

[Planning Code - Impact Fees for Changes of Use From Production, Distribution, and Repair to Other Non-Residential Uses]

Ordinance amending the Planning Code to eliminate impact fees for changes of use from PDR (Production, Distribution, and Repair) to other Non-Residential Uses, as specified; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.

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

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

Section 1. Environmental and Land Use Findings.

(a) The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. 240901 and is incorporated herein by reference. The Board affirms this determination.

(b) On November 14, 2024, the Planning Commission, in Resolution No. 21647, adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the City's General Plan and eight priority policies of Planning Code Section 101.1. The

1 Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of
2 the Board of Supervisors in File No. 240901, and is incorporated herein by reference.

3 (c) Pursuant to Planning Code Section 302, this Board finds that these Planning Code
4 amendments will serve the public necessity, convenience, and welfare for the reasons set
5 forth in Planning Commission Resolution No. 21647, and the Board incorporates such
6 reasons herein by reference. A copy of said resolution is on file with the Clerk of the Board of
7 Supervisors in File No. 240901.

8
9 Section 2. Article 4 of the Planning Code is hereby amended by revising Sections
10 413.5, 421.3, 422.3, 423.3, 424.6.2, 424.7.2, 432.2, and 433.2, and including herein for
11 informational purposes only Sections 413, 421, 422, 423, 424.6, 424.7, 432, and 433, to read
12 as follows:

13
14 **SEC. 413. JOBS-HOUSING LINKAGE PROGRAM; HOUSING REQUIREMENTS FOR**
15 **LARGE-SCALE DEVELOPMENT PROJECTS.**

16 Sections 413.1 through 413.11, hereafter referred to as Section 413.1 et seq., set forth
17 the requirements and procedures for the Jobs-Housing Linkage Program. The effective date
18 of these requirements shall be either March 28, 1996, which is the date that the requirements
19 originally became effective, or the date a subsequent modification, if any, became effective.

20
21 **SEC. 413.5. COMPLIANCE BY PAYMENT OF IN-LIEU FEE.**

22 (a) The amount of the fee which may be paid by the sponsor of a development project
23 shall be determined by the following formulas for each type of space proposed as part of the
24 development project and subject to this Article 4.

(1) For applicable projects (as defined in Section 413.3), any net addition shall pay per the Fee Schedule in Table 413.5A, and

(2) For applicable projects (as defined in Section 413.3), any replacement or change of use shall pay per the Fee Schedule in Table 413.5B. Notwithstanding the foregoing sentence, there shall be no fee for any portion of a project that constitutes a change of use from PDR to any Non-Residential use that is not a Hotel or Office use.

* * * *

TABLE 413.5B

FEE SCHEDULE FOR REPLACEMENT OF USE OR CHANGE OF USE

Previous Use	New Use	Fee per Gross Square Foot
Entertainment, Hotel, Office, Laboratory, Retail, or Small Enterprise Workspace	Entertainment, Hotel, Office, Retail, or Small Enterprise Workspace	\$0
PDR which received its First Certificate of Occupancy on or before April 1, 2010	Entertainment, Hotel, or Office, Laboratory, Retail, or Small Enterprise Workspace	Use Fee from Table 413.5A minus \$14.09
<u>PDR which received its First Certificate of Occupancy on or before April 1, 2010</u>	<u>Entertainment, Laboratory, Retail, or Small Enterprise Workspace*</u>	<u>\$0</u>
Institutional which received its First Certificate of Occupancy on or before April 1, 2010	Entertainment, Hotel, Office, Laboratory, Retail, or Small Enterprise Workspace	\$0
Institutional or PDR which received its First Certificate of Occupancy on or before April 1, 2010	Institutional, PDR, Laboratory, Residential*	\$0
Institutional or PDR which received its First Certificate of Occupancy after April 1, 2010	Any <u>Hotel or Office</u>	Use Fee from Table 413.5 <u>A</u>

<u>Institutional or PDR which received its First Certificate of Occupancy after April 1, 2010</u>	<u>Any (except Hotel or Office)</u>	<u>\$0</u>
Residential	Entertainment, Hotel, Office, PDR, Laboratory, Retail, or Small Enterprise Workspace	Use Fee from Table 413.5A

* There is no fee for any portion of a project that constitutes a change of use from PDR to any Non-Residential use that is not a Hotel or Office use.

