San Francisco Mayor To Propose Rule Changes To Spur Office-To-Lab Conversions

April 6, 2023 Patrick Sisson, Bisnow National (https://www.bisnow.com/author/patrick-sisson-374019) (mailto:patrick.sisson@bisnow.com)

San Francisco Mayor London Breed is expected to release a new plan that includes a change to zoning regulations and an accelerated approval process meant to ease the path toward office conversion projects, particularly to lab space.



Proposed legislation will come out "pretty soon" from Breed and San Francisco Board of Supervisors President Aaron Peskin to accelerate and simplify office conversion, such as lab projects, according to Downtown San Francisco Partnership Executive Director Robbie Silver. The goal is to eliminate permit and conversion issues, making such conversions more feasible.

Silver said his group had been lobbying hard to simplify the permitting process for these kinds of projects, especially for the Financial District and downtown core. The city is evaluating its building stock as part of the process

of reviewing proposed legislation and exploring the best ways to update regulations. Breed floated the idea during a speech in February.

It is part of the effort by DSFP and the city government to bring density, ground-level retail, and general foot traffic and vibrancy back to downtown, where office vacancy reached a record 29%

(https://www.sfchronicle.com/bayarea/article/s-f-office-vacancy-rises-record-rate-29-4-

17862930.php#:~:text=The%20vacancy%20rate%2C%20a%20measure,in%20the%2 the first quarter as large tenants like Meta have slashed staff and real estate footprints (https://www.bisnow.com/san-francisco/news/office/meta-subleasing-435k-sf-in-san-francisco-117292).

Silver's business organization is focused on developing the public realm and attracting workers and businesses. He said he sees a combination of scientists and biotech workers and artists, attracted by new artist residency programs, helping to repopulate and reactivate downtown.

"For decades, downtown San Francisco didn't need to advertise itself," Silver said.

Biotech has boomed across the Bay Area, with the region posting seven straight quarters of positive net absorption of lab space (https://www.bizjournals.com/sanfrancisco/news/2022/10/31/sciences-project-approved-burlingame.html). But as the office situation in San Francisco has become more fraught and persistent issues with crime and homelessness have fed a narrative of the city being unsafe, the biotech industry has mostly focused on development outside the urban core.

"We wouldn't be investing in the city, generally, in commercial space," Alexandria Real Estate Equities Chairman Joel Marcus told *Bisnow* in January.

Silver argued that public safety and perceptions of a lack of safety are the biggest challenges he faces, but since he started at the nascent DSFP in 2020, downtown — which he said tends to get conflated with other neighborhoods — is much cleaner and safer than many think.

If passed, the changes wouldn't be the first in the region meant to attract more biotech development. Vacaville and Berkeley (https://www.bisnow.com/national/news/life-sciences/san-francisco-starts-life-science-20-from-position-of-strength-117225) have passed new

development regulations and approval processes meant to accelerate new biotech building, with the former offering rapid approvals to spur biomanufacturing projects (https://www.bisnow.com/national/news/life-sciences/san-francisco-starts-life-science-20-from-position-of-strength-117225).

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