

REQUEST FOR INTEREST

ADAPTIVE REUSE OF DOWNTOWN COMMERCIAL BUILDINGS

Issued: **Thursday, June 22, 2023**

Please submit responses by **Friday, August 4, 2023** via email to AdaptiveReuseRFI@sfgov.org.
Rolling submissions may be accepted after this target date *if capacity allows*.

INTRODUCTION

On behalf of the City and County of San Francisco, the Office of Economic and Workforce Development (OEWD) and the San Francisco Planning Department invite expressions of interest from downtown building owners or other project sponsors who are exploring specific projects that would convert underutilized commercial space into housing and other new uses. The intent of this RFI is to identify projects where the City could help accelerate or enhance building conversions through regulatory modifications, financial incentives, or other means.

Through this RFI, the City also seeks to provide a venue for project sponsors to share information about the specific financial constraints, regulatory impediments, and other feasibility issues that may be facing individual adaptive reuse projects at an early stage.

Projects may be at any stage of planning or design. The City's assistance could take a variety of forms, depending on the specific needs of each project. Responses to this RFI should describe the project concept and demonstrate how the City's assistance would either make the project feasible or enhance the public benefits of a project. Respondents may propose forms of City assistance that could include:

- increases to allowable building volume or other zoning modifications,
- project-specific fee modifications or adjustments to timing of fee payments,
- Mills Act contracts,
- local tax reductions or other types of local tax consideration,
- tax increment financing to support public infrastructure improvements, preservation of historic structures, or affordable housing,
- modifications to inclusionary housing requirements,

- City support on state or federal funding applications (e.g. California Department of Housing and Community Development, Strategic Growth Council, or Hazard Mitigation Grant Program funding opportunities),
- assistance with ground floor activation or potential tenant identification, or
- other forms of City support

BACKGROUND

On February 9, 2023, Mayor London N. Breed announced the [Roadmap to Downtown San Francisco's Future](#). The Roadmap was developed through broad coordination across City departments and with input from employers, small businesses, the tourism industry, developers, the arts and culture community, and other downtown stakeholders. One of the key strategies in the Roadmap is to facilitate new uses and flexibility in downtown buildings.

Most of San Francisco's downtown area has been fully built out for decades, with very few vacant parcels available for new development. Yet the shift toward hybrid work during the COVID-19 pandemic, together with impacts to retail and other economic sectors, have resulted in high levels of commercial vacancy. The continued reduction in downtown foot traffic and the loss of revenue from commercial leases have impacted the City as a whole, with many of these impacts most acutely felt in downtown San Francisco. This trend has occurred in cities across the country since 2020, and commercial occupancy levels in San Francisco are not dramatically different than the levels in other major cities. However, vacancy levels in San Francisco's office market were extremely low prior to the pandemic and the relative change has had an outsized impact on downtown's historically office-centric environment.

The Planning Department and OEWD are working together to design and implement a range of measures that will help diversify downtown's economy and land uses by attracting the widest possible variety of commercial, institutional, cultural, and residential uses and activities. Adaptive reuse of commercial buildings to housing, either by converting entire buildings or portions of those buildings, would provide much-needed infill housing, create new opportunities for workers to live closer to their jobs, and help downtown San Francisco adapt into a more vibrant and inclusive neighborhood. The City is also interested in supporting adapting and activating underutilized commercial buildings for a variety of sectors, such as institutional (e.g. medical, educational), cultural/arts, research, and light manufacturing.

RECENT POLICY CHANGES

On June 13, 2023, the San Francisco Board of Supervisors unanimously approved [legislation](#) introduced by Mayor Breed and Board of Supervisors President Aaron Peskin that will help fill vacant space in downtown neighborhoods in two ways. First, the legislation amends the

Planning Code and Building Code to simplify the approval process and requirements for converting existing commercial buildings into housing. Second, it removes existing restrictions to allow for a greater variety of businesses and activities in Union Square and throughout downtown. The legislation received unanimous recommendations by the Planning Commission and Building Inspection Commission, and will return to the Board for a final procedural vote on June 27 before coming into effect in mid-August.

Although downtown zoning already allows for housing, the legislation provides much-needed flexibility for the adaptive reuse of underutilized office buildings as housing by relaxing certain Planning Code requirements for qualifying projects within downtown Commercial (C-2 and C-3) zoning districts. The legislation also provides for alternative paths to Building and Fire Code compliance for these commercial-to-residential adaptive reuse projects.

