

1 [Planning Code - Production, Distribution, and Repair Zoning]

2

3 **Ordinance amending the Planning Code to address various revisions to Production,**
4 **Distribution, and Repair (PDR), integrated PDR, and small enterprise workplace zoning**
5 **controls to facilitate the establishment of such uses; amending the Administrative**
6 **Code to delete requirements concerning reporting on integrated PDR, affirming the**
7 **Planning Department’s California Environmental Quality Act determination; and making**
8 **Planning Code, Section 302, findings, and findings of consistency with the General**
9 **Plan, and the eight priority policies of Planning Code, Section 101.1.**

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

14

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

16

17 Section 1. Findings.

18 (a) In 2008, the Board of Supervisors adopted the Eastern Neighborhoods Plan and
19 related zoning, in part to refine the City’s approach to PDR (production, distribution, and
20 repair) uses and to preserve and encourage such uses in the southeastern neighborhoods of
21 the City. This legislative package is comprised of Ordinance Nos. 297-08, 298-08, and 299-
22 08, copies of which are on file with the Clerk of the Board of Supervisors in File Nos. 081152,
23 081153, and 081154 respectively, and incorporated herein by reference. Since the adoption
24 of this Plan and its associated zoning, the City has determined that the continued

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1 establishment, evolution, and adaptation of these uses demands a more responsive set of
2 zoning controls in the Planning Code.

3 (b) The amended zoning controls in this legislation attempt to satisfy the following
4 goals: (1) Make it easier to establish PDR as a principally permitted use; (2) Allow PDR uses
5 to share accessory retail space; (3) Simplify the “Integrated PDR” (IPDR) controls; (4) Entice
6 the development of PDR on underdeveloped parcels in PDR Districts; (5) Support creation of
7 new PDR space in re-built non-conforming self-storage uses; (6) Make “Small Enterprise
8 Workspace” (SEW) to be more attractive to build; and (7) Clean up the definition of PDR.

9 (c) Utilizing available data, the Planning Department has determined that the following
10 parcels (listed as Assessor Block/Lot) would meet the requirements established in the
11 proposed Section 219.1(c) regarding new PDR space: 3552/012, 3573/015, 3573/023,
12 3592/032, 3807/001, 3807/004, 3807/008, 3807/012, 3808/003, 3820/002, 3821/005,
13 3821/006, 3905/012, 3916/002, 3921A/005, 3921A/006, 3924/006, and 3936/002.

14 (d) The Planning Department has determined that the actions contemplated in this
15 Ordinance comply with the California Environmental Quality Act (California Public Resources
16 Code Section 21000 et seq.). The Board of Supervisors hereby affirms this determination. A
17 copy of said determination is on file with the Clerk of the Board of Supervisors in File No.
18 _____ and incorporated herein by reference.

19 (e) Pursuant to Planning Code Section 302, the Board finds that the proposed
20 ordinance will serve the public necessity, convenience and welfare for the reasons set forth in
21 Planning Commission Resolution No. _____, which reasons are incorporated herein by
22 reference as though fully set forth. A copy of Planning Commission Resolution No. _____ is
23 on file with the Clerk of the Board of Supervisors in File No. _____.

24 (f) At a duly noticed public hearing held on _____, 2014, the Planning
25 Commission in Resolution No. _____ found that the proposed Planning Code amendments

1 contained in this ordinance are consistent with the City's General Plan and with the Priority
2 Policies of Planning Code Section 101.1. The Commission recommended that the Board of
3 Supervisors adopt the proposed Planning Code amendments. The Board finds that the
4 proposed Planning Code amendments contained in this ordinance are consistent with the
5 City's General Plan and with the Priority Policies of Planning Code Section 101.1 for the
6 reasons set forth in said Resolution.

7
8 Section 2. The Planning Code is hereby amended by deleting Sections 175.8, 249.39,
9 413.7, 428A, revising Sections 181, 204.3, 226, 227, and 890.49, and adding Section 219.1,
10 to read as follows:

11 ~~**SEC. 175.8. SUNSET FOR INTEGRATED PDR USES.**~~

12 ~~—Any Integrated PDR use (as defined in Sec. 890.49) permitted by this Code will require~~
13 ~~conditional use authorization five years after the effective date of Ordinance Number 298-08 in order~~
14 ~~to allow for greater scrutiny of Integrated PDR uses in light of the City's Enterprise Zone Payroll Tax~~
15 ~~Credit program. The Planning Commission and Board of Supervisors should consider revising this~~
16 ~~control to continue permitting Integrated PDR uses if data show that 25 percent of all employees in~~
17 ~~areas Integrated PDR uses are eligible for the City's Enterprise Zone Payroll Tax Credit.~~

18 **SEC. 181. NONCONFORMING USES: ENLARGEMENTS, ALTERATIONS AND**
19 **RECONSTRUCTION.**

20 (a) A nonconforming use, and any structure occupied by such use, shall not be
21 enlarged, intensified, extended, or moved to another location, with the exception of the
22 construction of a mezzanine within a live/work unit and expansion of dwelling units in PDR
23 Districts, unless the result will be elimination of the nonconforming use, except as provided in
24 Paragraph (b)(3) and (i) below and Section 186.1 of this Code. A nonconforming use shall not
25 be extended to occupy additional space in a structure, or additional land outside a structure,

1 or space in another structure, or to displace any other use, except as provided in Sections 182
2 and 186.1 of this Code.

3 (b) A structure occupied by a nonconforming use shall not be constructed,
4 reconstructed or altered, unless the result will be elimination of the nonconforming use, except
5 as provided in Section 186.1 of this Code and in Subsections (a) above and (d), (e), (f) and (g)
6 below, and except as follows:

7 (1) Ordinary maintenance and minor repairs shall be permitted where necessary to
8 keep the structure in sound condition, as well as minor alterations, where such work is limited
9 to replacement of existing materials with similar materials placed in a similar manner.