* * * *

SEC. 421. MARKET AND OCTAVIA COMMUNITY IMPROVEMENTS FUND.

Sections 421.1 through 421.7, hereafter referred to as Section 421.1 et seq., set forth the requirements and procedures for the Market and Octavia Community Improvements Fund. The effective date of these requirements shall be either April 3, 2008, the date that the requirements originally became effective, or the date a subsequent modification, if any, became effective.

SEC. 421.3. APPLICATION OF COMMUNITY IMPROVEMENTS IMPACT FEE.

(a) **Application.** Section 421.1 et seq. shall apply to any development project located in the Market and Octavia Program Area as defined in Section 401.

(b) **Projects subject to the Market and Octavia Community Improvements Impact Fee.** The Market and Octavia Community Improvements Impact Fee is applicable to any development project in the Market and Octavia Program Area which results in:

- (1) At least one net new residential unit,
- (2) Additional space in an existing residential unit of more than 800 gross square feet,
- (3) At least one net new group housing facility or residential care facility,

- (4) Additional space in an existing group housing or residential care facility of more than 800 gross square feet,
- (5) New construction of a non-residential use, or
- (6) Additional non-residential space in excess of 800 gross square feet in an existing structure.

(c) **Fee Calculation for the Market and Octavia Community Improvement_s Impact Fee.** For development projects for which the Market and Octavia Community Improvements Impact Fee is applicable:

- (1) Any net addition of gross square feet shall pay per the Fee Schedule in Table 421.3A, and
- (2) Any replacement of gross square feet or change of use shall pay per the Fee Schedule in Table 421.3B, *except that there shall be no fee for any portion of a project that constitutes a change of use from PDR to any Non-Residential use that is not a Hotel or Office use.*

* * * *

TABLE 421.3B
FEE SCHEDULE FOR REPLACEMENT OF USE OR CHANGE OF USE IN THE MARKET AND OCTAVIA PROGRAM AREA

Residential to Residential or Non-residential; or Non-residential to Non-residential	Non-Residential to Residential	PDR to Residential	PDR to Non-Residential
\$0	\$5.60/gsf	\$7.30/gsf	\$1.70/gsf*

** There is no fee for any portion of a project that constitutes a change of use from PDR to a Non-Residential use that is not a Hotel or Office use.*

* * * *

1 **SEC. 422. BALBOA PARK COMMUNITY IMPROVEMENTS FUND.**

2 Sections 422.1 through 422.5, hereafter referred to as Section 422.1 et seq., set forth
3 the requirements and procedures for the Balboa Park Community Improvements Fund. The
4 effective date of these requirements shall be either April 17, 2009, which is the date that the
5 requirements originally became effective, or the date a subsequent modification, if any,
6 became effective.

7
8 **SEC. 422.3. APPLICATION OF COMMUNITY IMPROVEMENT IMPACT FEE.**

9 (a) **Application.** Section 422.1 et seq. shall apply to any development project located
10 in the Balboa Park Community Improvements Program Area.

11 (b) **Projects subject to the Balboa Park Impact Fee.** The Balboa Park Impact Fee is
12 applicable to any development project in the Balboa Park Program Area which results in:

- 13 (1) At least one net new residential unit,
14 (2) Additional space in an existing residential unit of more than 800 gross
15 square feet,
16 (3) At least one net new group housing facility or residential care facility,
17 (4) Additional space in an existing group housing or residential care facility of
18 more than 800 gross square feet,
19 (5) New construction of a non-residential use, or
20 (6) Additional non-residential space in excess of 800 gross square feet in an
21 existing structure.