Separate [legislation](#) currently being considered by the Board of Supervisors would exempt eligible downtown commercial-to-residential adaptive reuse projects from the development impact fees in Article 4 of the Planning Code, with the exception of the inclusionary housing requirements of Section 415.

GOALS OF THIS REQUEST FOR INTEREST (RFI)

Through this RFI, OEWD and the Planning Department seek to identify downtown adaptive reuse projects that could be accelerated or enhanced through regulatory modifications, financial incentives, or other types of assistance permitted under existing or future laws. This could take the form of Development Agreements or other mechanisms.

In addition to generating much-needed new housing units, adaptive reuse projects provide the opportunity to reactivate vacant ground floor spaces with neighborhood-serving retail, entertainment, or cultural uses; enhance the public realm; activate underutilized upper floors with new sectors that diversify the downtown economy such as education, art, research, and manufacturing; preserve historic building facades and unique interior spaces; improve the environmental performance of existing buildings; and seismically strengthen aging buildings for future decades of continued use. Adaptive reuse projects also have the potential to catalyze additional investment in nearby locations.

San Francisco's downtown commercial buildings vary widely by age, size, and configuration. The Financial District north and south of Market Street includes two-thirds of San Francisco's overall office space, with much of it clustered in larger, taller towers built since the 1960s. However, these downtown neighborhoods also include several designated historic districts and hundreds of smaller Class B and Class C office buildings built before World War II. The City seeks responses through this RFI that address the unique challenges to adapting each of these different building types, and different approaches that may make the reuse of these buildings more practical and financially feasible.

ELIGIBILITY

Expressions of interest are welcomed from building owners or other project sponsors who are exploring specific projects within downtown San Francisco that would convert underutilized commercial space into housing and other new uses.

Although “office-to-housing” projects are of particular interest, responses need not be limited to conversion of office space to residential units. Responses may be for conversion of any non-residential floor area to new uses (other than office) and may also include expansions to the existing building envelope.

Projects may be at any stage of planning or design, and may or may not include architectural plans or other visualizations, however the description of the project should be detailed enough to understand how a specific building program would fit and perform on a specific site.

A respondent to this RFI should either have site control, be in discussions with the property owner for a potential purchase, lease, or other investment in the property, or should be a design professional or other authorized representative of a property owner or developer.

Respondents should describe a project that falls into one of these categories:

1. Commercial to Residential Adaptive Reuse Program (proposed Planning Code Section 210.5) – The project is located in a C-3 zoning district or C-2 zoning district east of Franklin Street / 13th Street and north of Townsend Street and would include an adaptive reuse of some or all of a building’s non-residential uses to residential use. (See attached **Map** or search for a property at <https://sfplanninggis.org/pim> and look under “Zoning Information”.)
2. Other Downtown Adaptive Reuse Project – The project is located in a C-3 zoning district or C-2 zoning district east of Franklin Street / 13th Street and north of Townsend Street, however it would not qualify to use the proposed Planning Code Section 210.5 program. This category could include commercial-to-residential projects that do not meet the requirements of the Section 210.5 program, or other adaptive reuse projects that convert non-residential space to a use other than office.

CONTENT OF RESPONSES

The City expects that responses to this RFI will reflect projects at varying stages of planning, and therefore the content of the responses will necessarily vary in completeness and level of detail.

If possible, please format responses including attachments in a single **pdf file**. If information is provided that the respondent in good faith believes is a trade secret or confidential proprietary

information protected from disclosure under existing law, please mark each page of that information accordingly and provide it as a separate attachment, as further described below in this section. (Also see **Public Records and Confidentiality** below.)

The narrative portion of responses should be formatted as 8.5" x 11" pages. If drawings are provided, they should be formatted to print legibly on no larger than 11" x 17" paper. If needed, a separate pdf file for the drawings is acceptable. A link to a Dropbox, Sharefile, or other similar file sharing site is acceptable in case of excessive file size.

