

SEC. 202.8. LIMITATION ON CONVERSION OF PRODUCTION, DISTRIBUTION, AND REPAIR USE, INSTITUTIONAL COMMUNITY USE, AND ARTS ACTIVITIES USE.

The following controls shall apply in the following Eastern Neighborhoods Plans Areas: Mission; Eastern SoMa; Western SoMa; and, if adopted, Central SoMa. Notwithstanding any other provision of this Code, conversion of building space where the prior use in such space was a Production, Distribution, and Repair (PDR) use of at least 5,000 square feet, an Institutional Community use of at least 2,500 square feet, or an Arts Activities use, all as defined in Section 102, through change in use or any other removal, including but not limited to demolition of a building that is not unsound, shall be subject to the following requirements; except that this Section 202.8 shall not apply to conversions of any use listed above to any other use listed above or to Institutional uses, in buildings under 25,000 ground floor square feet, in the areas that, as of July 1, 2016, were zoned SALI, MUO, SLI, MUG, or MUR:

(a) To preserve the existing stock of building space suitable for PDR, Institutional Community, and Arts Activities uses, such conversion shall, if located within the following zoning districts, require conditional use authorization under Section 303 and the space proposed for conversion shall be replaced in compliance with the following criteria:

(1) In the areas that, as of July 1, 2016, are zoned SALI, the replacement space shall include one square foot of PDR, Institutional Community, or Arts Activities use for each square foot of the use proposed for conversion.

(2) In the areas that, as of July 1, 2016, are zoned UMU, MUO, or SLI, the replacement space shall include 0.75 square foot of PDR, Institutional Community, or Arts Activities use for each square foot of the use proposed for conversion.

(3) In the areas that, as of July 1, 2016, are zoned MUG or MUR, the replacement space shall include 0.50 square foot of PDR, Institutional Community, or Arts Activities use for each square foot of the use proposed for conversion.

(4) For any project located in the areas that, as of July 1, 2016, are zoned SALI, UMU, MUO, SLI, MUG, or MUR, that would convert at least 15,000 square feet of PDR, Institutional Community, or Arts Activities use, and for which an Environmental Evaluation application was submitted to the Planning Department by June 14, 2016, the replacement space shall include 0.4 square foot of PDR, Institutional Community, or Arts Activities use for each square foot of the use proposed for conversion. Notwithstanding the foregoing sentence, should the Board of Supervisors overturn any such project's environmental review on appeal, such project shall provide replacement space as required by subsections (a)(1), (2), or (3) above, as applicable.

(5) The replacement requirements of subsections (a)(1), (2), (3), and (4) may be reduced by 0.25 square feet (e.g. a 1:1 replacement requirement becomes a 1:0.75 replacement requirement) for any project subject to any contract or agreement meeting the requirements of California Civil Code Section 1954.28(d), including but not limited to a development agreement approved by the City under California Government Code Section 65864 *et seq.* if, as part of the terms of such agreement, the required replacement space is rented, leased, or sold at 50% below market rate for such commercial space for a period of not less than 55 years and is subject to a deed restriction.

(6) In the UMU, replacement space for PDR and Arts Activities use may be used for either PDR or Arts Activities use, regardless of which of those uses is proposed for conversion. Replacement space for Institutional Community use shall be used for Institutional Community use.

(b) **Definitions.** For the purposes of this Section 202.8, the following definitions shall apply:

“Prior use” shall mean the prior permanent and permitted use and shall not include any approved temporary uses such as “pop-up” eating establishments, craft fairs, or other seasonal uses.

“Replacement space” shall mean newly developed building space and shall not include building space that was previously used for PDR, Institutional Community, or Arts Activities.

“Unsound” shall mean a building for which rehabilitation to comply with City Codes for continued use as PDR, Institutional Community, or Arts Activities use, as applicable, would cost 50% or more of the cost to construct a comparable building.

(c) The amount of replacement space required under subsection (a) (1) may be reduced by the amount that is necessary to provide building entrances and exits; maintenance, mechanical, and utilities facilities; and on-site open space and bicycle facilities required under this Code; provided that no reduction shall be permitted for non-car-share vehicle parking spaces.

