File No. 140876 Committee Item No. 3
Board Item No. 14

COMMITTEE/BOARD OF SUPERVISORS

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Committee: Land Use & Development **Date** Feb. 2, 2015

Board of Supervisors Meeting **Date** Feb. 10, 2015

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Completed by: Andrea Ausberry **Date** Jan. 29, 2015
Completed by: _____ **Date** _____

AMENDED IN COMMITTEE
1/26/15

FILE NO. 140876 ORDINANCE NO.

[Planning Code - Office Conversion Controls In Landmark Buildings]

Ordinance amending the Planning Code to place vertical controls on the conversion of designated landmark buildings to office use in Production Distribution and Repair - Design (PDR-1-D) and Production Distribution and Repair - General (PDR-1-G) Districts; to require that projects seeking office space in landmark buildings in PDR-1-D and PDR-1-G Districts receive a conditional use authorization from the Planning Commission; to establish requirements for those projects to receive conditional use authorization; and making environmental findings, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

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 ~~strikethrough Arial font~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1.

(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. 14086 and is incorporated herein by reference. The Board of Supervisors hereby affirms this determination.

(b) On October 2, 2014 ———, the Planning Commission, in Resolution No. 19251———, adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the City's General Plan and eight priority policies of Planning

Code Section 101.1. The Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the Board of Supervisors in File No. 140876, and is incorporated herein by reference.

Section 2. The Planning Code is hereby amended by revising Section 219 and adding Section 219.2, to read as follows:

SEC. 219. OFFICES.

C-1	*C-2*	*C-3-O*	*C-3-O (SD)*	*C-3-R*	*C-3-G*	*C-3-S*	*C-M*	*M-1*	*M-2*	*PDR-1-G*	*PDR-1-D*	*PDR-1-B*	*PDR-2*	
														SEC. 219. OFFICES.
P	P	P	P	P	P	P	P	P	P	NP, unless in a designated landmark building. ~~P~~C in designated landmark buildings, *subject to Section 803.9(h).*	NP, unless in a designated landmark building. ~~P~~C in designated landmark buildings, *subject to Section 803.9(h).*	P*#	P*#	(a) Professional and business offices, as defined in 890.70, not more than 5,000 gross square feet in size and offering on-site services to the general public.
P	P	P	P	C	P	P	P	P	P	NP, unless in a designated landmark building. ~~P~~C in designated landmark	NP, unless in a designated landmark building. ~~P~~C in designated landmark			(b) Professional and business offices, as defined in 890.70, larger than 5,000 gross square feet in size and

										build-ings, *subject to Section 803.9(h)*.	build-ings, *subject to Section 803.9(h)*.			offering on-site services to the general public.
P	P	P	P	C	P	P	P	P	P	NP, unless in a desig-nated land-mark build-ing. ~~P~~C in desig-nated land-mark build-ings, *subject to Section 803.9(h)*.	NP, unless in a desig-nated land-mark build-ing. ~~P~~C in desig-nated land-mark build-ings, *subject to Section 803.9(h)*.	P under 5,000 gsf *#	P under 5,000 gsf*#	(c) Other professional and business offices, as defined in 890.70, above the ground floor. In the C-3-R District, in addition to the criteria set forth in Section 303, approval shall be given upon a determinatio n that the use will not detract from the district's primary function as an area for comparison shopper retailing and direct consumer services.
P	P	C	C		C	C	P	P	P	NP, unless in a desig-nated land-mark build-ing. ~~P~~C in desig-nated land-mark	NP, unless in a desig-nated land-mark build-ing. ~~P~~C in desig-nated land-mark	P under 5,000 gsf*#	P under 5,000 gsf *#	(d) Other professional and business offices, as defined in 890.70, at or below the ground floor.

										build-ings, *subject to Section 803.9(h).*	build-ings, *subject to Section 803.9(h).*			
														Subject to limitations of Section 121.8

SECTION 219.2. OFFICE IN LANDMARK BUILDINGS IN THE PDR-1-D AND PDR-1-G DISTRICTS.

In order for a proposed project to receive a Conditional Use Authorization for the provision of office space in landmark buildings in the PDR-1-D and PDR-1-G Districts:

(a) The applicant must submit a Historic Structures Report (HSR) to the Planning Department.

(1) The scope of the HSR will be developed in consultation with Planning Department Staff.

(2) The HSR must be prepared by a licensed historic architect who meets the Secretary of the Interior's Professional Qualification Standards.

(b) The Historic Preservation Commission shall review the HSR for the proposed project's ability to enhance the feasibility of preserving the building.

(c) The Historic Preservation Commission shall review the proposal, including any proposed work related to the change in use, for its compliance with the Secretary of the Interior's Standards (36 C.F.R. §67.7 (2001)).

(d) The Planning Commission shall consider the following Conditional Use criteria, in addition to the criteria set forth in Section 303(c) and (d):

(1) The Historic Preservation Commission's assessment of the proposed project's ability to enhance the feasibility of preserving the building;

(2) The Historic Preservation Commission's assessment of the proposed project's compliance with the Secretary of the Interior's Standards;

(3) The economic need for the improvements relative to preservation of the building;

(4) The ability for the office tenants to be physically compatible with the PDR tenants;

(5) The relocation strategy for any displaced PDR tenants; and

(6) The impact of the proposed change on the surrounding community.

Section 3. The Planning Code is hereby amended by revising Section 803.9(h), to read as follows:

SEC. 803.9. COMMERCIAL USES IN MIXED USE DISTRICTS.

* * * *

(h) **Vertical Controls for Office Uses.**

(1) **Purpose.** In order to preserve ground floor space for production, distribution, and repair uses and to allow the preservation and enhancement of a diverse mix of land uses, including limited amounts of office space on upper stories, additional vertical zoning controls shall govern office uses as set forth in this Section.

(2) **Applicability.** This Section shall apply to all office uses in the MUG and UMU Districts *and all office uses in buildings in the PDR-1-D and PDR-1-G Districts that are designated as landmarks pursuant to Section 10 of the Planning Code*, where permitted.

(3) **Definitions.** Office use shall be as defined in Section 890.70 of this Code.

(4) **Controls.**

(A) **Designated Office Story or Stories.** Office uses are not permitted on the ground floor, except as specified in Sections 840.65A and 843.65A. Office uses may

be permitted on stories above the ground floor if they are designated as office stories. On any designated office story, office uses are permitted, subject to any applicable use size limitations. On any story not designated as an office story, office uses are not permitted. When an office use is permitted on the ground floor per Sections 840.65A and 843.65A, it shall not be considered a designated office story for the purposes of Subsection (h)(4)(D) below.