10 (2) Minor alterations shall be permitted where ordered by an appropriate public official
11 to correct immediate hazards to health or safety, or to carry out newly enacted retroactive
12 requirements essential to health or safety.

13 (3) Alterations otherwise allowed by this Code shall be permitted for any portion of the
14 structure that will not thereafter be occupied by the nonconforming use, provided the
15 nonconforming use is not enlarged, intensified, extended, or moved to another location.

16 (4) All other alterations of a structural nature shall be permitted only to the extent that
17 the aggregate total cost of such other structural alterations, as estimated by the Department of
18 Public Works, is less than ½ of the assessed valuation of the improvements prior to the first
19 such alteration, except that structural alterations required to reinforce the structure to meet the
20 standards for seismic loads and forces of the Building Code shall be permitted without regard
21 to cost.

22 (c) A dwelling or other housing structure exceeding the permitted density of dwelling
23 units or other housing units set forth in Sections 207.5, 208, 209.1, 209.2, or 215 of this Code
24 for the district in which it is located shall be classified as a nonconforming use under Section
25 180 of this Code, but only to the extent that such dwelling or other housing structure exceeds

1 the permitted density. This Section 181 shall apply with respect to enlargements, alterations
2 and reconstruction of the nonconforming portion of such dwelling or other housing structure,
3 consisting of those dwelling units or other housing units which exceed the permitted density.
4 Any dwelling unit or other housing unit coming within the density limit shall not be affected by
5 this Section 181. Except as provided in Sections 181(h) and 182(e), no dwelling or other
6 housing structure exceeding the permitted density of dwelling units or other housing units
7 shall be altered to increase the number of dwelling units or other housing units therein, or to
8 increase or create any other nonconformity with respect to the dwelling unit or other housing
9 unit density limitations of Section 209.1 or Section 209.2.

10 (d) Notwithstanding the foregoing provisions of this Section 181, a structure occupied
11 by a nonconforming use that is damaged or destroyed by fire, or other calamity, or by Act of
12 God, or by the public enemy, may be restored to its former condition and use; provided that
13 such restoration is permitted by the Building Code, and is started within eighteen months and
14 diligently prosecuted to completion. The age of such a structure for the purposes of Sections
15 184 and 185 shall nevertheless be computed from the date of the original construction of the
16 structure. Except as provided in Subsection (e) below, no structure occupied by a
17 nonconforming use that is voluntarily razed or required by law to be razed by the owner
18 thereof may thereafter be restored except in full conformity with the use limitations of this
19 Code.

20 For purposes of this Subsection (d), "started within eighteen months" shall mean that
21 within eighteen months of the fire or other calamity or Act of God, the structure's owner shall
22 have filed a building permit application to restore the structure to its former condition and use.

23 (e) In order that major life safety hazards in structures may be eliminated as
24 expeditiously as possible, a structure containing nonconforming uses and constructed of
25 unreinforced masonry that is inconsistent with the requirements of the UMB Seismic Retrofit

1 Ordinance, Ordinance No. 227-92, may be demolished and reconstructed with the same
2 nonconforming use or a use as permitted by Planning Code Section 182; provided that there
3 is no increase in any nonconformity, or any new nonconformity, with respect to the use
4 limitations of this Code; provided further that the current requirements of the Building Code,
5 the Housing Code and other applicable portions of the Municipal Code are met; and provided
6 further that such restoration or reconstruction is started within one year after razing or other
7 demolition work on the structure and diligently prosecuted to completion.

8 (f) A nighttime entertainment use within the RSD, MUG, MUR, or SLR Districts may
9 be enlarged, intensified, extended or expanded, including the expansion to an adjacent lot or
10 lots, provided that: (1) the enlargement, intensification, extension or expansion is approved as
11 a conditional use pursuant to Sections 303 and 316 of this Code; (2) the use as a whole
12 meets the parking and signage requirements, floor area ratio limit, height and bulk limit, and
13 all other requirements of this Code which would apply if the use were a permitted one; and (3)
14 the provisions of Section 803.5(b) of this Code are satisfied.

15 (g) Automotive sales and service signs within the Automotive Special Use District
16 which have all required permits but which do not comply with the controls for new signs
17 established in Section 607.3 of this Code shall be permitted to remain as nonconforming uses
18 and shall be permitted to modify the signage text to describe new automobile ownerships and
19 dealerships that may occur from time to time.

20 (h) In PDR Districts, no building containing a residential use shall be altered to
21 increase the number of dwelling units or other housing units therein. However, individual
22 dwelling units or other housing units may be expanded, subject to height, bulk, and all other
23 provisions of this Code which would otherwise be applicable to dwelling units or other housing
24 units in the Urban Mixed Use District.

1 (i) In the Eastern Neighborhoods Mixed Use, PDR-1-D, and PDR-1-G Districts, a non-
2 residential nonconforming use may expand in gross floor area by no more than 25 percent
3 with conditional use authorization pursuant to Section 303 of this Code. Such conditional use
4 authorization may not be granted for any subsequent or additional expansion beyond the
5 initial 25 percent.

6 (j) In the PDR-1-D, PDR-1-G, and PDR-2 Districts, a storage building for household goods
7 shall be allowed to rebuild to its current square footage, as long as it provides at least one FAR of PDR
8 uses, as defined in Section 401. A Notice of Special Restriction (NSR) shall be recorded on the title of
9 any property receiving approval under this Section. This NSR shall provide the Planning Department
10 with the ability to enforce the provisions of this Section.