At a minimum, responses should include the following information:

1. Provide the name, email, and phone contact information for the individual(s) that can be contacted by OEWD or Planning Department staff regarding the submission.
2. Provide the project address.
3. Specify whether the project sponsor currently has site control for the property.
4. Describe the relevant experience of the project sponsor or team. This statement does not need to be an exhaustive list of qualifications, however it should identify any previously executed projects that are comparable in scale or type to the proposed project. The statement does not need to list all team members if the project team is not yet known.
5. Provide a narrative that explains the project concept. Projects can be at any stage of programming or design. Please incorporate the following information as part of the narrative:
 - a. Explain the motivation for the project and describe the intended development program with as much detail as is currently known. Include a description of proposed ground floor uses and other proposed uses throughout the project, and an estimate (range) of the number of housing units if applicable.
 - b. Include a description (floors, gross building area, date of construction) of the existing building and its current uses. Describe any proposed additions to the existing building envelope.
 - c. Describe any proposed exterior open space, streetscape or public realm improvements, either on the property or in the public right of way.
 - d. Describe any historic preservation aspects of the project.
 - e. Describe whether seismic retrofitting of the existing structure is anticipated as part of the project. (If the structure has previously been retrofitted, please include that information.)

- f. Specify whether the existing building is occupied (fully or partially) and whether any existing tenants would remain in place after the project is completed.
6. Specify the category of project (See **Eligibility** section above) and whether the project would likely be eligible to utilize Planning Code Section 210.5. If known, describe any Planning Code or Building Code modifications or equivalencies that the project would need in order to be viable.
7. Provide the anticipated project schedule, including milestones for design, environmental review and entitlements, permitting, and construction.
8. Feasibility and financial information – The response should demonstrate how the City’s assistance would either make the project feasible or enhance the public benefits of the project. Respondents may choose the type of information and level of detail to provide in this section. The City may contact individual respondents to discuss the information received through this RFI, and may request a greater level of detail in a future supplemental submittal.
 - a. Please explain what type of cost estimation has already been performed on the project and whether the project sponsor believes the project as currently proposed is financially feasible.
 - b. If the project concept includes federal, state, or local funding or financing (e.g. LIHTC, Federal or State historic tax credits, Mills Act contract, other types of local tax consideration or fee waivers), identify the programs under consideration.
 - c. Please provide a separate pdf attachment with “Proprietary Data” in the file name and the contents clearly marked, with any financial records or other information that the respondent in good faith believes to be a trade secret or confidential proprietary information protected from disclosure under applicable law. To the extent permitted by law, the City will attempt to maintain the confidentiality of marked Proprietary Data on the conditions described in the **Public Records and Confidentiality** section below.

If available, provide scaled drawings (preferably formatted to print at 11” x 17”) that illustrate the project concept, including both existing conditions and the proposed project. Suggested drawings include:

- Location Plan (aka Vicinity Plan)
- Site Plans showing the proposed configuration, including existing and new building footprint, landscaping, and any parking areas
- Existing and Proposed Floor and Roof Plans, with floor areas and unit counts
- Existing and Proposed Elevations, focusing on façades that are proposed to be modified

- Existing and Proposed Sections through primary distinct vertical conditions
- Existing and Proposed 3D Massing Study (Axonometric or Isometric)
- Photographs of the site and proximate buildings that have influenced the proposed design
- Renderings or other visualizations illustrating the overall architectural concept (bird's eye view) and the pedestrian experience (eye level along sidewalk)
- Other plans, drawings, or models at the respondent's option

REVIEW OF RESPONSES

After the submission deadline, OEWD or the Planning Department may contact respondents with clarifying questions. Respondents may be asked to provide supplemental information and/or invited to present their projects for further review or discussion.

The following criteria will be used in the review of responses:

1. Fulfillment of RFI Goals and potential for catalytic impact
 - a. Overall clarity and completeness of response.
 - b. Creativity and quality of the project concept and proposed design.
 - c. Amount of space converted to housing and number of housing units.
 - d. Potential to meet other RFI goals, including: reactivate vacant ground floor spaces with neighborhood serving retail, entertainment, or cultural uses; enhance the public realm; activate underutilized upper floors with new sectors that diversify the downtown economy such as education, art, research, and manufacturing; preserve historic building facades and unique interior spaces; improve the environmental performance of existing buildings; and seismically strengthen aging buildings for future decades of continued use.
 - e. Potential to catalyze additional investment in nearby locations.
2. Project feasibility and readiness
 - a. Evidence of current or anticipated site control.
 - b. Reasonableness of proposed budget, financial structure, financial assumptions, and contingencies.
 - c. Amount of any requested City financial assistance, ratio of City assistance to overall project cost, and ratio of City assistance to the number of housing units.
 - d. Extent of modifications from City standards (zoning, inclusionary housing, etc.).
 - e. Project readiness and reasonableness of schedule.
3. Team experience and composition
 - a. Experience of the development team (and design team, if known) in completing projects of comparable scale, type, and complexity.

