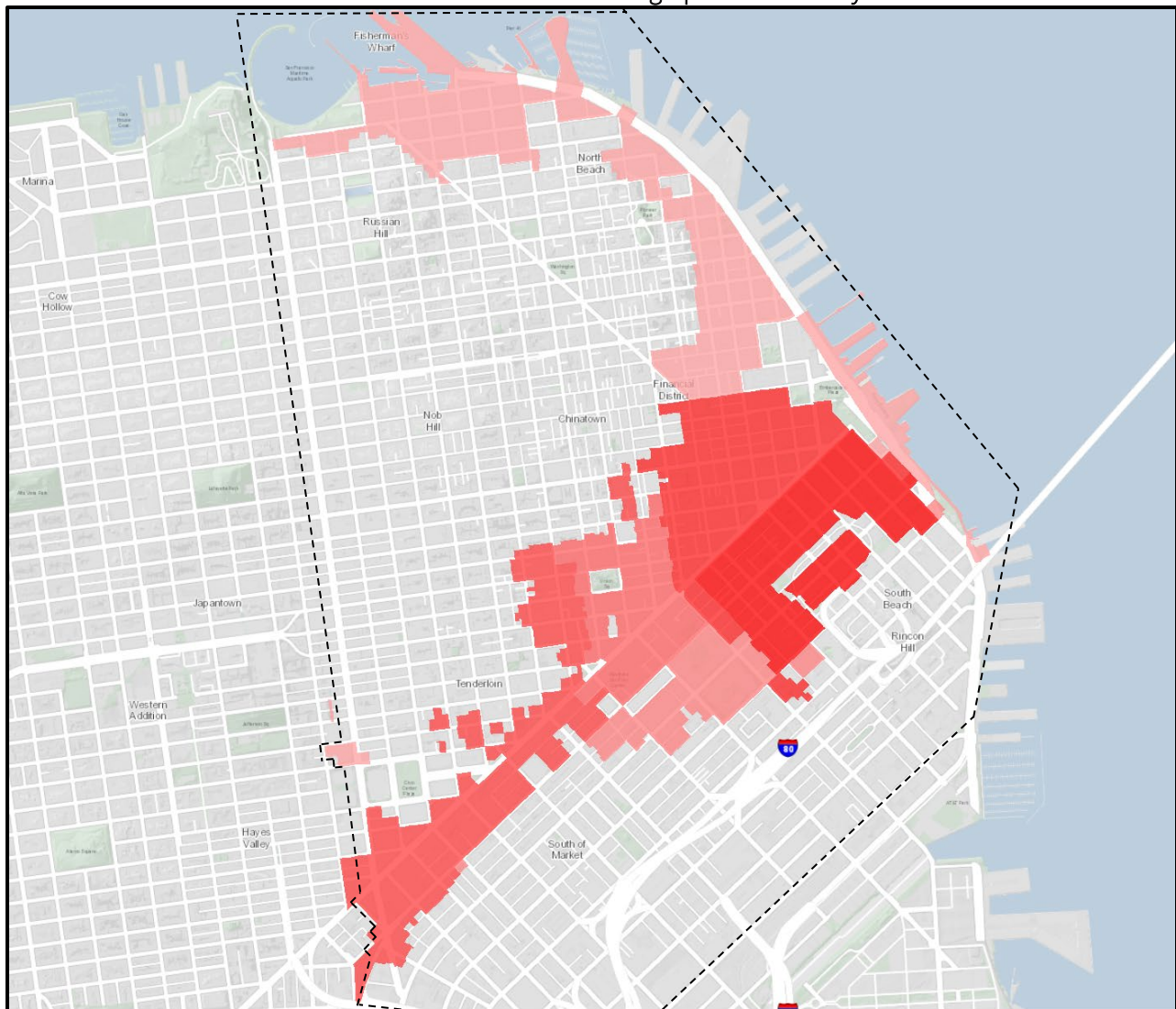
### Adaptive Reuse of Commercial Buildings

**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<sub>1</sub>-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<sub>1</sub> 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 <del>(1)</del>	1.33 <del>(1)</del>

<p>1 2 3 4</p> <p style="text-align: center;"><del>C-1</del>, C-2</p>	<p>Same as for the R District establishing the dwelling unit density ratio for the <del>C-1</del> C-2 District property. <i>Group Housing requirement is per bedroom and 1/3 the amount required for a Dwelling Unit. (1)</i></p>	
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(1) In accordance with Section 210.5, usable open space shall not be required for Commercial to Residential Adaptive Reuse projects.