11 **SEC. 204.3. ACCESSORY USES IN C, M, AND PDR DISTRICTS.**

12 (a) No use shall be permitted as an accessory use to a lawful principal or conditional
13 use in any C-1 or C-2 District which involves or requires any of the following:

14 (1) The total employment for such accessory use of more than five persons in a C-1
15 District, or more than 10 persons in a C-2 District;

16 (2) The use of any single machine of more than one horsepower in a C-1 District, or
17 more than 2½ horsepower in a C-2 District;

18 (3) The use of machines in any one establishment in an aggregate of more than five
19 horsepower in a C-1 District, or more than 10 horsepower in a C-2 District;

20 (4) The use of more than ¼ of the total floor area occupied by such use and the
21 principal or conditional use to which it is accessory, except in the case of accessory off-street
22 parking or loading; or

23 (5) The production of goods not intended primarily for retail sale or use on the
24 premises.

1 (b) No use shall be permitted as an accessory use to a lawful principal or conditional
2 use in any C-3 District which involves or requires the use of any single machine of more than
3 five horsepower; or the use of more than ¼ of the total floor area occupied by such use and
4 the principal or conditional use to which it is accessory, except in the case of accessory off-
5 street parking and loading. These limitations shall not apply to equipment or machines
6 pertaining integrally to the lawful principal use itself.

7 (c) Notwithstanding the provisions of Sections 227(h) and (i) and 260(b)(2)(l) and (M)
8 of this Code, an accessory use to a lawful principal or conditional use in any C or M District
9 which involves or requires the installation of a tower or antenna solely for the reception of
10 radio and television broadcasts for the exclusive benefit of the residents or occupants in the
11 building on which the antenna is placed shall be permitted without regard to the height of such
12 tower or antenna and without regard to the proximity of such tower or antenna to any R
13 District.

14 (d) No use shall be permitted as an accessory use to a lawful principal or conditional
15 use in any PDR District which involves or requires the use of more than one-third (1/3) of the
16 total floor area occupied by such use and the principal or conditional use to which it is
17 accessory, except in the case of accessory retail, off-street parking, and loading. *Multiple PDR*
18 *uses within a single building or development may combine their accessory retail allotment into one or*
19 *more shared retail spaces, provided that the total allotment of accessory retail space per use does not*
20 *exceed what otherwise would be permitted by this Section.*

21
22 **SEC. 219.1. ALLOWANCE FOR USES TO SUPPORT THE DEVELOPMENT OF NEW**
23 **PDR SPACE IN THE PDR-1-D AND PDR-1-G DISTRICTS.**

24 (a) **Purpose.** The purpose of this provision is to support the increase in the overall stock of
25 PDR space in the City. Despite consistent and growing demand for PDR space in San Francisco, the

1 economics of building new PDR space are very challenging, even in PDR zoning districts where these
2 uses do not compete for land with other more economically-attractive uses. One way to make such
3 development economically viable is to utilize the value of other non-residential space, such as office
4 and institutional uses, to subsidize the construction of PDR space on properties that are largely vacant
5 or substantially underutilized and that do not contain significant PDR space that would be demolished.

6 (b) **Geography.** This provision applies to parcels that meet all of the following criteria:

7 (1) Are located in either the PDR-1-D or PDR-1-G Districts;

8 (2) Are located north of 20th Street;

9 (3) Contain a floor area ratio of 0.3 gross floor area or less as of January 1, 2014; and

10 (4) Are 20,000 square feet or larger.

11 (c) **Controls.** The Planning Commission may permit, per the procedures described below in
12 Subsection (d), non-PDR uses on the subject lot pursuant to the following provisions:

13 (1) At least 1/3 of the total gross floor area developed on the parcel shall contain PDR uses, as
14 defined in Section 401.

15 (2) For purposes of this Subsection, every square foot of Integrated PDR, as defined in Section
16 890.4, or Small Enterprise Workspace, as defined in Section 227(t), shall count as 0.5 square feet of
17 PDR space and 0.5 square feet of non-PDR space as specified in Subsection (3) below.

18 (3) The non-PDR space may contain one or both of the following uses:

19 _____ (A) Office, as defined in Section 890.70; and/or

20 _____ (B) Institutions, Other, as defined in Section 890.50.

21 (4) Uses other than those listed in Subsections (2) and (3) above, such as retail, are subject to
22 the controls of the underlying district.

23 (3) Contain a floor area ratio of less than 0.3 gross floor area or less as January 1, 2014 of the
24 date of this legislation; and

25 (4) Are 20,000 square feet or larger.

1 (c) Controls. The Planning Commission may permit, per the procedures described below in
2 Subsection (d), non-PDR uses on the subject lot pursuant to the following provisions:

3 (1) At least 1/3 of the total gross floor area developed on the parcel shall contain PDR uses, as
4 defined in Section 401.

5 (2) For purposes of this Subsection, every square foot of Integrated PDR, as defined in Section
6 890.4, or Small Enterprise Workspace, as defined in Section 227(t), shall count as 0.5 square feet of
7 PDR space and 0.5 square feet of non-PDR space as specified in Subsection (3) below.

8 (3) The non-PDR space may contain one or both of the following uses:

9 (A) Office, as defined in Section 890.70; and/or

10 (B) Institutions, Other, as defined in Section 890.50.

11 (4) Uses other than those listed in Subsections (2) and (3) above, such as retail, are subject to
12 the controls of the underlying district.

13 (5) No residential uses are permitted, even as part of Institutions as defined under 890.50,
14 except as allowed pursuant to Section 204.4.

15 (6) The PDR space in any building must be served by:

16 (A) Sufficient off-street loading, and

17 (B) One or more freight elevators, in accordance with Code Section 155(f).