(B) **Timing of Designation.** In the case of new construction, any designated office story or stories shall be established prior to the issuance of a first building permit or along with any associated Planning Commission action, whichever occurs first. In the case of buildings that were constructed prior to the effective date of this Section, any such story or stories shall be designated prior to the issuance of any building permit for new or expanded office uses or along with any associated Planning Commission action, whichever occurs first.

(C) **Recordation of Designation.** Notice of the designation of office stories shall be recorded as a restriction on the deed of the property along with plans clearly depicting the designated story or stories in relation to the balance of the building. A designated office story may only be re-allocated when the designated office story is first returned to a permitted non-office use and associated building modifications to the designated office story are verified by the Zoning Administrator.

(D) **Maximum Number of Designated Stories.** The maximum number of designated office stories shall correspond to the total number of stories in a given building, as set forth in the table below. The designation of a particular story shall apply to the total floor area of that story and no partial designation, split designation, or other such subdivision of designated floors shall be permitted. For the purposes of the following table, the total number

of stories in a given building shall be counted from grade level at curb and shall exclude any basements or below-grade stories.

Table 803.9(h)

Total Number of Stories	***Maximum Number of Designated Office Stories***
1-story	0 stories (office use NP)
2 - 4 stories	1-story
5 - 7 stories	2-stories
8 or more stories	3-stories

(E) For projects *in MUG and UMU Districts* with multiple buildings, consolidation of permitted office stories may be permitted, pursuant to the controls set forth in 329(d)(8).

* * * *

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

Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment

additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the ordinance.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
VICTORIA WONG
Deputy City Attorney

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FILE NO. 140876

LEGISLATIVE DIGEST
(Amended in Committee, 1/26/15)

[Planning Code - Office Conversion Controls In Landmark Buildings]

Ordinance amending the Planning Code to place vertical controls on the conversion of designated landmark buildings to office use in Production Distribution and Repair - Design (PDR-1-D) and Production Distribution and Repair - General (PDR-1-G) Districts; to require that projects seeking office space in landmark buildings in PDR-1-D and PDR-1-G Districts receive a conditional use authorization from the Planning Commission; to establish requirements for those projects to receive conditional use authorization; and making environmental findings, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

Existing Law

Planning Code Section 219 currently permits the conversion of landmark buildings in the PDR-1-D and PDR-1-G Districts to office use, without limitation. Offices uses in non-landmark buildings in these Districts are not permitted.

Amendments to Current Law

This ordinance would amend Planning Code Sections 219 and 809.3(h) to limit the number of stories in landmark buildings in the PDR-1-D and PDR-1-G Districts that could be converted to office use. Specifically, for those landmark buildings, the amendments would allow no office use in a 1-story building; 1 story of office use in a 2-4 story building; 2 stories of office use in a 5-7 story building; and 3 stories of office use in a building of 8 or more stories.

The ordinance would also amend Planning Code Section 219 and add new Planning Code Section 219.2 to require that a project sponsor receive a conditional use authorization for office space in landmark buildings in PDR-1-D and PDR-1-G Districts. Pursuant to new Section 219.2, to be eligible for a conditional use authorization, a project sponsor must provide a Historic Structures Report, which will be reviewed by the Historic Preservation Commission (HPC) for the proposed project's ability to enhance the feasibility of preserving the building. The HPC shall also review the proposed project for compliance with the Secretary of the Interior's Standards (36 C.F.R. §67.7 (2001)).

New Section 219.2 would also set forth certain criteria the Planning Commission must consider in reviewing applications for conditional use authorization for office space in landmarked buildings in PDR-1-D and PDR-1-G Districts, including the HPC's evaluation of the project; the economic need for the improvements relative to preservation of the building; the physical compatibility of office tenants with PDR tenants; any relocation strategy for

displaced PDR tenants; and the impact of the proposed change on the surrounding community.

Background Information

The existing law allowing for unlimited conversion of landmark buildings in the PDR-1-D and PDR-1-G Districts to office use provides an incentive for building owners to obtain landmark status for their buildings, in order to preserve the buildings' historical value. However, the conversion of properties to office use in those buildings reduces the space available for production, distribution and repair uses in the PDR-1-D and PDR-1-G Districts.

The intention of the PDR-1-D District is to retain and encourage less-intensive production, distribution, and repair businesses, especially the existing clusters of design-related businesses. Thus, the PDR-1-D District generally prohibits residential uses and office, and limits retail and institutional uses. Additionally, this district prohibits heavy industrial uses. Generally, all other uses are permitted. (Planning Code § 210.9.)

The intention of the PDR-1-G District is to retain and encourage existing production, distribution, and repair activities and promote new business formation. Thus, the PDR-1-G District prohibits residential and office uses and limits retail and institutional uses. Additionally, this district allows for more intensive production, distribution, and repair activities than PDR-1-B and PDR-1-D but less intensive than PDR-2. Generally, all other uses are permitted. (Planning Code § 210.10.)

The new office conversion limitations proposed by this ordinance currently apply to all office uses in the Mixed Use-General (MUG) and Urban Mixed Use (UMU) Districts. (Planning Code § 809.3(h).)

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SAN FRANCISCO
PLANNING DEPARTMENT

October 7, 2014

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Supervisor Cohen and
Ms. Angela Calvillo, Clerk
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 Case Number 2014.1249T**
BF No. 14-0876 – Office Conversion Controls in Landmark Buildings

Recommendation: **Approval with Modifications**

Dear Supervisor Cohen and Ms. Calvillo,

On October 1st, 2014 the San Francisco Historic Preservation Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance under Board of Supervisors File Number 14-0876. At the October 1st hearing, the Historic Preservation Commission voted 7-0 to recommend approval with modifications of the proposed Ordinance which would (1) Require that projects seeking office space in Landmark buildings in PDR-1-D and PDR-1-G Districts receive a Conditional Use Authorization from the Planning Commission rather than be principally permitted and (2) Establish a new process for projects seeking office space in Landmark buildings in PDR-1-D and PDR-1-G Districts that would require review by the Historic Preservation Commission and the Planning Commission.

On October 2nd, 2014 the San Francisco Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance under Board of Supervisors File Number 14-0876. At the October 2nd hearing, the Planning Commission voted 6-0 to recommend approval with the same modifications of the proposed Ordinance as proposed by the Historic Preservation Commission.

The attached resolution and case report provides the actions of the Commissions. If you have any questions or require further information please do not hesitate to contact me.

