



SAN FRANCISCO PLANNING DEPARTMENT

August 8, 2016

Ms. Barbara Carr
Chief of Publications
Department of Elections
City and County of San Francisco
1 Carlton B. Goodlett Place
City Hall, Room 48
San Francisco, CA 94102

RE: BF 160698 Initiative Ordinance "Planning Code - Conditional Use Requiring Replacement of Production, Distribution, Repair, Institutional Community, and Arts Activities Uses"

Dear Ms. Carr,

On August 2, 2016, the San Francisco Board of Supervisors voted to submit the "Conditional Use Requiring Replacement of Production, Distribution, Repair, Institutional Community, and Arts Activities Uses" initiative measure ("Measure") to appear on the November 2016 ballot. In anticipation of the Ballot Simplification Committee's ("BSC") preparation of a fair and impartial summary of the Measure, the Planning Department ("Department") is providing a short summary of the Measure intended to inform the BSC's deliberations.

This letter describes three topics.

1. Definitions for the Use Types that would be regulated by the Measure;
2. A summary of the regulations proposed in the Measure; and
3. A brief history of land use regulations related to the Measure.

The Department discusses each issue in turn:

1. Definition for the Use Types that would be regulated by the Measure

This Measure would affect two kinds of land use types ("Affected Uses"): 1) production, distribution and repair (PDR) uses (including Arts Activities) and 2) Institutional Community uses. These uses are precisely defined in Section 102 of the Planning Code. Below is a summary of those definitions:

- **PDR Uses:** The term Production, Distribution and Repair or PDR refers to the very wide variety of activities which have traditionally been considered light-industrial or manufacturing and warehouse and arts related activities. PDR businesses **produce (manufacture)** items as diverse as food, books, movies, and clothing; **distribute** items for delivery such as from a warehouse; and **repair** objects such as appliances or vehicles.
- **Arts Activities:** Arts Activities are a subset of PDR which are called out specifically in this Measure. These uses include performance, exhibition, theaters (except for movie theaters), and rehearsal spaces and certain non-accredited schools of dance, music, arts and craft.

- **Institutional Community Uses:** This term is a subcategory of Institutional Uses, defined by Code to include Child Care Facilities, Community Facilities, Job Training, Religious Institutions, Social or Philanthropic Services, and Public Facilities.

2. Summary of the regulations proposed in this Measure

This Measure would restrict flexibility in how land is used, as follows:

- Require the retention or replacement of the Affected Uses; and
- Require Planning Commission approval of any proposed removal of these uses.

The amount of retention or replacement would vary from 50% to 100% depending upon the zoning district. Existing industrially zoned areas would generally require 100% retention or replacement. Areas in the “Eastern Neighborhoods” (SoMa, Mission, Potrero Hill, Showplace Square, and Dogpatch) zoned to allow new housing and office would require 50% to 75% retention, depending on the location. If adopted by the voters, the Measure could be amended 1) by a simple majority vote of the Board of Supervisors to allow an in lieu fee for the preservation of such uses or for off-site replacement of such uses or, 2) by a 2/3 majority of the Board to make any other changes.

3. A brief history of land use regulations related to the Measure

The city has many adopted policies to support PDR uses, in that they support the city’s economy and other businesses; offer living wage career opportunities to residents without advanced degrees; provide valuable community services; and enrich our daily lives through art. The Affected Uses typically can’t compete for land with uses that can pay a higher price for land such as office or housing uses.

Recognizing this, the City created PDR Districts through adoption of the Eastern Neighborhoods Plans in 2009. PDR districts help to protect the Affected Uses (particularly PDR, including Arts Activities). The SALI district was also adopted in Western SoMa in 2013, which functions similarly to PDR districts by not permitting housing or office uses. These districts arose from years-long community planning processes and action by the San Francisco Board of Supervisors. Simultaneously, the City created other zoning districts to provide a substantial amount of housing and funding to support appropriate amenities such as parks and transit. This Measure would add requirements in these other zoning districts that could make building new housing less financially feasible in return for more protection of the Affected Uses.

Attached, you will find suggested edits for the ballot. Please do not hesitate to consult us at your deliberations move forward by contacting AnMarie Rodgers, of my staff at or (415) 558-6395.

Sincerely,



John Kahajin
Director of Planning

Cc: Todd Rufo, Director of San Francisco Office of Economic and Workforce Development
Ken Rich, Director of Development for Office of Economic and Workforce Development

Requirements for Changing the Use of Certain Properties¹

Digest by the Ballot Simplification Committee

Status: Draft for Consideration

On: Wednesday, August 10, 2016

Members: Packard, Anderson, Fasick, Fraps, Jorgensen

Deadline to Request Reconsideration: TBD

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, Showplace Square, 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.

Changing the use of a property requires Planning Department approval, and 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~~². 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.

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.

A "YES" Vote Means: If you vote "yes," you want the City to 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~~ and to obtain a conditional use authorization before changing the property's use.

¹ 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.

² Planning Department Note: Where the replacement space is located is actually not addressed at all in the ballot language. Not even in the specific definition of "Replacement Space." However, it is implied later on that the replacement space would be on the development site by the provision allowing the BoS to adopt and off-site provision.

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