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August 9, 2016

Via Email to: publications@sfgov.org

RE: Suggestions for the “**Requirements for Changing the Use of Certain Properties**” Digest

Dear Committee Members Packard, Anderson, Fasick, Fraps, Jorgensen:

Thank you for the important work of the Committee. I am writing for your consideration of suggestions for clarification in the “**Requirements for Changing the Use of Certain Properties**” Digest.

1)

Suggested Change: Right now, the digest states “The City’s Eastern Neighborhoods have a high concentration of property zoned for PDR use.” This language is likely to be confusing for the average voter who may be unfamiliar with the City’s Eastern Neighborhoods Plans. I would suggest adding language to clarify this statement and provide important background information that gives context to why this measure is being proposed:

Eastern Neighborhoods Plans tried to accomplish two key policy goals: 1) to ensure a stable future for Production, Distribution and Repair (PDR) uses in the city, mainly by reserving a certain amount of land for this purpose; and 2) to provide a significant amount of new housing affordable to low, moderate, and middle income families and individuals, along with “complete neighborhoods” that provide appropriate amenities for these new residents.

PDR, IC and Arts Activities uses make up a “complete neighborhood.” However, these uses have been displaced in today’s current real estate market because they are not able to pay as much for space as residential and commercial uses in the Eastern Neighborhoods plan areas.

Rationale: The addition of this proposed language would explain the Eastern Neighborhoods Plans referenced in the draft digest. It makes clear that it was the intent of the City in issuing the Eastern Neighborhoods Plans to maintain a certain level of PDR, IC and Arts Activities and that that priority has not been kept in intervening years.

2)

Suggested Change: Insert language explaining an important provision of the measure which is that the replacement requirements can be reduced if a project includes space that is priced below current market rates.

Rationale: This measure includes an important incentive for projects that sell or lease space for below market rates for at least 55 years. Given the high cost of real estate in the City, it is important for voters to know the measure includes a provision to help keep these spaces affordable for these uses long-term.

3)

Suggested Change: Clarify the timeframe for amending this measure by including language to specify that the Board's vote to amend would take place at some other time in the future.

Rationale: It is important for the average voter to know that this proposal can be amended by an action by the Board. However, for those less familiar with the initiative process and activity of the Board, it would clearer to state that the measure may be amended at some point in the future. This will help clarify that the measure will be enacted as written now, if passed, and may be amended at some other time.

4)

Suggested Change: Spell out the acronyms in the "A YES Vote Means" section for PDR (Production, Distribution and Repair) and IC (Institutional Community) to clarify the meaning of these terms for voters who may not be familiar with these abbreviations.

Rationale: "PDR" and "IC" are not commonly known acronyms for most voters. Some voters may only read the concise sections at the end of the ballot digest, and may not read the entire text where they are defined, which is why I would recommend spelling out these two acronyms in the "A YES Vote Means section."

Below I have included a track changes version of the digest with these suggested changes to assist the Committee's review.

I appreciate your consideration of these changes and thank you again for all the work you do on behalf of voters.

Sincerely,

Jane Kim, Supervisor, District 6

Below are my suggestions in track changes of what language needs to be added and changed to achieve the clarifications I outlined above:

The Way It Is Now: The City's zoning laws generally control what property owners can build and how they may use their property. In 2008, the City adopted a plan changing the zoning in the Eastern Neighborhoods, which include the Mission, Potrero Hill, parts of the waterfront south of

Mission Bay, and parts of the South of Market neighborhood. In addition to residential and commercial uses, other types of uses allowed in the Eastern Neighborhoods include:

- Production, distribution, and repair (PDR). PDR uses include a variety of light-industrial and craft uses, such as industrial, automotive, storage and wholesale; and small business uses, such as furniture makers, recording studios, auto repair shops, plumbing supply stores, art studios and lumber yards.
- Institutional Community (IC). IC uses include child care facilities, community facilities, job training, religious institutions, and social services.
- Arts Activities uses include the performance, exhibition, rehearsal, and production of visual, performance, and sound arts. Arts Activities uses also include art studios and art schools.

The City's Eastern Neighborhoods have a high concentration of property zoned for PDR use. Eastern Neighborhoods Plans tried to accomplish two key policy goals: 1) to ensure a stable future for Production, Distribution and Repair (PDR) uses in the city, mainly by reserving a certain amount of land for this purpose; and 2) to provide a significant amount of new housing affordable to low, moderate, and middle-income families and individuals, along with "complete neighborhoods" that provide appropriate amenities for these new residents.

PDR, IC and Arts Activities uses make up part of a "complete neighborhood". However, these uses have been displaced in today's current real estate market because they are not able to pay as much for space as residential and commercial uses in the Eastern Neighborhoods plan areas.

Changing the use of a property sometimes requires the City's Planning Commission to issue a conditional use authorization. The Planning Commission may do so if it makes certain findings, including whether the proposed new use is necessary or desirable for, and compatible with, the neighborhood or the community. Conditional use authorizations are appealable to the Board of Supervisors.

The Proposal: Proposition ___ would generally require developers of projects in parts of the Mission and South of Market neighborhoods that would remove PDR uses of 5,000 square feet or more, IC uses of 2,500 square feet or more, or Arts Activities uses of any size, to build replacement space for those uses in their new project. The amount and type of replacement space would depend on the site's zoning, and would be between 0.4 and one square foot for every square foot of the use that the project would replace. These replacement requirements can be reduced by 0.25 if a project includes space that is priced below current market rates.

The Board of Supervisors could allow developers to pay a fee or build off-site replacement space instead of on-site replacement space.

These projects would also be required to obtain a conditional use authorization before changing the property's use. Exemptions from these requirements include projects that:

- the Planning Commission approved before June 14, 2016; and

- consist exclusively of affordable housing.

Proposition __ would allow the Board of Supervisors to change these requirements by a two-thirds vote in the future.

A "YES" Vote Means: If you vote “yes,” you want the City to require developers of projects in the Mission and South of Market neighborhoods that would remove Production, Distribution and Repair PDR uses of 5,000 square feet or more, ~~IC~~ Institutional Community uses of 2,500 square feet or more, or

**Working title, for identification only. The Director of Elections determines the title of each local ballot measure; measure titles are not considered during Ballot Simplification Committee meetings.*

Arts Activities uses of any size to build replacement space for those uses in their new project and to obtain a conditional use authorization before changing the property’s use.

A "NO" Vote Means: If you vote “no,” you do not want to make these changes.