



February 11, 2026

Ms. Angela Calvillo, Clerk
Honorable Supervisor Fielder
Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: **Transmittal of Planning Department Case Number 2025-010671PCA:**
Expansion of Limited Commercial Uses
Board File No. 251081

Planning Commission Action: Adopted a Recommendation for Approval with Modification

Dear Ms. Calvillo and Supervisor Fielder,

On January 22, 2026, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance, introduced by Supervisor Fielder that would amend the Planning Code to allow Limited Commercial Uses to expand, provided the expansion does not result in conversion or demolition of residential uses and allow the Zoning Administrator to approve Limited Commercial Use expansions into the rear yard. At the hearing the Planning Commission adopted a recommendation for approval with modifications. The Commission's proposed modifications were as follows:

1. Require an applicant affidavit that identifies any existing housing services and confirms that tenants have been notified of any proposed changes that could affect those services.
2. Establish clear criteria and thresholds for the Zoning Administrator to apply when reviewing requests to expand into the rear yard.
3. Amend the Ordinance to prohibit LCUs from expanding into any portion of a Residential Use.

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c) and 15378 because they do not result in a physical change in the environment.

Supervisor, please advise the City Attorney at your earliest convenience if you wish to incorporate the changes recommended by the Commission.

Please find attached documents relating to the actions of the Commission. If you have any questions or require further information please do not hesitate to contact me.

Sincerely,

Veronica Flores

Veronica Flores for Audrey Merlone
Acting Manager of Legislative Affairs

cc: Heather Goodman, Deputy City Attorney
Ana Herrera, Aide to Supervisor Fielder
John Carroll, Office of the Clerk of the Board

ATTACHMENTS :

Planning Commission Resolution
Planning Department Executive Summary



PLANNING COMMISSION RESOLUTION NO. 21883

HEARING DATE: January 22, 2026

Project Name: Expansion of Limited Commercial Uses
Case Number: 2025-010671PCA [Board File No. 251081]
Initiated by: Supervisor Fielder / Introduced October 28, 2025
Staff Contact: Veronica Flores, Legislative Affairs
veronica.flores@sfgov.org, 628-652-7525

Additional

Authors: Edgar Oropeza, Current Planning
Reviewed by: Audrey Merlone, Acting Manager of Legislative Affairs
audrey.merlone@sfgov.org, 628-652-7534

RESOLUTION ADOPTING A RECOMMENDATION FOR APPROVAL WITH MODIFICATION OF A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO ALLOW LIMITED COMMERCIAL USES TO EXPAND, PROVIDED THE EXPANSION DOES NOT RESULT IN CONVERSION OR DEMOLITION OF RESIDENTIAL USES, AND ALLOWING THE ZONING ADMINISTRATOR TO APPROVE LIMITED COMMERCIAL USE EXPANSIONS INTO THE REAR YARD; AFFIRMING THE PLANNING DEPARTMENT’S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN, AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1; AND MAKING FINDINGS OF PUBLIC NECESSITY, CONVENIENCE, AND WELFARE PURSUANT TO PLANNING CODE, SECTION 302.

WHEREAS, on October 28, 2025 Supervisor Fielder introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 251081, which would amend the Planning Code to allow Limited Commercial Uses to expand, provided the expansion does not result in conversion or demolition of residential uses, and allowing the Zoning Administrator to approve Limited Commercial Use expansions into the rear yard;

WHEREAS, the Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on January 22, 2026; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15378 and 15060(c)(2); and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the Custodian of Records, at 49 South Van Ness Avenue, Suite 1400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed amendment; and

MOVED, that the Planning Commission hereby adopts a **recommendation for approval with modifications** of the proposed ordinance. The Commission's proposed recommendations are as follows:

1. Require an applicant affidavit that identifies any existing housing services and confirms that tenants have been notified of any proposed changes that could affect those services.
2. Establish clear criteria and thresholds for the Zoning Administrator to apply when reviewing requests to expand into the rear yard.
3. Amend the Ordinance to prohibit LCUs from expanding into any portion of a Residential Use.

Findings

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

The Department supports the overall goals of this Ordinance because it strengthens the viability of the city's neighborhood-serving small businesses. Inspired by the hardships faced by one LCU—Casa Maria—the proposed Ordinance will benefit all LCUs citywide by streamlining processes and allowing for modest expansions. Allowing reasonable, incidental expansions will help these businesses meet operational needs, remain competitive, and continue serving their communities without triggering costly and complex Conditional Use processes. In the case of Casa Maria specifically, the proposed Ordinance will create a path for them to legalize the unpermitted rear yard structure installed by a prior owner. Without this proposed Ordinance, Casa Maria would need to remove the structure, which houses a second refrigerator essential for its operations as a local neighborhood grocer.