Sincerely,

AnMarie Rodgers
Manager of Legislative Affairs

Cc: City Attorney Jon Givner and John Malamut,
Andrea Bruss, Supervisor Cohen's Office

Attachments (one copy of the following): Historic Preservation Commission Resolution No. 736
Planning Commission Resolution No. 19251
Department Executive Summary

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Historic Preservation Commission
Resolution 736
HEARING DATE OCTOBER 1, 2014

Project Name:	Office Conversion Controls In Landmark Buildings
Case Number:	2014.1249T [Board File No. 140876]
Initiated by:	Supervisor Cohen
Staff Contact:	Steve Wertheim, Citywide Planning steve.wertheim@sfgov.org, 415-558-6612
Reviewed by:	Joshua Switzky, Citywide Planning joshua.switzky@sfgov.org, 415-575-6815 Timothy Frye, Preservation Coordinator tim.frye@sfgov.org, 415-575-6822
Recommendation:	**Recommend Approval with Modifications of the Draft Ordinance**

RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE BY REVISING SECTIONS 219 AND 803.9 AND CREATING A NEW SECTION 219.2 TO PLACE VERTICAL CONTROLS ON THE CONVERSION OF DESIGNATED LANDMARK BUILDINGS TO OFFICE USE IN PDR-1-D AND PDR-1-G DISTRICTS, REQUIRE THE REVIEW OF THE PROPOSAL BY THE HISTORIC PRESERVATION COMMISSION AND A CONDITIONAL USE AUTHORIZATION FROM THE PLANNING COMMISSION, AFFIRMING THE PLANNING DEPARTMENT'S CALIFORNIA ENVIRONMENTAL QUALITY ACT DETERMINATION, AND MAKING PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE PRIORITY POLICIES OF PLANNING CODE SECTION 101.1.

WHEREAS, on July 29, 2014 Supervisor Cohen (hereafter "legislative sponsor") introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 140876, which would amend the Planning Code by revising Sections 219 and 803.9, to place vertical controls on the conversion of designated landmark buildings to office use in PDR-1-D and PDR-1-G Districts;

WHEREAS, The Historic Preservation Commission (hereinafter "Commission") conducted two duly noticed public hearings at a regularly scheduled meeting to consider the proposed Ordinance on September 17, 2014 and October 1, 2014; and,

WHEREAS, the Historic Preservation Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

WHEREAS, the Historic Preservation Commission has reviewed the proposed Ordinance; and

MOVED, that the Historic Preservation Commission hereby recommends that the Board of Supervisors approve the proposed ordinance with the following modifications.

(1) Require that projects seeking office space in Landmark buildings in PDR-1-D and PDR-1-G Districts receive a Conditional Use Authorization from the Planning Commission rather than be principally permitted by amending the PDR-1-D and PDR-1-G columns in Planning Code Section 219(a) through (d).
(2) Establish a new process for projects seeking office space in Landmark buildings in PDR-1-D and PDR-1-G Districts through the establishment of a new Planning Code Section 219.2, which would say as follows:

219.2. Office in Landmark Buildings in the PDR-1-D and PDR-1-G Districts

In order to be eligible to receive a Conditional Use Authorization for the provision of office space in landmark buildings in the PDR-1-D and PDR-1-G Districts:
(a) The applicant must submit a Historic Structures Report (HSR) to the Planning Department.
(1) The scope of the HSR will be developed in consultation with Planning Department staff.
(2) The HSR must be prepared by a licensed historic architect who meets the Secretary of the Interior's Professional Qualification Standards.
(b) The Historic Preservation Commission shall review the HSR for the proposed project's ability to enhance the feasibility of preserving the building.
(c) The Historic Preservation Commission shall review the proposal, including any proposed work related to the change in use, for its compliance with the Secretary of the Interior's Standards, (36 C.F.R. § 67.7 (2001)).
(d) The Planning Commission shall consider the following Conditional Use criteria, in addition to the criteria set forth in Section 303(c) and (d):
(1) The Historic Preservation Commission's assessment of the proposed project's ability to enhance the feasibility of preserving the building
(2) The Historic Preservation Commission's assessment of the proposed project's compliance with the Secretary of the Interior's Standards
(3) The economic need of the improvements relative to preservation of the building
(4) The ability for the office tenants to be physically compatible with the PDR tenants
(5) The relocation strategy for any displaced PDR tenants, and
(6) The impact of the proposed change on the surrounding community

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:

1. In 2008, the Board of Supervisors adopted the Eastern Neighborhoods Plan and related zoning. This legislative package is comprised of Ordinance Nos. 297-08, 298-08, and 299-08, copies of which are on file with the Clerk of the Board of Supervisors in File Nos. 081152, 081153, and 081154 respectively, and incorporated herein by reference. Since the adoption of this Plan and its associated zoning, the City has determined that the continued establishment, evolution, and adaptation of these uses demands a more responsive set of zoning controls in the Planning Code.

2. The Eastern Neighborhoods Plan in part supported the preservation of PDR (production, distribution, and repair) uses and encouraged such uses in the southeastern neighborhoods of the City.

3. The Eastern Neighborhoods Plan also supported the preservation viability of designated landmark buildings by allowing flexibility of permitted uses in such buildings by principally permitting the conversion of PDR space to office space.

4. The proposed zoning controls in the subject legislation retain an adequate amount of use flexibility and corresponding preservation incentive for maintenance and designation of landmark buildings in PDR Districts while simultaneously preserving a substantial amount of PDR uses in these buildings.

5. The proposed zoning controls in the subject legislation would ensure that the Historic Preservation Commission would review projects seeking office space in Landmark buildings in the PDR-1-D and PDR-1-G Districts for the proposed project's ability to enhance the feasibility of preserving the building and to for the proposed project's compliance with the Secretary of Interior's Standards.

6. The proposed zoning controls in the subject legislation would ensure that the Planning Commission would review all projects seeking office space in Landmark buildings in the PDR-1-D and PDR-1-G Districts, and assess them based on criteria that includes their feasibility of preserving the building, as well as other economic and social goals.

NOW THEREFORE BE IT RESOLVED that the Commission hereby recommends that the Board ADOPT the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on October 1, 2014.

Jonas Ionin
Commission Secretary

AYES: Hasz, Johnck, Johns, Matsuda, Pearlman, Wolfram

NOES:

ABSENT: Hyland

ADOPTED: October 1, 2014

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Planning Commission Resolution 19251

HEARING DATE OCTOBER 2, 2014

Project Name:	Office Conversion Controls In Landmark Buildings
Case Number:	2014.1249T [Board File No. 140876]
Initiated by:	Supervisor Cohen
Staff Contact:	Steve Wertheim, Citywide Planning steve.wertheim@sfgov.org, 415-558-6612
Reviewed by:	Joshua Switzky, Citywide Planning joshua.switzky@sfgov.org, 415-575-6815 Timothy Frye, Preservation Coordinator tim.frye@sfgov.org, 415-575-6822
Recommendation:	**Recommend Approval with Modifications of the Draft Ordinance**

RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE BY REVISING SECTIONS 219 AND 803.9 AND CREATING A NEW SECTION 219.2 TO PLACE VERTICAL CONTROLS ON THE CONVERSION OF DESIGNATED LANDMARK BUILDINGS TO OFFICE USE IN PDR-1-D AND PDR-1-G DISTRICTS, REQUIRE THE REVIEW OF THE PROPOSAL BY THE HISTORIC PRESERVATION COMMISSION AND A CONDITIONAL USE AUTHORIZATION FROM THE PLANNING COMMISSION, AFFIRMING THE PLANNING DEPARTMENT'S CALIFORNIA ENVIRONMENTAL QUALITY ACT DETERMINATION, AND MAKING PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE PRIORITY POLICIES OF PLANNING CODE SECTION 101.1.