22 (c) **Fee Calculation for the Balboa Park Impact Fee.** For development projects for
23 which the Balboa Park Impact Fee is applicable:

- 24 (1) Any net addition of gross square feet shall pay per the Fee Schedule in
25 Table 422.3A, and

(2) Any replacement of gross square feet or change of use shall pay per the Fee Schedule in Table 422.3B, except that there shall be no fee for any portion of a project that constitutes a change of use from PDR to any Non-Residential use that is not a Hotel or Office use.

* * * *

TABLE 422.3B
FEE SCHEDULE FOR REPLACEMENT OF USE OR CHANGE OF USE IN THE BALBOA PARK PROGRAM AREA

Residential to Residential or Non-residential; or Non-residential to Non-residential	Non-Residential to Residential	PDR to Residential	PDR to Non-Residential
\$0	\$6.50/gsf	\$7.25/gsf	\$0.75/gsf*

* There is no fee for any portion of a project that constitutes a change of use from PDR to any Non-Residential use that is not a Hotel or Office use.

* * * *

SEC. 423. EASTERN NEIGHBORHOODS IMPACT FEES AND PUBLIC BENEFITS FUND.

Sections 423.1 through 423.5 set forth the requirements and procedures for the Eastern Neighborhoods Impact Fee and Public Benefits Fund. The effective date of these requirements shall be either December 19, 2008, which is the date that these requirements originally became effective, or the date a subsequent modification, if any, became effective.

SEC. 423.3. APPLICATION OF EASTERN NEIGHBORHOODS INFRASTRUCTURE IMPACT FEE.

(a) **Application.** Section 423.1 et seq. shall apply to any development project located in the Eastern Neighborhoods Program Area.

1 (b) **Projects subject to the Eastern Neighborhoods Infrastructure Impact Fee.**

2 The Eastern Neighborhoods Infrastructure Impact Fee is applicable to any development
3 project in the Eastern Neighborhoods Program Area which results in:

- 4 (1) At least one net new residential unit,
5 (2) Additional space in an existing residential unit of more than 800 gross
6 square feet,
7 (3) At least one net new group housing facility or residential care facility,
8 (4) Additional space in an existing group housing or residential care facility of
9 more than 800 gross square feet,
10 (5) New construction of a non-residential use, or
11 (6) Additional non-residential space in excess of 800 gross square feet in an
12 existing structure.

13 (c) **Fee Calculation for the Eastern Neighborhoods Infrastructure Impact Fee.**

14 For development projects for which the Eastern Neighborhoods Infrastructure Impact Fee is
15 applicable:

- 16 (1) Any net addition of gross square feet shall pay per the Fee Schedule in
17 Table 423.3A, and
18 (2) Any replacement of gross square feet or change of use shall pay per the
19 Fee Schedule in Table 423.3B. There shall be no fee for any portion of a project that constitutes a
20 change of use from PDR to any Non-Residential use that is not a Hotel or Office use.

21 * * * *

22 **TABLE 423.3B**
23 **FEE SCHEDULE FOR REPLACEMENT OF USE OR CHANGE OF USE IN THE EASTERN**
24 **NEIGHBORHOODS PROGRAM AREA**
25

Tier (per Sec. 423.3(a))	Residential to Residential or Non-residential; or Non- residential to Non-residential	Non-Residential to Residential	PDR to Residential	PDR to Non- residential
1	\$0	\$2/gsf	\$5/gsf	\$3/gsf*
2	\$0	\$2/gsf	\$9/gsf	\$7/gsf*
3	\$0	\$2/gsf	\$13/gsf	\$11/gsf*

** There is no fee for any portion of a project that constitutes a change of use from PDR to any Non-Residential use that is not a Hotel or Office use.*

* * * *

SEC. 424.6. TRANSIT CENTER DISTRICT OPEN SPACE IMPACT FEE AND FUND.

Sections 424.6.1 through 424.6.4 set forth the requirements and procedures for the Transit Center District Open Space Impact Fee and Fund. The effective date of these requirements shall be the effective date of this Ordinance or the date a subsequent modification, if any, became effective.