- b. Team experience undertaking historic preservation or seismic retrofit projects (if applicable).
- c. Commitment to comply with all First Source Hiring Program requirements for construction.

The City may commence discussions with one or more respondents, with a goal of identifying projects where the City's assistance could accelerate or enhance the projects. During these discussions, the initial project concepts may be amended or revised. Review and approval of individual projects by the Board of Supervisors, the Planning Commission, or other boards or commissions may be needed, and could take a variety of forms including Development Agreements, depending on the specifics of the project.

This RFI, and any subsequent discussions with respondents, shall not constitute any promise of performance, funding commitment, or other investment from the City, or of any change in existing local laws. The City reserves the right, at any time and in its sole and absolute discretion, to not commence discussions with respondents, to issue a request for proposals, or to withdraw the RFI without notice. In no event shall the City be liable to respondents for any cost or damages incurred by respondents, team members, consultants, or other interested parties in connection with the RFI process, including but not limited to any and all costs of preparing cost budgets, architectural drawings and renderings or other submitted materials, and participation in any meetings or discussions.

PUBLIC RECORDS AND CONFIDENTIALITY

Responses are subject to public inspection and copying under California Public Records Act (Cal. Govt. Code Section 7920.000 et seq) and San Francisco Administrative Code Chapter 67 unless exempt from disclosure under federal, state or local law, including laws protecting trade secrets. Therefore, it is important for respondents to clearly identify in their responses those records or other information that the respondent in good faith determines to be a trade secret or confidential proprietary information protected from disclosure under applicable law. To the extent permitted by law, the City will attempt to reasonably maintain the confidentiality of such information. However, the City will not under any circumstances be responsible for damages or losses incurred by a respondent or any other person or entity because of the release of such information.

RFI SCHEDULE

The anticipated schedule for this RFI is below. Please check the website for updates as the schedule is subject to change.

RFI issued **Thursday, June 22, 2023**.

Please submit responses by **Friday, August 4, 2023** via email to AdaptiveReuseRFI@sfgov.org. Rolling submissions may be accepted after this target date *if capacity allows*.

Please format responses as described above in the **Content of Responses** section.

If you have questions regarding this RFI, please send an email to AdaptiveReuseRFI@sfgov.org.

The deadline for substantive questions is Wednesday, July 12, 2023. The City will post a full copy of responses to all questions online by Monday, July 17, 2023. Substantive questions are questions that seek to clarify expectations about the RFI or administrative processes. However, you may continue to submit technical questions (e.g. "How do I complete the application?") to AdaptiveReuseRFI@sfgov.org until the submission deadline and we will respond as soon as possible.

The City tentatively intends to hold an online information session regarding this RFI on Wednesday, July 19, 2023. Any future updates regarding this RFI, responses to questions received, and information about potential information sessions will be posted online at <https://sf.gov/resource/2023/request-interest-rfi-adaptive-reuse-downtown-commercial-buildings>.

SELECTED RESOURCES

[Roadmap to Downtown San Francisco's Future](#)

[San Francisco Planning – The Future of Downtown](#)

[San Francisco Planning – Mills Act and Other Preservation Incentive Programs](#)

[Summary of Findings, Office-to-Residential Conversion in San Francisco's Changing Real Estate Market, SPUR, 2023](#)

[Repurposing Commercial Real Estate for Residential Use, Budget and Legislative Analyst's Office, January 2023](#)

[Public Realm Action Plan, Downtown SF Partnership, 2022](#)

[June 2023 Adaptive Reuse Legislation \(Board File 230371\)](#)

[Proposed Legislation \(Board File 230372\) – Development Impact Fees for Commercial to Residential Adaptive Reuse Projects](#)

San Francisco Planning

The San Francisco Planning Department plays a central role in guiding the growth and development of our City. We work with other City agencies and the community to help balance the needs of residents, businesses, and civic leaders to protect the environment and historical resources, create inspiring and livable urban spaces, cultivate neighborhood resilience, and enforce good land use practices.



OEWD's mission is to advance equitable and shared prosperity for San Franciscans. We support businesses of all sizes, create great places to live and work, and help everyone achieve economic self-sufficiency.

The OEWD Joint Development division works on behalf of the Mayor and the City of San Francisco to manage large public and private real estate development projects. We work with private partners to use private investment for public good.

Map of eligible Zoning districts