WHEREAS, on July 29, 2014 Supervisor Cohen (hereafter "legislative sponsor") introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 140876, which would amend the Planning Code by revising Sections 219 and 803.9, to place vertical controls on the conversion of designated landmark buildings to office use in PDR-1-D and PDR-1-G Districts;

WHEREAS, The Historic Preservation Commission voted to recommend to approve with modifications the proposed Ordinance at a regularly scheduled meeting on October 1, 2014; and,

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on October 2, 2014 and October 1, 2014; and,

WHEREAS, the Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

WHEREAS, the Commission has reviewed the proposed Ordinance; and

MOVED, that the Commission hereby recommends that the Board of Supervisors **approve the proposed ordinance with the following modifications:**

(1) Require that projects seeking office space in Landmark buildings in PDR-1-D and PDR-1-G Districts receive a Conditional Use Authorization from the Planning Commission rather than be principally permitted by amending the PDR-1-D and PDR-1-G columns in Planning Code Section 219(a) through (d).
(2) Establish a new process for projects seeking office space in Landmark buildings in PDR-1-D and PDR-1-G Districts through the establishment of a new Planning Code Section 219.2, which would say as follows:

219.2. Office in Landmark Buildings in the PDR-1-D and PDR-1-G Districts

In order to be eligible to receive a Conditional Use Authorization for the provision of office space in landmark buildings in the PDR-1-D and PDR-1-G Districts:
(a) The applicant must submit a Historic Structures Report (HSR) to the Planning Department.
(1) The scope of the HSR will be developed in consultation with Planning Department staff.
(2) The HSR must be prepared by a licensed historic architect who meets the Secretary of the Interior's Professional Qualification Standards.
(b) The Historic Preservation Commission shall review the HSR for the proposed project's ability to enhance the feasibility of preserving the building.
(c) The Historic Preservation Commission shall review the proposal, including any proposed work related to the change in use, for its compliance with the Secretary of the Interior's Standards, (36 C.F.R. § 67.7 (2001)).
(d) The Planning Commission shall consider the following Conditional Use criteria, in addition to the criteria set forth in Section 303(c) and (d):
(1) The Historic Preservation Commission's assessment of the proposed project's ability to enhance the feasibility of preserving the building
(2) The Historic Preservation Commission's assessment of the proposed project's compliance with the Secretary of the Interior's Standards
(3) The economic need of the improvements relative to preservation of the building
(4) The ability for the office tenants to be physically compatible with the PDR tenants
(5) The relocation strategy for any displaced PDR tenants, and
(6) The impact of the proposed change on the surrounding community

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:

1. In 2008, the Board of Supervisors adopted the Eastern Neighborhoods Plan and related zoning. This legislative package is comprised of Ordinance Nos. 297-08, 298-08, and 299-08, copies of which are on file with the Clerk of the Board of Supervisors in File Nos. 081152, 081153, and 081154 respectively, and incorporated herein by reference. Since the adoption of this Plan and its associated zoning, the City has determined that the continued establishment, evolution, and adaptation of these uses demands a more responsive set of zoning controls in the Planning Code.

2. The Eastern Neighborhoods Plan in part supported the preservation of PDR (production, distribution, and repair) uses and encouraged such uses in the southeastern neighborhoods of the City.

3. The Eastern Neighborhoods Plan also supported the preservation viability of designated landmark buildings by allowing flexibility of permitted uses in such buildings by principally permitting the conversion of PDR space to office space.

4. The proposed zoning controls in the subject legislation retain an adequate amount of use flexibility and corresponding preservation incentive for maintenance and designation of landmark buildings in PDR Districts while simultaneously preserving a substantial amount of PDR uses in these buildings.

5. The proposed zoning controls in the subject legislation would ensure that the Historic Preservation Commission would review projects seeking office space in Landmark buildings in the PDR-1-D and PDR-1-G Districts for the proposed project's ability to enhance the feasibility of preserving the building and to for the proposed project's compliance with the Secretary of Interior's Standards.

6. The proposed zoning controls in the subject legislation would ensure that the Planning Commission would review all projects seeking office space in Landmark buildings in the PDR-1-D and PDR-1-G Districts, and assess them based on criteria that include their feasibility of preserving the building, as well as other economic and social goals.

7. **General Plan Compliance.** The proposed amendments to the Planning Code and Administrative Code are in keeping with the Central Waterfront, Mission, and Showplace Square/Potrero Hill Area Plans, particularly to protect and promote PDR activities (Policy 1.1.1 in all three Area Plans) and to promote and offer incentives for the rehabilitation of historic buildings (Policy 8.2.3 in the Mission Area Plan); the Commission finds that the proposed Ordinance is not inconsistent with the Objectives and Policies of the General Plan.

8. **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 not have a negative impact on neighborhood serving retail uses and will not impact 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 have a positive impact on the character of industrial neighborhoods by maintaining more PDR uses.

3. That the City's supply of affordable housing be preserved and enhanced;

The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The proposed Ordinance would have a positive effect on commuter traffic by limiting the amount of office space in industrial districts, which tend to be less well served by transit.

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 protect our industrial and service sectors by limiting the amount of commercial office development in industrial buildings.

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 impact 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 would continue to support the preservation of landmark buildings by continuing to allow some office uses in these buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

The proposed Ordinance would not have an impact on the City's parks and open space and their access to sunlight and vistas.

8. **Planning Code Section 302 Findings.** The 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 recommends that the Board ADOPT the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on October 2, 2014.