SEC. 424.6.2. APPLICATION OF TRANSIT CENTER DISTRICT OPEN SPACE IMPACT FEE.

(a) **Application.** Sections 424.6 et seq. shall apply to any development project located in the C-3-O(SD) District and meeting the requirements of subsection (b) below.

(b) **Projects subject to the Transit Center District Open Space Impact Fee.** The Transit Center District Open Space Impact Fee is applicable to any development project in the C-3-O(SD) District which results in:

- (1) At least one net new residential unit,
- (2) Addition of space to an existing residential unit of more than 800 gross square feet,
- (3) At least one net new group housing facility or residential care facility,

1 (4) Addition of space to an existing group housing or residential care facility of
2 more than 800 gross square feet,

3 (5) New construction of a non-residential use, ~~or~~

4 (6) Addition of non-residential space in excess of 800 gross square feet to an
5 existing structure, or

6 (7) Conversion of existing space to a different use where the project's total fee
7 as calculated according to subsection (c) below would exceed the total fee for the uses being
8 replaced.

9 (c) **Fee Calculation for the Transit Center District Open Space Impact Fee.** For
10 development projects for which the Transit Center District Open Space Impact Fee is
11 applicable, the corresponding fee for net addition of gross square feet is listed in Table
12 424.6A. Where a development project includes more than one land use, the overall proportion
13 of each use relative to other uses on the lot shall be used to calculate the applicable fees
14 regardless of the physical distribution or location of each use on the lot. Where a project
15 proposes conversion of existing space to a different use, the Director shall specify the fee
16 amount based on a Guidance Statement or other document establishing the methodology for
17 calculating fees. Notwithstanding the foregoing provisions of this subsection (c), there shall be no fee
18 for any portion of a project that constitutes a change of use from PDR to any Non-Residential use that
19 is not a Hotel or Office use.

20 (1) **Base Fee.** The fee listed in Column A shall be assessed on all applicable
21 gross square footage for the entire development project.

22 (2) **Projects Exceeding FAR of 9:1.** For development projects that result in
23 the Floor Area Ratio on the lot exceeding 9:1, the fee listed in Column B shall be assessed on
24 all applicable gross square footage on the lot above an FAR of 9:1.

TABLE 424.6A
FEE SCHEDULE FOR NET ADDITIONS OF GROSS SQUARE FEET IN THE TRANSIT
CENTER DISTRICT AREA

Use	Column A (Base Fee)	Column B (GSF Above 9:1)
Residential	\$2.50/gsf	N/A
Office	\$3.00/gsf	\$7.00/gsf
Retail	\$5.00/gsf*	\$4.50/gsf*
Hotel	\$4.00/gsf	N/A
Institutional/Cultural/ Medical	\$5.00/gsf*	\$4.30/gsf*
Industrial	\$2.50/gsf*	N/A*

** There is no fee for any portion of a project that constitutes a change of use from PDR to any Non-Residential use that is not a Hotel or Office use.*

* * * *

**SEC. 424.7. TRANSIT CENTER DISTRICT TRANSPORTATION AND STREET
IMPROVEMENT IMPACT FEE AND FUND.**

Sections 424.7.1 through 424.7.4 set forth the requirements and procedures for the Transit Center District Transportation and Street Improvement Impact Fee and Fund. The effective date of these requirements shall be either the effective date of this Ordinance or the date a subsequent modification, if any, became effective.

1 **SEC. 424.7.2. APPLICATION OF TRANSIT CENTER DISTRICT TRANSPORTATION AND**
2 **STREET IMPROVEMENT IMPACT FEE.**

3 (a) **Application.** Sections 424.7 et seq. shall apply to any development project
4 located in the C-3-O(SD) District and meeting the requirements of subsection (b) below.