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\* \* \* \*

10

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

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(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

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

19

\* \* \* \*

20

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

21

\* \* \* \*

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(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.

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

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

\* \* \* \*

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

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

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

(b) **Applicability.**

\* \* \* \*

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

\* \* \* \*

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

\* \* \* \*

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

Zoning Category	§ References	C-2
<b>RESIDENTIAL STANDARDS AND USES</b>		

**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>
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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
<b>RESIDENTIAL STANDARDS AND USES</b>						
<b>Development Standards</b>						
* * * *						
<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~~ subsection (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**

<b>Reference for Commercial, Neighborhood Commercial, and Residential- Commercial Districts</b>	<b>Reference for Mixed Use Districts</b>	<b>Use</b>
---	--	------------



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 \* \* \* \*

25

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) be no taller than needed;  
2 (iv) be physically screened to the maximum extent  
3 feasible; and

4 (v) be erected for no longer than reasonably required.

5 (B2) 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 (C3) 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 \* \* \* \*

19  
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
<b>RESIDENTIAL STANDARDS AND USES</b>		
* * * *		

<b>Use Characteristics</b>		
Zoning Category	§ References	C-2
Intermediate Length Occupancy	§§ 102, 202.10	P(6)
* * * *		
<b>Residential Uses</b>		
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>
------------------------------------	-------	--

**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**

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

1	<b>Non-Retail Sales and Service*</b>	§ 102	P
2	<i>Laboratory</i>	<del>§ 102</del>	<i>NP</i>
3	<i>Life Science</i>	<del>§ 102</del>	<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
<b>RESIDENTIAL STANDARDS AND USES</b>						
* * * *						
<b>Use Characteristics</b>						
Intermediate Length Occupancy	§§102, 202.10	P(8)	P(8)	P(8)	P(8)	P(8)
* * * *						
<b>Residential Uses</b>						

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. <del>Required if development meets all requirements of Section § 202.2(f)(1), except for § 202.2(f)(1)(D)(iv), related to location.</del>				
5							
6							
7							
8	* * * *						
9	<b>NON-RESIDENTIAL STANDARDS AND USES</b>						
10	* * * *						
11	<b>Commercial Use Characteristics</b>						
12	* * * *						
13	Formula Retail	§§ 102, 303.1	P	P	P	<del>P</del>	P
14	* * * *						
15	<b>Entertainment, Arts and Recreation Use Category</b>						
16	<b>Entertainment, Arts and Recreation Uses*</b>	§ 102	P	P	P	P	P
17	Entertainment, Outdoor	§ 102	<del>NP</del>	<del>NP</del>	<del>NP</del>	<del>NP</del>	<del>NP</del>
18	Livery Stable	§ 102	NP	NP	NP	NP	NP
19	Open Recreation Area	§ 102	<del>NP</del>	<del>NP</del>	<del>NP</del>	P	P
20	* * * *						
21	<b>Institutional Use Category</b>						
22	<b>Institutional Uses*</b>	§§ 102, 202.2(e)	P	P	P	P	P
23	* * * *						
24	Residential Care Facility	§ 102	P	P	P	P	<del>NP</del>
25	Trade School	§ 102	<del>NP</del>	<del>NP</del>	<del>NP</del>	P	P
	<b>Sales and Service Category</b>						
	<b>Retail Sales and Service*</b>	§§ 102, 202.2(a)	P	P	P	P	P

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

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**

<b>No.</b>	<b>Zoning Category</b>	<b>§ References</b>	<b>Urban Mixed Use District Controls</b>
* * * *			
<b>Retail Sales and Services</b>			
* * * *			
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  
19  
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21  
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23  
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