Jonas Ionin
Commission Secretary

AYES: Antonini, Fong, Hillis, Johnson, Moore, Richards

NOES:

ABSENT: Wu

ADOPTED: October 2, 2014

SAN FRANCISCO
PLANNING DEPARTMENT

Executive Summary
Planning Code Text Change
HEARING DATE: OCTOBER 2, 2014

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Project Name:	Office Conversion Controls In Landmark Buildings
Case Number:	2014.1249T [Board File No. 140876]
Initiated by:	Supervisor Cohen
Staff Contact:	Steve Wertheim, Citywide Planning steve.wertheim@sfgov.org, 415-558-6612
Reviewed by:	Joshua Switzky, Citywide Planning joshua.switzky@sfgov.org, 415-575-6815 Timothy Frye, Preservation Coordinator tim.frye@sfgov.org, 415-575-6822
Recommendation:	**Recommend Approval with Modifications of the Draft Ordinance**

PLANNING CODE AMENDMENT

The proposed Ordinance would amend the Planning Code by revising Sections 219 and 803.9 to limit the conversion of designated landmark buildings to office use in PDR-1-D and PDR-1-G Districts.

The Way It Is Now:

- Per Planning Code Section 219, office uses are principally permitted in designated Article 10 landmark buildings in PDR-1-D and PDR-1-G Districts. Office uses are otherwise not permitted in PDR districts.

The Way It Would Be:

The proposed Ordinance would limit the amount of office uses that would be permitted in designated landmark buildings in PDR-1-D and PDR-1-G Districts as follows:

- For one-story buildings, no office uses would be allowed
- For two- to four-story buildings, one story of office would be allowed.
- For five- to seven-story buildings, two stories of office would be allowed.
- For eight or more story buildings, three stories of office would be allowed.
- Office would not be allowed on the ground floor of any building.

ISSUES AND CONSIDERATIONS

General Plan Policies Support Both PDR and Historic Resources

The PDR-1-D and PDR-1-G Districts are contained within the Central Waterfront, Mission, and Showplace Square/Potrero Hill Area Plans. All three of these plans emphasize that the City should protect and promote PDR activities by prohibiting new housing and limiting new office and retail space

(Policy 1.1.1 in all three Area Plans). Simultaneously, all of these plans recommend that the City should support the viability of historic buildings by offering preservation incentives such as flexibility in use controls (Policy 8.2.3 in all three Area Plans).

The Incentives for Adaptive Reuse are Substantial

City law as codified in the Planning Code provides a substantial preservation incentive to convert historic buildings in the PDR-1-D and PDR-1-G Districts to office use. This is because office uses pay substantially higher rents compared to the production, distribution, and repair (PDR), and other uses that are also permitted in these buildings.

There are Numerous Potential Article 10 Landmark Buildings in the PDR-1-D and PDR-1-G Districts

Currently, there are no designated Article 10 landmark buildings in the PDR-1-D and PDR-1-G Districts. Based on a preliminary assessment historic surveys completed since the adoption of these controls that permit conversion, there appear to be at least 14 landmark-caliber buildings in PDR districts totaling approximately 1 million square feet of space.

The Demand for PDR Space is Substantial

Demand for PDR space continues to be strong, and vacancy rates in the PDR Districts continue to be low. The loss of 1 million square feet of PDR space could have substantial impacts on the price of rent for remaining spaces.

The Potential Article 10 Landmark Buildings are not all in the Same Condition

Preliminary observation of potential Article 10 landmark buildings in the PDR-1-D and PDR-1-G Districts reveals that some have been maintained to a higher degree than others.

The Current Process in PDR Districts Entails Less Scrutiny than in Other Districts

In addition to the PDR-1-D and PDR-1-G Districts, there are numerous zoning districts in the Eastern Neighborhoods that include preservation incentives for historic buildings, as articulated in Planning Code Section 803.9. In these other districts, projects seeking additional office space for historic buildings need to demonstrate how such space will enhance the feasibility of preserving the building. In the SLI District, which is similar to the PDR Districts in that it does not otherwise allow office or housing uses, office allocation for historic buildings requires a Conditional Use Authorization from the Planning Commission. By contrast, in the PDR Districts, approval for office uses in historic buildings is principally permitted, and projects do not need to demonstrate how such space will enhance the feasibility of preserving the building.

REQUIRED COMMISSION ACTION

The proposed Resolution is before the Commission so that it may recommend adoption, rejection, or adoption with modifications to the Board of Supervisors.

RECOMMENDATION

The Department recommends that the Commission recommend *approval with modifications* of the proposed Ordinance and adopt the Draft Resolution to that effect. The proposed modifications are as follows:

- Require that projects seeking office space in Landmark buildings in PDR-1-D and PDR-1-G Districts receive a Conditional Use Authorization from the Planning Commission rather than be principally permitted by amending the PDR-1-D and PDR-1-G columns in Planning Code Section 219(a) through (d).
- Establish a new process for projects seeking office space in Landmark buildings in PDR-1-D and PDR-1-G Districts through the establishment of a new Planning Code Section 219.2, which would say as follows:

219.2. Office in Landmark Buildings in the PDR-1-D and PDR-1-G Districts

In order to be eligible to receive a Conditional Use Authorization for the provision of office space in landmark buildings in the PDR-1-D and PDR-1-G Districts:

(a) The applicant must submit a Historic Structures Report (HSR) to the Planning Department.
(1) The scope of the HSR will be developed in consultation with Planning Department staff.
(2) The HSR must be prepared by a licensed historic architect who meets the Secretary of the Interior's Professional Qualification Standards.
(b) The Historic Preservation Commission shall review the HSR for the proposed project's ability to enhance the feasibility of preserving the building.
(c) The Historic Preservation Commission shall review the proposal, including any proposed work related to the change in use, for its compliance with the Secretary of the Interior's Standards, (36 C.F.R. § 67.7 (2001)).
(d) The Planning Commission shall consider the following Conditional Use criteria, in addition to the criteria set forth in Section 303(c) and (d):
(1) The Historic Preservation Commission's assessment of the proposed project's ability to enhance the feasibility of preserving the building;
(2) The Historic Preservation Commission's assessment of the proposed project's compliance with the Secretary of the Interior's Standards;
(3) The economic need of the improvements relative to preservation of the building;
(4) The ability for the office tenants to be physically compatible with the PDR tenants;
(5) The relocation strategy for any displaced PDR tenants; and
(6) The impact of the proposed change on the surrounding community.

BASIS FOR RECOMMENDATION

Planning Department staff is supportive of the main thrust of the proposed legislation, which is to balance the need to support the viability of historic buildings while protecting space for PDR. Under current City law and economic conditions, it is foreseeable that up to a million square feet of PDR space could be converted to office in PDR Districts. The proposed legislation attempts to solve this conundrum by retaining some use flexibility for landmark properties while limiting the amount of PDR space that can be converted to office. It would do so by reducing the amount of space that can be converted to office in order to maintain some PDR space and amending the process for such conversions. As such, landmark buildings would receive some flexibility in permitted uses to allow for adaptive reuse, while a substantial PDR presence would remain.