18 (7) The project shall meet the Transportation Management Program requirements of Section
19 163(c) of the Planning Code.

20 (8) Accessory parking for uses listed in subsection (2) above may be permitted up to one space
21 per each 1,500 square feet of occupied floor area, and all such parking shall be subject to the pricing
22 requirements of Section 155(g).

23 (9) The project sponsor must develop a “PDR Business Plan”. The purpose of this PDR
24 Business Plan is to maximize the potential for the project to produce new PDR space that is viable and
25 affordable. The features of the PDR Business Plan should include, but are not limited to:

1 (A) Overall strategy to incorporate PDR businesses, including specifying which kinds of PDR
2 businesses are the target for the development;

3 (B) A description of the kinds of non-PDR businesses intended for the site and a plan for how
4 they will co-exist with the PDR businesses and any strategies required to achieve this balance;

5 (C) A description of how the site's marketing and outreach plan will effectively target these
6 same PDR businesses;

7 (D) A description of how the development's design is suited to PDR businesses;

8 (E) A description of the rent/purchase price proposed by the developer for the PDR spaces and
9 the approach to keep these rents accessible to PDR tenants over time;

10 (F) A detailed overview of the workforce and hiring strategy for the PDR businesses on the site,
11 as well as for the non-PDR businesses, including how the project sponsor will abide by City programs
12 such as the First Source Hiring Program, and how the project sponsor will inform its tenants about
13 other relevant public programs; and,

14 (G) A detailed community outreach plan, including a plan for engaging any specific community
15 partners in the development, tenanting of the project, and ongoing management of the PDR portions of
16 the property.

17 (10) The first Certificate of Occupancy for the PDR portion of the development must be issued
18 by the Department of Building Inspection before or concurrently with the first Certificate of Occupancy
19 for the non-PDR portion of the development unless the PDR and non-PDR portions are part of a single
20 site or building permit.

21 (d) Referral to OEWD. Upon receiving an application for a project under this Section, the
22 Planning Department shall inform the Director of the Office of Economic and Workforce Development
23 (OEWD) or successor agency, so that OEWD may inform the project sponsor of existing programs and
24 requirements relevant to PDR businesses, including any existing economic incentive and hiring
25 programs.

1 (e) Approvals.

2 (1) All projects seeking entitlement pursuant to this Section 219.1 shall be required to receive a
3 Conditional Use authorization, per Section 303 of the Planning Code. In evaluating a proposed
4 authorization under this Section, the Planning Commission shall consider:

5 _____ (A) The likely viability of the new PDR space created by the development, as influenced
6 by such factors as the content of the project sponsor’s PDR Business Plan, and whether the project
7 sponsor has the commitments of established PDR tenants and/or a demonstrated relationship with
8 organizations established in the PDR community.

9 _____ (B) Whether the project is an appropriate location and intensity for the proposed non-
10 PDR use, including but not limited to whether the location of non-PDR uses would be compatible with
11 or disruptive to PDR uses on the site and in the vicinity, recognizing that PDR uses may generate noise,
12 vibrations, odors, trucking activity, or other PDR-related operational characteristics.

13 (2) A Notice of Special Restriction (“NSR”) shall be recorded on the title of any property
14 receiving approval under this Section 219.1. Such NSR shall:

15 _____ (A) Designate the PDR portion of parcel, building, and/or development;

16 _____ (B) State that the proportion of gross floor area on the site dedicated to PDR uses shall
17 never be less than 1/3 of the total gross floor area on the parcel, including any future building or use
18 alterations or expansions;

19 _____ (C) Require the property owner to submit an annual report to the Planning Department
20 and OEWD, on or before January 31 of each year, describing the status of the implementation of its
21 PDR Business Plan, identifying PDR tenants on the property during the prior year, and providing
22 information on their respective square footages, number of employees, contact information for each
23 tenant, a description of the business or industry characteristics of each business, and the PDR space
24 vacancy on the parcel as of the date of each report; and,

25 (D) Provide the Planning Department with the ability to enforce the provisions of this Section.

1 (E) Restrict the ability of the non-PDR portion of the development from limiting the PDR
 2 portion from undertaking activities necessary to maintain PDR business operations in such matters as
 3 trucking and noise generation.

4 **SEC. 226. MANUFACTURING AND PROCESSING.**

5 **SEC. 226. MANUFACTURING AND PROCESSING.**

6	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
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12			P	P	P	P	P	P	NA	NA	P	P	P under 5,000 gsf	P
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SEC. 226. MANUFACTURING AND PROCESSING.

(a) Light manufacturing uses, involving only the assembly, packaging, repairing or processing of previously prepared materials, which are conducted within a building but do not occupy the ground story of any building; provided:

(1) That no part of a building so occupied shall have any opening, other than fixed windows and exits required by law, within 50 feet of any R District;

(2) That the mechanical equipment required for such uses, together with related floor space used primarily by the operators of such

1														equipment, shall not in the aggregate occupy more than ¼ of the gross floor area of the building in which the uses are located; and
2														(3) That no machine shall be used that has more than five horsepower capacity.
3														(b) Light manufacturing which occupies not more than ½ the ground story of the building and involves or requires no machine that has more than five horsepower capacity, if conducted entirely within an enclosed building; provided, that no part of a building so occupied shall have any opening, other than fixed windows and exits required by law, within 20 feet of any R District.
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1															any opening, other than fixed windows or exits required by law, within 20 feet of any R District.
2															(d) Light manufacturing, not including any use first specifically listed below.
3															(e) Industrial or chemical research or testing laboratory, not involving any danger of explosions.
4								P	P	P	P	P	P	P	(f) Life Science laboratory (as defined in Sections 890.52 and 890.53) Reserved for future use.
5															(g) Battery manufacture, if conducted on premises not less than 200 feet from any R District.
6															(h) Any of the following uses, when conducted within a completely enclosed building; provided, that no part of a building so occupied shall have any opening, other than fixed windows or exits required by law, within 50 feet of any R District:
7			P	P	P	P	P	P	P	P	P	P	P	P	(1) Automobile assembling.
8															(2) Bottling plant, brewery, dairy
9															
10															
11			P	P	P	P	P	P	P						
12															
13															
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								<u>P</u>	<u>P</u>	<u>C</u>	<u>C</u>			<u>P</u>	
								<u>P</u>	<u>P</u>	<u>C</u>	<u>P</u>			<u>P</u>	