5 (b) **Projects subject to the Transit Center District Transportation and Street**
6 **Improvement Impact Fee.** The Transit Center District Transportation and Street
7 Improvement Impact Fee is applicable to any development project in the C-3-O(SD) District
8 which results in:

- 9 (1) At least one net new residential unit,
10 (2) Addition of space to an existing residential unit of more than 800 gross
11 square feet,
12 (3) At least one net new group housing facility or residential care facility,
13 (4) Addition of space to an existing group housing or residential care facility of
14 more than 800 gross square feet,
15 (5) New construction of a non-residential use, ~~or~~
16 (6) Addition of non-residential space in excess of 800 gross square feet to an
17 existing structure, or
18 (7) Conversion of existing space to a different use where the project's total fee
19 as calculated according to subsection (c) below would exceed the total fee for the uses being
20 replaced.

21 (c) **Fee Calculation for the Transit Center District Transportation and Street**
22 **Improvement Impact Fee.** For development projects for which the Transit Center District
23 Transportation and Street Improvement Impact Fee is applicable, the corresponding fee for
24 net addition of gross square feet is listed in Table 424.7A. Where a development project
25 includes more than one land use, the overall proportion of each use relative to other uses on

the lot shall be used to calculate the applicable fees regardless of the physical distribution or location of each use on the lot. Notwithstanding the foregoing provisions of this subsection (c), there shall be no fee for any portion of a project that constitutes a change of use from PDR to any Non-Residential use that is not a Hotel or Office use. If necessary, the Director shall issue a Guidance Statement clarifying the methodology of calculating fees.

(1) **Transit Delay Mitigation Fee.** The fee listed in Column A shall be assessed on all applicable gross square footage for the entire development project.

(2) **Base Fee.** The fee listed in Column B shall be assessed on all applicable gross square footage for the entire development project.

(3) **Projects Exceeding FAR of 9:1.** For development projects that result in the Floor Area Ratio on the lot exceeding 9:1, the fee listed in Column C shall be assessed on all applicable gross square footage on the lot above an FAR of 9:1.

(4) **Projects Exceeding FAR of 18:1.** For development projects that result in the Floor Area Ratio on the lot exceeding 18:1, the fee listed in Column D shall be assessed on all applicable gross square footage on the lot above an FAR of 18:1.

TABLE 424.7A

**FEE SCHEDULE FOR NET ADDITIONS OF GROSS SQUARE FEET IN THE TRANSIT
CENTER DISTRICT AREA**

Use	Column A (Transit Delay Mitigation Fee)	Column B (Base Fee)	Column C (GSF Above 9:1)	Column D (GSF Above 18:1)
Residential	\$0.06/gsf	\$3.94/gsf	\$6.00/gsf	\$3.00/gsf
Office	\$0.20/gsf	\$3.80/gsf	\$19.50/gsf	\$10.00/gsf
Retail	\$1.95/gsf*	\$2.05/gsf*	\$19.50/gsf*	\$10.00/gsf*
Hotel	\$0.10/gsf	\$3.90/gsf	\$8.00/gsf	\$3.00/gsf
Institutional/ Cultural/Medical	\$0.30/gsf*	\$3.70/gsf*	\$19.50/gsf*	\$10.00/gsf*
Industrial	N/A*	\$4.00/gsf*	N/A*	N/A*

1 * There is no fee for any portion of a project that constitutes a change of use from PDR to any Non-
2 Residential use that is not a Hotel or Office.

3 * * * *

4
5 **SEC. 432. CENTRAL SOMA COMMUNITY SERVICES FACILITIES FEE AND FUND.**

6 Sections 432.1 through 432.4 set forth the requirements and procedures for the Central
7 SoMa Community Services Facilities Fee and Fund.

8
9 **SEC. 432.2. APPLICATION OF FEES.**

10 (a) **Applicable Projects.** The Central SoMa Community Services Facilities Fee is
11 applicable to any development project in the Central SoMa Special Use District that:

- 12 (1) Is in any Central SoMa Fee Tier, pursuant to Section 423; and
13 (2) Includes new construction or an addition of space in excess of 800 gross
14 square feet.