The mechanism proposed in the legislation is vertical floor control, in which a certain number of floors would be permitted to convert to office, depending on the total number of floors in the building. This

mechanism has been in place for a number of years in the Mixed-Use General (MUG) and Urban Mixed Use (UMU) Districts, and has proven to be relatively simple to understand and implement.

At the direction of the Historic Preservation Commission, Department staff also has proposed modifications that the Historic Preservation Commission and the Planning Commission may choose to recommend to the Board of Supervisors. These modifications would require review of projects seeking office space in Landmark buildings in the PDR-1-D and PDR-1-G Districts by the Historic Preservation Commission (HPC). Additional consideration by the HPC is in keeping with practices undertaken in other Eastern Neighborhoods Districts, but not currently the practice in the PDR-1-D and PDR-1-G Districts. These modifications would also necessitate that such projects attain a Conditional Use (CU) Authorization from the Planning Commission, instead of being permitted as-of-right. As part of this CU process, the Planning Commission would consider the HPC's input, as well as additional economic and social criteria intended to ensure the continued wellbeing of PDR uses in the subject and surrounding buildings.

The impact of the legislation cannot be known with certainty, as there are currently no designated landmark buildings in the PDR-1-D and PDR-1-G Districts. However, an analysis of the buildings preliminarily identified as being potential landmarks determined that, were the proposed legislation to be implemented, the maximum displacement of PDR in these buildings would be approximately 330,000 square feet – 67% less than under existing controls. Including measures that align the change in use process with similar Code provisions in other Eastern Neighborhoods Districts could further reduce this displacement. It will also allow decision-makers to focus on proposed projects that will result in the most benefit for the long-term preservation historic buildings relative to impact on PDR uses.

ENVIRONMENTAL REVIEW

The proposed Ordinance is not a project under California Environmental Quality Act ("CEQA"), Public Resources Code sections 15378 and 15060(c) because it does not result in a physical change to the environment. For more information, see Attachment C.

PUBLIC COMMENT

Public comment was received at the Historic Preservation Commission hearing on September 17th, 2014. Comments included support for the proposed legislation and general concern over the protection of PDR space in San Francisco. The Planning Department has not received any additional public comment on this item as of September 25, 2014.

RECOMMENDATION:	**Recommendation of Approval with Modifications**

Attachments

A. Proposed Ordinance – BOS 140876
B. Draft Planning Commission Resolution
C. Environmental Documentation

Attachment A – Proposed Ordinance 140876

[Planning Code - Office Conversion Controls In Landmark Buildings]

Ordinance amending the Planning Code to place vertical controls on the conversion of designated landmark buildings to office use in PDR-1-D and PDR-1-G Districts; and making environmental findings, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

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 ~~strikethrough Arial font~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1.

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

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

Section 2. The Planning Code is hereby amended by revising Section 219, to read as follows:

SEC. 219. OFFICES.

C-1	*C-2*	*C-3-O*	*C-3-O (SD)*	*C-3-R*	*C-3-G*	*C-3-S*	*C-M*	*M-1*	*M-2*	*PDR-1-G*	*PDR-1-D*	*PDR-1-B*	*PDR-2*	
														SEC. 219. OFFICES.
P	P	P	P	P	P	P	P	P	P	NP, unless in a designated landmark building. P in designated land-mark buildings, *subject to Section 803.9(h).*	NP, unless in a designated landmark building. P in designated land-mark buildings, *subject to Section 803.9(h).*	P*#	P*#	(a) Professional and business offices, as defined in 890.70, not more than 5,000 gross square feet in size and offering on-site services to the general public.
P	P	P	P	C	P	P	P	P	P	NP, unless in a designated landmark building. P in designated land-mark buildings, *subject to Section 803.9(h).*	NP, unless in a designated landmark building. P in designated land-mark buildings, *subject to Section 803.9(h).*			(b) Professional and business offices, as defined in 890.70, larger than 5,000 gross square feet in size and offering on-site services to the general public.
P	P	P	P	C	P	P	P	P	P	NP, unless in a desig-	NP, unless in a desig-	P under 5,000	P under 5,000	(c) Other professional and

										nated land-mark build-ing. P in desig-nated land-mark build-ings, *subject to Section 803.9(h).*	nated land-mark build-ing. P in desig-nated land-mark build-ings, *subject to Section 803.9(h).*	gsf *#	gsf*#	business offices, as defined in 890.70, above the ground floor. In the C-3-R District, in addition to the criteria set forth in Section 303, approval shall be given upon a determinatio n that the use will not detract from the district's primary function as an area for comparison shopper retailing and direct consumer services.
P	P	C	C		C	C	P	P	P	NP, unless in a desig-nated land-mark build-ing. P in desig-nated land-mark build-ings, *subject to Section 803.9(h).*	NP, unless in a desig-nated land-mark build-ing. P in desig-nated land-mark build-ings, *subject to Section 803.9(h).*	P under 5,000 gsf*#	P under 5,000 gsf *#	(d) Other professional and business offices, as defined in 890.70, at or below the ground floor.
														Subject to limitations of Section

														121.8

Section 3. The Planning Code is hereby amended by revising Section 803.9(h), to read as follows:

SEC. 803.9. COMMERCIAL USES IN MIXED USE DISTRICTS.

* * * *

(h) **Vertical Controls for Office Uses.**

(1) **Purpose.** In order to preserve ground floor space for production, distribution, and repair uses and to allow the preservation and enhancement of a diverse mix of land uses, including limited amounts of office space on upper stories, additional vertical zoning controls shall govern office uses as set forth in this Section.

(2) **Applicability.** This Section shall apply to all office uses in the MUG and UMU Districts *and all office uses in buildings in the PDR-1-D and PDR-1-G Districts that are designated as landmarks pursuant to Section 10 of the Planning Code*, where permitted.

(3) **Definitions.** Office use shall be as defined in Section 890.70 of this Code.

(4) **Controls.**

(A) **Designated Office Story or Stories.** Office uses are not permitted on the ground floor, except as specified in Sections 840.65A and 843.65A. Office uses may be permitted on stories above the ground floor if they are designated as office stories. On any designated office story, office uses are permitted, subject to any applicable use size limitations. On any story not designated as an office story, office uses are not permitted. When an office use is permitted on the ground floor per Sections 840.65A and 843.65A, it shall not be considered a designated office story for the purposes of Subsection (h)(4)(D) below.

(B) **Timing of Designation.** In the case of new construction, any designated office story or stories shall be established prior to the issuance of a first building permit or along with any associated Planning Commission action, whichever occurs first. In the case of buildings that were constructed prior to the effective date of this Section, any such story or stories shall be designated prior to the issuance of any building permit for new or expanded office uses or along with any associated Planning Commission action, whichever occurs first.