1															any R District, without limitation as to nature of sale.
2															(t) Stockyard, livestock feed yard, abattoir.
3									C						
4															(u) Rendering or reduction of fat, bones or other animal material, where adequate provision is made for the control of odors through the use of surface condensers and direct-flame afterburners or equivalent equipment.
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8								C	C	C				C	
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10															
11															
12															(v) Incineration of garbage, refuse, dead animals or parts thereof.
13									C						
14															(w) The following uses, when conducted not less than 500 feet from any R or NC District:
15									P					C	(1)
16															Manufacture, refining, distillation or treatment of any of the following:
17															abrasives, acid (noncorrosive), alcohol, ammonia, asbestos, asphalt, bleaching powder, candles (from tallow), celluloid, chlorine, coal, coke, creosote, dextrine, disinfectant, dye, enamel, gas
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the street.

(F) After the issuance of any certificate of occupancy or completion for the building, any merger, subdivision, expansion, or other change in gross floor area of any unit shall be permitted only as long as the provisions of this subsection (D) and (E) are met. ~~To facilitate review of any such project, all such applications will be referred to the Planning Department, and applicants are required to submit full building plans, not just the unit(s) subject to the change in floor area.~~

(2) S.E.W. units may be established only in new buildings or in buildings for which a first certificate of occupancy or completion was issued after ~~the effective date of this Section~~ January 19, 2009.

(3) Where permitted, S.E.W. Buildings are exempt from the controls in Sec. 230 limiting demolition of industrial buildings.

(4) S.E.W. projects shall provide a PDR Business Plan in accordance with the requirements of Section 219.1(c)(9).

(5) In considering the approval of a S.E.W. project, the Planning Commission should consider the likely viability of the new PDR space that the development creates, as influenced by such facts as the content of the project sponsor's PDR Business Plan and whether the project sponsor has the commitments of established PDR tenants and/or a demonstrated

1 ~~An exception to this process exists for Integrated PDR projects that are subject to Section 428~~
2 ~~of this Code, for which only 50% of the fees must be paid before the issuance of the first construction~~
3 ~~document or first certificate of occupancy with a deferral surcharge, whichever applies.~~

4 ~~**SEC. 428A. INTEGRATED PDR FEE DISCOUNT PROGRAM.**~~

5 ~~(a) **Purpose.** The purpose of the Integrated PDR Fee Discount Program is to encourage the~~
6 ~~hiring of disadvantaged workers by existing or future business tenants and/or occupants in newly~~
7 ~~permitted Integrated PDR space. Owners of buildings with Integrated PDR space are given the option~~
8 ~~of deferring up to fifty percent of development impact fees that would otherwise be owed, to encourage~~
9 ~~their Integrated PDR tenants and/or occupants to register their respective business with the Office of~~
10 ~~Economic and Workforce Development's (OEWD) Integrated PDR Program. At the end of a five-year~~
11 ~~period commencing upon issuance of the first site or building permit, owners of Integrated PDR~~
12 ~~buildings will be responsible for payment of the full deferred amount unless they can demonstrate to the~~
13 ~~Planning Department, based on registration records submitted to OWED, that a certain percentage of~~
14 ~~the employees occupying Integrated PDR space qualify as "disadvantaged workers." The greater the~~
15 ~~percentage of disadvantaged workers, the higher the fee waiver.~~

16 ~~(b) **Definitions.**~~

17 ~~(1) **Applicant.** For purposes of this section, the owner of a building that contains permitted~~
18 ~~Integrated PDR space.~~

19 ~~(2) **Integrated PDR.** This is defined in Section 890.49.~~

20 ~~(3) **Disadvantaged worker.** Any employee who qualifies for the California State.~~

21 ~~(4) **Enterprise Zone hiring credit for the San Francisco Enterprise Zone.**~~

22 ~~(5) **Discount eligible worker,** a disadvantaged worker who lives within the City and County of~~
23 ~~San Francisco.~~

1 ~~(6) Discount program fees. The fees that are subject to this discount program are the Eastern~~
2 ~~Neighborhoods Fees (per Sec. 327), the Transit Impact Development Fee (TIDF) (per Chapter 38 of~~
3 ~~the Administrative Code), and the Jobs-Housing Linkage Fee (per Section 313).~~

4 ~~(7) Integrated PDR Registration Record. A dated receipt acknowledging that the subject~~
5 ~~Integrated PDR business has newly registered or updated their existing registration with the Office of~~
6 ~~Economic and Workforce Development (OEWD).~~

7 ~~(8) Outstanding Discount Program fees. The 50% of Discount program fees that are not paid~~
8 ~~at the issuance of the first site or building permit.~~

9 ~~(c) Controls.~~

10 ~~(1) Any project involving the establishment of net new Integrated PDR space may choose to~~
11 ~~avail itself of the fee discounts described below in this Subsection.~~

12 ~~(2) Initial fee reduction and payment:~~

13 ~~—— (A) At the issuance of the first site or building permit, the Applicant will pay 50% of~~
14 ~~discount program fees.~~