(d) **Undeveloped property.** The requirements of this Section 202.8 shall only apply to those portions of a site that are developed with building space where the prior use in such space was PDR use of at least 5,000 square feet, an Institutional Community use of at least 2,500 square feet, or an Arts Activities use.

(e) In determining whether to grant Conditional Use authorization, in addition to making the required findings under Section 303, the Planning Commission shall consider the suitability of the replacement space for the use proposed for conversion.

(f) **Exemptions.** The following shall be exempt from the requirements of this Section 202.8:

(1) Any property under the jurisdiction of the Port of San Francisco or the Recreation and Park Commission; all Redevelopment Plan Areas in effect as of July 1, 2016; and any parcel zoned P (Public) on or after July 1, 2016.

(2) Any project where the PDR use, Institutional Community use, or Arts Activities use subject to conversion commenced after June 14, 2016.

(3) Any project that has been approved by the Planning Department or Planning Commission by June 14, 2016, provided that, if subsequently appealed, such approval is upheld.

(4) Any project that would convert less than 15,000 square feet of PDR, Institutional Community, or Arts Activities use and for which an Environmental Evaluation application was submitted to the Planning Department by June 14, 2016.

(5) Any public transportation project.

(6) Any project that receives affordable housing credits associated with retention of affordable units at the South Beach Marina Apartments, pursuant to Board of Supervisors Resolution No. 197-16.

(7) Any project where all of the residential units with the exception of the manager's unit are affordable housing units, as that term is defined in Section 406(b)(1). If feasible, such projects shall make efforts to replace any converted PDR, Institutional Community, and Arts Activities uses.

(8) Any property in the Western SoMa Plan Area if the actual use functioning on the property as of September 8, 2014, as determined by the Zoning Administrator, was principally permitted, and not a PDR, Institutional Community, or Arts Activities use, such that a legal conversion could have been approved prior to October 9, 2014. This exemption applies only to conversions of uses smaller than 25,000 square feet.

(9) Any project that proposes to convert no more than 50% of the property's PDR, Institutional Community, or Arts Activities space, provided that such space is located within a landmark designated under Article 10 of the Planning Code or individually listed on the National Register of Historic Places as of July 1, 2016 and that no more than 49,999 square feet is converted to office use. Additionally, any such project that is also subject to a contract or agreement meeting the requirements of California Civil Code Section 1954.28(d), which, as part of the terms of such contract or agreement, rents, leases, or sells at 50% below market rate the property's remaining PDR, Institutional Community, or Arts Activities space, may convert an additional 25% of the property's PDR, Institutional Community, or Arts Activities space exempt from the requirements of this Section 202.8, for a total of 75% exempted conversion. The City department negotiating the contract or agreement shall determine the market rate using accepted best practices for this purpose. Such below market rate rental, lease, or sale shall be for a period of not less than 55 years and subject to a deed restriction. The exemptions set forth in this subsection 202.8(f)(9) may be approved through multiple project applications so long as no more than a total of 50% (or 75% if restricting the commercial rent of the property as set forth herein) of the property's PDR, Institutional Community, or Arts Activities space is converted under this exemption.

(g) This Section 202.8 shall not authorize a change in use if the new use or uses are otherwise prohibited.

(h) **In Lieu Fee and Off-Site Replacement.** The Board of Supervisors may enact an ordinance adopting an in lieu fee and/or regulating off-site replacement. The proceeds from any such in lieu fee shall be used for the preservation and rehabilitation of existing PDR, Institutional Community, and Arts Activities spaces in the area plan area where the project paying the fee is located.

(i) The Board of Supervisors by ordinance and by at least a two-thirds vote of all its members may amend this Section 202.8 at any time after its effective date.

(Added by Proposition X, 11/8/2016; amended by Ord. [103-17](#), File No. 161014, App. 5/26/2017, Eff. 6/25/2017; Ord. [7-24](#), File No. 230863, App. 1/19/2024, Eff. 2/19/2024)

AMENDMENT HISTORY

Division (f)(9) added; divisions (a)(5) and (h) amended; Ord. [103-17](#), Eff. 6/25/2017. Undesignated introductory paragraph and division (a)(6) amended; Ord. [7-24](#), Eff. 2/19/2024.