(C) **Recordation of Designation.** Notice of the designation of office stories shall be recorded as a restriction on the deed of the property along with plans clearly depicting the designated story or stories in relation to the balance of the building. A designated office story may only be re-allocated when the designated office story is first returned to a permitted non-office use and associated building modifications to the designated office story are verified by the Zoning Administrator.

(D) **Maximum Number of Designated Stories.** The maximum number of designated office stories shall correspond to the total number of stories in a given building, as set forth in the table below. The designation of a particular story shall apply to the total floor area of that story and no partial designation, split designation, or other such subdivision of designated floors shall be permitted. For the purposes of the following table, the total number of stories in a given building shall be counted from grade level at curb and shall exclude any basements or below-grade stories.

Table 803.9(h)

Total Number of Stories	***Maximum Number of Designated Office Stories***
1-story	0 stories (office use NP)
2 - 4 stories	1-story

5 - 7 stories	2-stories
8 or more stories	3-stories

(E) For projects *in MUG and UMU Districts* with multiple buildings, consolidation of permitted office stories may be permitted, pursuant to the controls set forth in 329(d)(8).

* * * *

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

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

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
VICTORIA WONG
Deputy City Attorney

n:\legana\as2014\1400578\00943736.doc

Attachment B – Draft Historic Preservation Commission Resolution

SAN FRANCISCO
PLANNING DEPARTMENT

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

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415.558.6378

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Information:
415.558.6377

Planning Commission Draft Resolution

HEARING DATE OCTOBER 2, 2014

Project Name:	Office Conversion Controls In Landmark Buildings
Case Number:	2014.1249T [Board File No. 140876]
Initiated by:	Supervisor Cohen
Staff Contact:	Steve Wertheim, Citywide Planning steve.wertheim@sfgov.org, 415-558-6612
Reviewed by:	Joshua Switzky, Citywide Planning joshua.switzky@sfgov.org, 415-575-6815 Timothy Frye, Preservation Coordinator tim.frye@sfgov.org, 415-575-6822
Recommendation:	**Recommend Approval with Modifications of the Draft Ordinance**

RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE BY REVISING SECTIONS 219 AND 803.9 AND CREATING A NEW SECTION 219.2 TO PLACE VERTICAL CONTROLS ON THE CONVERSION OF DESIGNATED LANDMARK BUILDINGS TO OFFICE USE IN PDR-1-D AND PDR-1-G DISTRICTS, REQUIRE THE REVIEW OF THE PROPOSAL BY THE HISTORIC PRESERATION COMMISSION AND A CONDITIONAL USE AUTHORIZATION FROM THE PLANNING COMMISSION, AFFIRMING THE PLANNING DEPARTMENT'S CALIFORNIA ENVIRONMENTAL QUALITY ACT DETERMINATION, AND MAKING PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE PRIORITY POLICIES OF PLANNING CODE SECTION 101.1.

WHEREAS, on July 29, 2014 Supervisor Cohen (hereafter "legislative sponsor") introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 140876, which would amend the Planning Code by revising Sections 219 and 803.9, to place vertical controls on the conversion of designated landmark buildings to office use in PDR-1-D and PDR-1-G Districts;

WHEREAS, The Historic Preservation Commission voted to recommend to *(TBD: approve/approve with modifications/reject)* the proposed Ordinance at a regularly scheduled meeting on October 1, 2014; and,

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on October 2, 2014 and October 1, 2014; and,

WHEREAS, the Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

WHEREAS, the Commission has reviewed the proposed Ordinance; and

MOVED, that the Commission hereby recommends that the Board of Supervisors **approve the proposed ordinance with the following modifications:**

(1) Require that projects seeking office space in Landmark buildings in PDR-1-D and PDR-1-G Districts receive a Conditional Use Authorization from the Planning Commission rather than be principally permitted by amending the PDR-1-D and PDR-1-G columns in Planning Code Section 219(a) through (d).
(2) Establish a new process for projects seeking office space in Landmark buildings in PDR-1-D and PDR-1-G Districts through the establishment of a new Planning Code Section 219.2, which would say as follows:

219.2. Office in Landmark Buildings in the PDR-1-D and PDR-1-G Districts

In order to be eligible to receive a Conditional Use Authorization for the provision of office space in landmark buildings in the PDR-1-D and PDR-1-G Districts:
(a) The applicant must submit a Historic Structures Report (HSR) to the Planning Department.
(1) The scope of the HSR will be developed in consultation with Planning Department staff.
(2) The HSR must be prepared by a licensed historic architect who meets the Secretary of the Interior's Professional Qualification Standards.
(b) The Historic Preservation Commission shall review the HSR for the proposed project's ability to enhance the feasibility of preserving the building.
(c) The Historic Preservation Commission shall review the proposal, including any proposed work related to the change in use, for its compliance with the Secretary of the Interior's Standards, (36 C.F.R. § 67.7 (2001)).
(d) The Planning Commission shall consider the following Conditional Use criteria, in addition to the criteria set forth in Section 303(c) and (d):
(1) The Historic Preservation Commission's assessment of the proposed project's ability to enhance the feasibility of preserving the building
(2) The Historic Preservation Commission's assessment of the proposed project's compliance with the Secretary of the Interior's Standards
(3) The economic need of the improvements relative to preservation of the building
(4) The ability for the office tenants to be physically compatible with the PDR tenants
(5) The relocation strategy for any displaced PDR tenants, and
(6) The impact of the proposed change on the surrounding community

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:

1. In 2008, the Board of Supervisors adopted the Eastern Neighborhoods Plan and related zoning. This legislative package is comprised of Ordinance Nos. 297-08, 298-08, and 299-08, copies of which are on file with the Clerk of the Board of Supervisors in File Nos. 081152, 081153, and 081154 respectively, and incorporated herein by reference. Since the adoption of this Plan and its associated zoning, the City has determined that the continued establishment, evolution, and adaptation of these uses demands a more responsive set of zoning controls in the Planning Code.

2. The Eastern Neighborhoods Plan in part supported the preservation of PDR (production, distribution, and repair) uses and encouraged such uses in the southeastern neighborhoods of the City.

3. The Eastern Neighborhoods Plan also supported the preservation viability of designated landmark buildings by allowing flexibility of permitted uses in such buildings by principally permitting the conversion of PDR space to office space.

4. The proposed zoning controls in the subject legislation retain an adequate amount of use flexibility and corresponding preservation incentive for maintenance and designation of landmark buildings in PDR Districts while simultaneously preserving a substantial amount of PDR uses in these buildings.

5. The proposed zoning controls in the subject legislation would ensure that the Historic Preservation Commission would review projects seeking office space in Landmark buildings in the PDR-1-D and PDR-1-G Districts for the proposed project's ability to enhance the feasibility of preserving the building and to for the proposed project's compliance with the Secretary of Interior's Standards.