15 ~~—— (B) An Integrated PDR Notice of Special Restrictions (NSR) will be placed on the~~
16 ~~property stating the following:~~

17 ~~—— (i) The amount of Outstanding Discount Program fees.~~

18 ~~—— (ii) That the Outstanding Discount Program fees, adjusted for the cost of living as~~
19 ~~defined by the Controller's Office, will be paid within 30 days of notification of the applicant by the~~
20 ~~Planning Department of the amount of payment due. A reduction or waiver of these outstanding fees is~~
21 ~~available only if the conditions of subsection (c)(3) of this Section are met.~~

22 ~~(3) Outstanding Discount Program fee determination and payment:~~

23 ~~—— (A) After five years from the issuance of the first site or building permit for any~~
24 ~~Integrated PDR space, the Applicant must pay the Outstanding Discount Program fees.~~

1 ~~—— (B) An Applicant may seek to waive or reduce any Outstanding Discount Program fees~~
2 ~~by providing sufficient evidence in the form of Integrated PDR Registration Records to demonstrate to~~
3 ~~the Planning Department that they have satisfied the workforce goals of the Integrated PDR program~~
4 ~~as of the date of the filing of an application for such a waiver.~~

5 ~~—— (C) Outstanding Discount Program fees may be waived or forgiven under the following~~
6 ~~circumstances:~~

7 ~~—— (i) If 10% to 14.9% of the total workforce currently employed in space that is permitted~~
8 ~~as Integrated PDR is discount-eligible workers, then 50% of the outstanding fees will be waived.~~

9 ~~—— (ii) If 15% to 19.9% of the total workforce currently employed in space that is~~
10 ~~permitted as Integrated PDR is discount-eligible workers, then 60% of the outstanding fees will be~~
11 ~~waived.~~

12 ~~—— (iii) If 20% to 24.9% of the total workforce currently employed in space that is~~
13 ~~permitted as Integrated PDR is discount-eligible workers, then 70% of the outstanding fees will be~~
14 ~~waived.~~

15 ~~—— (iv) If 25% to 29.9% of the total workforce currently employed in space that is~~
16 ~~permitted as Integrated PDR is discount-eligible workers, then 80% of the outstanding fees will be~~
17 ~~waived.~~

18 ~~—— (v) If 30% to 34.9% of the total workforce currently employed in space that is~~
19 ~~permitted as Integrated PDR is discount-eligible workers, then 90% of the outstanding fees will be~~
20 ~~waived.~~

21 ~~—— (vi) If 35% or more of the total workforce currently employed in space that is permitted~~
22 ~~as Integrated PDR is discount-eligible workers, then 100% of the outstanding fees will be waived.~~

23 ~~—— (D) Applicants who cannot provide sufficient evidence in the form of Integrated PDR~~
24 ~~Registration records to demonstrate to the Planning Department that tenants and/or occupants of any~~
25 ~~Integrated PDR space have satisfied the annual reporting requirements of the Office of Economic and~~

1 ~~Workforce Development (OEWD), or its successor, will not be eligible for any waivers or reductions of~~
2 ~~Outstanding Discount Program Fees, and will owe the full amount of any Outstanding Discount~~
3 ~~Program Fees five years after the issuance of the first site or building permit. These annual reporting~~
4 ~~requirements are stated contained in the City's Administrative Code Sec. 10E.7.~~

5 ~~——— (E) Applicants must apply to the Planning Department for Outstanding Discount~~
6 ~~Program Fee reduction or waiver. This application must be submitted within three months before or~~
7 ~~after the five-year anniversary of the issuance of the first site or building permit. The Planning~~
8 ~~Department shall transmit the application to the Office of Economic and Workforce Development~~
9 ~~(OEWD), or its successor, for verification of relevant employment statistics, and the Director of OEWD~~
10 ~~shall subsequently submit its findings to the Planning Department.~~

11 ~~——— (F) Payment of outstanding fees is due within 30 days of notification of the applicant by~~
12 ~~the Planning Department of the amount of payment due.~~

13 ~~——— (G) Failure to pay shall be deemed a violation of the Planning Code and result in an~~
14 ~~enforcement action by the Department, which may include, referral to the Bureau of Delinquent~~
15 ~~Revenue and a lien on the subject property. Any enforcement action also may result in additional~~
16 ~~charges or penalties to cover the City's costs in the enforcement action, including, but not limited to~~
17 ~~City Attorney's fees.~~

18 **SEC. 890.49. INTEGRATED PDR.**

19 (a) Integrated PDR is a land use that meets the following requirements:

20 (1) ~~Contains at least the following amount of PDR activities:~~

21 ~~——— (A) For uses of 2,000 gross square feet or greater, at At least 1/3 of the total space~~
22 ~~of the use shall contain PDR activities as defined in Section 401; ~~or~~~~

23 ~~(B) For uses of less than 2,000 gross square feet, at least 20% of the total space shall~~
24 ~~contain PDR activities;~~

1 (2) All uses in the space are conducted as integral and related parts of a single business
2 activity or enterprise;

3 (3) Does not include residential activities;

4 (3 4) The ~~remaining~~ non-PDR space may contain any non-residential use permitted in
5 the MUO District ~~as long as~~;

6 (A 5) Retail space is limited to 1/3 of the total space; ~~and~~

7 (B) ~~All uses in the space are conducted as integral and related parts of a single~~
8 ~~business activity or enterprise;~~

9 (6) Any retail space contained within the Integrated PDR use shall not count against any per
10 parcel retail limits of the subject zoning district; and

11 (C) ~~May include any non-office uses that integrate multimedia, information technology,~~
12 ~~or software development functions;~~

13 (D) ~~Do not include typical office support functions; and~~

14 (E) ~~Occur in space specifically designed to accommodate the industrial nature of the~~
15 ~~PDR activities.~~