15 (b) **Fee Calculation.** For applicable projects, the Fee is as follows:

- 16 (1) For Residential uses, \$1.30 per gross square foot of net additional gross
17 square feet, net replacement of gross square feet from PDR uses, or net change of use of
18 gross square feet from PDR uses.

- 19 (2) For Non-residential uses,
20 (A) \$1.75 per gross square foot of net additional gross square feet, or
21 net replacement of gross square feet from PDR uses, ~~or net change of use of gross square feet~~
22 ~~from PDR uses.~~ There shall be no fee for any portion of a project that constitutes a change of use from
23 PDR to any Non-Residential use that is not a Hotel or Office use.

- 24 (B) \$0.45 per gross square foot of net replacement of gross square feet
25 from Residential uses or net change of use of gross square feet from Residential uses.

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SEC. 433. CENTRAL SOMA INFRASTRUCTURE IMPACT FEE AND FUND.

Sections 433.1 through 433.4 set forth the requirements and procedures for the Central SoMa Infrastructure Impact Fee and Fund.

SEC. 433.2. APPLICATION OF FEES.

(a) **Applicable Projects.** The Central SoMa Infrastructure Impact Fee is applicable to any development project in the Central SoMa Special Use District that:

- (1) Is in any Central SoMa Tier, pursuant to Section 423; and
- (2) Includes new construction or an addition of space in excess of 800 gross square feet.

(b) **Fee Calculation.** For applicable projects, the Fee is as follows:

- (1) For Residential uses in Central SoMa Fee Tier B:
 - (A) For Owned Units, as defined in Section 415.2, \$20.00 per gross square foot of net additional gross square feet, net replacement of gross square feet from PDR uses, or net change of use of gross square feet from PDR uses.
 - (B) For Rental Units, defined as units that are not Owned Units as defined in Section 415.2, \$10.00 per gross square foot of net additional gross square feet, net replacement of gross square feet from PDR uses, or net change of use of gross square feet from PDR uses.
- (2) For Non-residential uses in Central SoMa Fee Tier A that are seeking an Office Allocation of 50,000 gross square feet or more pursuant to the requirements of Planning Code Section 321, \$21.50 per gross square foot of net additional gross square feet, or net replacement of gross square feet from PDR uses, ~~or net change of use of gross~~

1 ~~square feet from PDR uses. There shall be no fee for any portion of a project that constitutes a change~~
2 ~~of use from PDR to any Non-Residential use that is not a Hotel or Office use.~~

3 (3) For Non-residential uses in Central SoMa Fee Tier A that are not seeking
4 an Office Allocation of 50,000 gross square feet or more pursuant to the requirements of
5 Planning Code Section 321:

6 (A) \$41.50 per gross square foot of net additional gross square feet, or
7 net replacement of gross square feet from PDR uses, ~~or net change of use of gross square feet~~
8 ~~from PDR uses. There shall be no fee for any portion of a project that constitutes a change of use from~~
9 ~~PDR to any Non-Residential use that is not a Hotel or Office use.~~

10 (B) \$21.50 per gross square foot of net replacement of gross square feet
11 from Residential uses or net change of use of gross square feet from Residential uses.

12 (4) For Non-residential uses in Central SoMa Fee Tier C that are not seeking
13 an Office Allocation of 50,000 gross square feet or more pursuant to the requirements of
14 Planning Code Section 321, \$20.00 per gross square foot of net additional gross square
15 feet, or net replacement of gross square feet from PDR uses, ~~or net change of use of gross~~
16 ~~square feet from PDR uses. There shall be no fee for any portion of a project that constitutes a change~~
17 ~~of use from PDR to any Non-Residential use that is not a Hotel or Office use.~~

18 * * * *

19
20 Section 3. Effective Date. This ordinance shall become effective 30 days after
21 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
22 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
23 of Supervisors overrides the Mayor's veto of the ordinance.

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

7
8 APPROVED AS TO FORM:
9 DAVID CHIU, City Attorney

10 By: /s/ HEATHER GOODMAN
11 HEATHER GOODMAN
 Deputy City Attorney

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