6. The proposed zoning controls in the subject legislation would ensure that the Planning Commission would review all projects seeking office space in Landmark buildings in the PDR-1-D and PDR-1-G Districts, and assess them based on criteria that include their feasibility of preserving the building, as well as other economic and social goals.

7. **General Plan Compliance.** The proposed amendments to the Planning Code and Administrative Code are in keeping with the Central Waterfront, Mission, and Showplace Square/Potrero Hill Area Plans, particularly to protect and promote PDR activities (Policy 1.1.1 in all three Area Plans) and to promote and offer incentives for the rehabilitation of historic buildings (Policy 8.2.3 in the Mission Area Plan); the Commission finds that the proposed Ordinance is not inconsistent with the Objectives and Policies of the General Plan.

8. **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 not have a negative impact on neighborhood serving retail uses and will not impact 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 have a positive impact on the character of industrial neighborhoods by maintaining more PDR uses.

3. That the City's supply of affordable housing be preserved and enhanced;

The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The proposed Ordinance would have a positive effect on commuter traffic by limiting the amount of office space in industrial districts, which tend to be less well served by transit.

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 protect our industrial and service sectors by limiting the amount of commercial office development in industrial buildings.

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 impact 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 would continue to support the preservation of landmark buildings by continuing to allow some office uses in these buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

The proposed Ordinance would not have an impact on the City's parks and open space and their access to sunlight and vistas.

8. **Planning Code Section 302 Findings.** The 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 recommends that the Board ADOPT the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on October 2, 2014.

Jonas Ionin
Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED: October 2, 2014

Attachment C – Environmental Documentation

BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

August 13, 2014

File No. 140876

Sarah Jones
Environmental Review Officer
Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Dear Ms. Jones:

On July 29, 2014, Supervisor Cohen introduced the following legislation:

File No. 140876

Ordinance amending the Planning Code to place vertical controls on the conversion of designated landmark buildings to office use in PDR-1-D and PDR-1-G Districts; and making environmental findings, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

By: Andrea Ausberry, Assistant Clerk
Land Use & Economic Development Committee

Attachment

c: Joy Navarrete, Environmental Planning
Jeanie Poling, Environmental Planning

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it does not result in a physical change in the environment.

Joy Navarrete

Digitally signed by Joy Navarrete
DN: cn=Joy Navarrete, o=Planning, ou=Environmental Planning, email=joy.navarrete@sfgov.org, c=US
Date: 2014.09.09 14:27:49 -07'00'

Ausberry, Andrea

From: BOS Legislation (BOS)
Sent: Thursday, October 09, 2014 3:06 PM
To: Ausberry, Andrea
Subject: FW: Transmittal of Planning Commission Recommendation for BF 140876
Attachments: Transmittal Packet from Planning for BOS 140876.pdf

FYI. In bos leg email.

From: Rodgers, AnMarie (CPC)
Sent: Thursday, October 09, 2014 3:00 PM
To: Calvillo, Angela (BOS); Cohen, Malia (BOS)
Cc: BOS Legislation (BOS); Wertheim, Steve (CPC); Bruss, Andrea (BOS); Starr, Aaron (CPC)
Subject: Transmittal of Planning Commission Recommendation for BF 140876

Recommendation: **Approval with Modifications**

Dear Supervisor Cohen and Ms. Calvillo,

On October 1st, 2014 the San Francisco Historic Preservation Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance under Board of Supervisors File Number 14-0876. At the October 1st hearing, the Historic Preservation Commission voted 7-0 to recommend approval with modifications of the proposed Ordinance which would (1) Require that projects seeking office space in Landmark buildings in PDR-1-D and PDR-1-G Districts receive a Conditional Use Authorization from the Planning Commission rather than be principally permitted and (2) Establish a new process for projects seeking office space in Landmark buildings in PDR-1-D and PDR-1-G Districts that would require review by the Historic Preservation Commission and the Planning Commission.

On October 2nd, 2014 the San Francisco Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance under Board of Supervisors File Number 14-0876. At the October 2nd hearing, the Planning Commission voted 6-0 to recommend approval with the same modifications of the proposed Ordinance as proposed by the Historic Preservation Commission.

The attached resolution and case report provides the actions of the Commissions. A hardcopy is also being transmitted via interoffice mail. If you have any questions or require further information please do not hesitate to contact me or Steve Wertheim.

Sincerely,

AnMarie Rodgers
Senior Policy Advisor

Planning Department | City and County of San Francisco
1650 Mission Street, Suite 400, San Francisco, CA 94103
Direct: 415.558.6395 | Fax: 415.558.6409
Email: anmarie@sfgov.org
Web: http://www.sf-planning.org/Legislative.Affairs
Property Info Map: http://propertymap.sfplanning.org/

BOARD of SUPERVISORS

City Hall
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August 13, 2014

Planning Commission
Attn: Jonas Ionin
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Commissioners:

On July 29, 2014, Supervisor Cohen introduced the following legislation:

File No. 140876

Ordinance amending the Planning Code to place vertical controls on the conversion of designated landmark buildings to office use in PDR-1-D and PDR-1-G Districts; and making environmental findings, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

The proposed ordinance is being transmitted pursuant to Planning Code Section 302(b) for public hearing and recommendation. The ordinance is pending before the Land Use and Economic Development Committee and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board

By: Andrea Ausberry, Assistant Clerk
Land Use and Economic Development Committee

c: John Rahaim, Director of Planning
Aaron Starr, Acting Manager of Legislative Affairs
AnMarie Rodgers, Senior Policy Manager
Scott Sanchez, Zoning Administrator
Sarah Jones, Chief, Major Environmental Analysis
Jeanie Poling, Environmental Planning
Joy Navarrete, Environmental Planning

Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

☒ 1. For reference to Committee.
An ordinance, resolution, motion, or charter amendment.

☐ 2. Request for next printed agenda without reference to Committee.

☐ 3. Request for hearing on a subject matter at Committee.

☐ 4. Request for letter beginning "Supervisor [ ] inquires"

☐ 5. City Attorney request.

☐ 6. Call File No. [ ] from Committee.

☐ 7. Budget Analyst request (attach written motion).

☐ 8. Substitute Legislation File No. [ ]

☐ 9. Request for Closed Session (attach written motion).

☐ 10. Board to Sit as A Committee of the Whole.

☐ 11. Question(s) submitted for Mayoral Appearance before the BOS on [ ]

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission

☐ Planning Commission ☐ Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative

Sponsor(s):

Cohen

Subject:

Vertical controls on conversion of designated landmark buildings to office use in PDR-1-D and PDR-1-G Districts.

The text is listed below or attached:

Attached

Signature of Sponsoring Supervisor:

For Clerk's Use Only:

1520

140876