16 (5) ~~Any retail space contained within the Integrated PDR use shall not count against any per-~~
17 ~~parcel retail limits of the subject zoning district.~~

18 (b) Integrated PDR uses are subject to the following requirements only permitted in the
19 following buildings:

20 (1) ~~These uses are only permitted in buildings:~~

21 (A) ~~That Buildings that~~ were constructed before 1951 which were at least three
22 stories in height above grade, ~~excluding those building features listed in Section 260(b) and related~~
23 ~~structures, as of the effective date of Ordinance Numbers 0297-08, 0298-08, 0299-08 and 0300-08 as of~~
24 January 19, 2009; or

1 (~~B 2~~) ~~For Building for~~ which a first certificate of occupancy was issued after ~~the~~
2 ~~effective date of Ordinance Numbers 0297-08, 0298-08, 0299-08, and 0300-08~~ January 19, 2009;

3 (c) Integrated PDR uses are required to develop a PDR Business Plan. The purpose of this
4 PDR Business Plan is to maximize the potential for the project to produce new PDR space that is viable
5 and affordable. The features of the PDR Business Plan should include, but are not limited to, a detailed
6 overview of the workforce and hiring strategy for the PDR portion of IPDR businesses on the site. For
7 those IPDR projects that require Planning Commission approval, the Planning Commission should
8 consider the likely viability of the new PDR space that the development creates based on the content of
9 the project sponsor's PDR Business Plan.

10 (~~2 d~~) A Notice of Special Restriction (NSR) shall be recorded on the title of any
11 property containing an Integrated PDR use. ~~The Planning Department shall forward a copy of~~
12 ~~each NSR to the Mayor's Office of Economic and Workforce Development, or a successor office, for~~
13 ~~purposes of record keeping and monitoring. This NSR shall include a copy of the use provisions of this~~
14 ~~Section and also require that the property owner:~~

15 ——— (~~A~~) ~~Ensure that all new Integrated PDR tenants and/or occupants register with the~~
16 ~~Office of Economic and Workforce Development's PDR Program. The purpose of this registration is to~~
17 ~~confirm the accuracy of each tenant's or occupant's NAICS code on their Business Registration and~~
18 ~~Payroll Tax forms, collect basic information on the nature of each tenant's or occupant's business,~~
19 ~~including the total number of employees to inform the tenant or occupant of available tax credits and~~
20 ~~other benefits of the state and local Enterprise Zone program; and to determine, to the extent possible,~~
21 ~~the total number of employees that reside within the City and are eligible to receive State Enterprise~~
22 ~~Zone tax credits ("IPDR Disadvantaged Employees"); and~~

23 ——— (~~B~~) ~~Report annually to the Planning Department staff on any reallocation of space~~
24 ~~within an Integrated PDR space~~ This NSR shall provide the Planning Department with the ability to
25 enforce the provisions of this Section.

1 (e) Integrated PDR uses are not subject to the annual office limit controls of Sections
2 320-324.

3
4 Section 3. The Administrative Code is hereby amended by revising Section 10E.2, to
5 read as follows:

6 **SEC. 10E.2. EASTERN NEIGHBORHOODS AREA PLANS MONITORING**
7 **PROGRAM.**

8 * * * * *

9 ~~(d) INTEGRATED PDR REPORTING.~~

10 ~~(1) The owner of any property subject to an Integrated PDR Notice of Special Restrictions~~
11 ~~(NSR) recorded pursuant to Planning Code Section 328 is required to ensure that any new tenants or~~
12 ~~new occupants of any space that is permitted as Integrated PDR contact the Integrated PDR Program~~
13 ~~of the Office of Economic and Workforce Development (OEWD), or its successor, to register their~~
14 ~~respective Integrated PDR business with OEWD's Integrated PDR Program Database and that these~~
15 ~~same businesses continually update OEWD's PDR Program Database on an annual basis.~~

16 ~~(2) Upon successful registration of a new Integrated PDR business, OEWD will provide each~~
17 ~~individual Integrated PDR business registrant with a dated receipt acknowledging that the subject~~
18 ~~Integrated PDR business has newly registered or updated their existing registration with OEWD. This~~
19 ~~receipt shall be referred to as an "Integrated PDR Registration Record" for purposes of this Section~~
20 ~~and Planning Code Section 328. If an Integrated PDR business failed to register for an Integrated PDR~~
21 ~~Registration Record as of December 31st of the subject year, the OEWD is prohibited from issuing a~~
22 ~~receipt for that year.~~

23 ~~(3) It is the responsibility of the owner of any property subject to an Integrated PDR NSR~~
24 ~~recorded pursuant to Planning Code Sections 328 to collect and retain copies of any Integrated PDR~~
25 ~~Registration Records obtained by any tenant or occupant in a property subject to this Section.~~

1 ~~(4) Property owners who cannot provide sufficient evidence in the form of Integrated PDR~~
2 ~~Registration Records to demonstrate to the Planning Department that current and former occupants of~~
3 ~~any Integrated PDR space have satisfied the initial registration and annual reporting requirements~~
4 ~~outlined in this Section will not be eligible for any waivers or reductions of Outstanding Discount-~~
5 ~~Program Fees as set forth in Planning Code Section 328.~~

6 ~~(5) OEWD, or its successor, shall make available summary reports of any and all Integrated~~
7 ~~PDR business data collected pursuant to this program at the request of the Planning Department staff~~
8 ~~or the Planning Commission, as necessary for their enforcement of any provisions of the Planning~~
9 ~~Code or for general information.~~

10 ~~(6) OEWD, or its successor, shall provide a 5-year summary report on the status of~~
11 ~~employment of disadvantaged workers, as defined in Planning Code Section 328(b)(2) and the profile~~
12 ~~of all businesses registered under this program within 6 months of the 5-year anniversary of the~~
13 ~~adoption of this Section. This summary report shall contain data on the total number and types of~~
14 ~~businesses occupying Integrated PDR space, as well the total percentage share of the total workforce~~
15 ~~employed by businesses occupying Integrated PDR space that qualify as disadvantaged workers as of~~
16 ~~the 5-year anniversary of the effective date of this Section.~~

17 ~~(e d)~~ **EASTERN NEIGHBORHOODS CITIZENS ADVISORY COMMITTEE.**

18 **(1) Establishment and Purpose.** An Eastern Neighborhoods Citizens Advisory
19 Committee (CAC) is hereby established. Within 6 months of adoption of the Eastern
20 Neighborhoods Area Plan and related Planning Code changes, the Mayor and the Board of
21 Supervisors shall have appointed all members to the CAC. The CAC shall be the central
22 community advisory body charged with providing input to City agencies and decision makers
23 with regard to all activities related to implementation of the Eastern Neighborhoods Area
24 Plans. The CAC is established for the purposes of providing input on the prioritization of
25 Public Benefits, updating the Public Benefits program, relaying information to community

1 members in each of the four neighborhoods regarding the status of development proposals in
2 the Eastern Neighborhoods, and providing input to Plan Area monitoring efforts as
3 appropriate. The CAC shall be advisory, as appropriate, to the Planning Department, the
4 Interagency Planning & Implementation Committee (IPIC), the Planning Commission and the
5 Board of Supervisors. The CAC may perform the following functions as needed:

6 (A) Collaborate with the Planning Department and the Interagency Plan
7 Implementation Committee on prioritizing the community improvement projects and identifying
8 implementation details as part of annual expenditure program that is adopted by the Board of
9 Supervisors;

10 (B) Provide an advisory role in a report-back process from the Planning
11 Department on enforcement of individual projects' compliance with the Area Plans standards
12 and on specific conditions of project approvals so that those agreements will be more
13 effectively implemented;

14 (C) Collaborate with the Planning Department and relevant city agencies in the
15 monitoring of the Plans' implementation program at approximately every fifth year, in
16 coordination with the Monitoring Program required by the Administrative Code Section 10.E;
17 and provide input to Plan Area monitoring efforts for required time-series reporting.

18 (2) **Representation and Appointments.**

19 (A) The CAC shall consist 19 members representing the diversity of the
20 Eastern Neighborhoods; key stakeholders, including resident renters, resident homeowners,
21 low-income residents, local merchants, established neighborhood groups within the Plan
22 Area; and other groups identified through refinement of the CAC process.

23 (B) All members shall live, work, own property or own a business in the Eastern
24 Neighborhoods Plan Area they are appointed to represent.

25

1 (C) The Board of Supervisors shall appoint a total of eleven members to the
2 CAC. Based on the Supervisorial District boundaries, the District 6 and 10 Supervisors shall
3 nominate 4 four CAC members, the District 9 Supervisor shall nominate two CAC members,
4 and the District 8 Supervisor shall nominate one CAC member. The appointment of each of
5 the Board's CAC nominees shall be confirmed by the full Board of Supervisors.

6 (D) The Mayor shall appoint a total of eight members, with one voting member
7 representing each of the five neighborhoods, and three voting at-large members.

8 (E) Members shall serve for two-year terms, but those terms shall be staggered
9 such that, of the initial membership, some members will be randomly selected to serve four
10 year terms and some will serve two year terms.

11 (F) At the first official meeting of the CAC, which shall not occur until at least 13
12 voting members of the CAC have been appointed by the respective appointment process, a
13 lottery shall be conducted in order to randomly select four Board of Supervisors appointees
14 and two Mayoral appointees to serve four-year terms. At a subsequent meeting, when the
15 final two voting members of the CAC have been appointed by the respective appointment
16 process, a lottery shall be conducted in order to randomly select which member shall serve a
17 four-year term.

18 (G) The Board of Supervisors and Mayor may renew a member's term by
19 repeating the respective appointment process.

20 (3) Committees or Working Groups of the CAC. According to procedures set forth in
21 bylaws adopted by the CAC, the CAC may, at its discretion create subcommittees or working
22 groups based around geographic areas or functional issues. Each of these subcommittees or
23 working groups shall contain at least one CAC member who is eligible to vote, but may also
24 be comprised of individuals who are not members of the CAC. If a non-voting member of the
25

1 CAC serves on a subcommittee or working group that individual may act as a voting member
2 of the subcommittee or working group.

3 (4) Staffing for Eastern Neighborhoods Citizens Advisory Committee. The Planning
4 Department or Interagency Plan Implementation Committee shall designate necessary
5 staffing from relevant agencies to the CAC, as needed to complete the responsibilities and
6 functions of the CAC described in this code. To the extent permitted by law, staffing and
7 administrative costs for the CAC shall be funded through the Eastern Neighborhoods Public
8 Benefits Fund. Staff shall participate in the Interagency Planning and Implementation
9 Committee as set forth in Administrative Code Section 36.

10 (5) The Eastern Neighborhoods CAC will automatically terminate on December 31,
11 2020, unless the Board of Supervisors extends the CAC's term by Ordinance.

12
13 Section 4. Effective Date. This ordinance shall become effective 30 days after
14 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
15 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
16 of Supervisors overrides the Mayor's veto of the ordinance.

17
18 Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
19 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
20 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
21 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
22 additions, and Board amendment deletions in accordance with the "Note" that appears under
23 the official title of the ordinance.

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

3 By: _____
4 John D. Malamut
5 Deputy City Attorney

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