LCUs are vital neighborhood-serving businesses that provide essential goods and services within walking distance, particularly benefiting seniors, families, and residents without access to private transportation. Current restrictions on expansion and outdated requirements have made it difficult for these businesses to comply with modern Building and Health code standards, threatening their long-term viability and the economic diversity of residential neighborhoods.

General Plan Compliance

The proposed Ordinance and the Commission's recommended modifications are consistent with the following Objectives and Policies of the General Plan:

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 2

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 2.1

Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

Policy 2.3

Maintain a favorable social and cultural climate in the city in order to enhance its attractiveness as a firm location.

The proposed Ordinance aligns with Objective 2 of the Commerce & Industry Element, which seeks to maintain and enhance a sound and diverse economic base. It also advances Policy 2.1 by helping retain existing neighborhood-serving commercial activity through expanded opportunities for LCUs to adapt and remain viable. Additionally, it supports Policy 2.3 by promoting a favorable social and cultural climate. LCUs have historically served as essential community resources, providing walkable access to goods and services for residents—including seniors, families, and individuals without access to private transportation—thereby reinforcing neighborhood livability and equity.

Planning Code Section 101 Findings

The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The proposed Ordinance would not have a negative effect on housing or neighborhood character.

3. That the City's supply of affordable housing be preserved and enhanced;

The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or

overburdening the streets or neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The proposed Ordinance would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake.

7. That the landmarks and historic buildings be preserved;

The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas.

Planning Code Section 302 Findings.

The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby ADOPTS A RECOMMENDATION FOR APPROVAL WITH MODIFICATIONS of the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on January 22, 2026.



Jonas P. Ionin
Commission Secretary

Jonas P Ionin Digitally signed by Jonas P Ionin
Date: 2026.02.10 15:30:15 -08'00'

AYES: Campbell, McGarry, Williams, Braun, Imperial, Moore, So
NOES: None
ABSENT: None
ADOPTED: January 22, 2026



EXECUTIVE SUMMARY

PLANNING CODE TEXT AMENDMENT

HEARING DATE: January 22, 2026

90-Day Deadline: February 5, 2026

Project Name: Expansion of Limited Commercial Uses
Case Number: 2025-010671PCA [Board File No. 251081]
Initiated by: Supervisor Fielder / Introduced October 28, 2025
Staff Contact: Veronica Flores, Legislative Affairs
veronica.flores@sfgov.org, 628-652-7525

Additional

Authors: Edgar Oropeza, Current Planning
Reviewed by: Audrey Merlone, Acting Manager of Legislative Affairs
audrey.merlone@sfgov.org, 628-652-7534

Environmental

Review: Not a Project Under CEQA

RECOMMENDATION: Adopt a Recommendation for Approval with Modifications

Planning Code Amendment

The proposed Ordinance would amend the Planning Code to allow Limited Commercial Uses (LCUs) to expand, provided the expansion does not result in conversion or demolition of residential uses, and would allow the Zoning Administrator to administratively approve Limited Commercial Use expansions into the required rear yard.

The Way It Is Now:

1. LCUs are not a defined term in Section 102 of the Planning Code.
2. LCUs may not be enlarged, intensified, extended, or moved to another location.

The Way It Would Be:

1. A new definition of Limited Commercial Use (LCU) would be added to Section 102 of the Planning Code. An LCU would be defined as:

A nonconforming use of a commercial or industrial character located in specified Residential Districts, as described in Section 186.

2. An LCU could expand so long as the expansion does not include any Residential Conversion or Residential Demolition as defined in Section 317. If the LCU proposes to expand into the required rear yard, the Zoning Administrator may administratively review and approve the exceptions from the rear yard requirements of Section 134.

Background

Under current regulations, LCUs in residential districts may not expand beyond their original commercial configuration, including into areas such as storage rooms, off-street parking spaces, or required rear yards. This restriction has created challenges for certain businesses, particularly restaurants and small retailers, which often need additional space to comply with Building and Health code requirements.

The impetus for this proposed Ordinance stems from Casa Maria, a neighborhood grocery store, seeking to legalize an unpermitted rear-yard structure housing a refrigerator necessary for its operations. Because LCUs cannot expand under existing rules, Casa Maria's structure was not allowed, despite its importance to the business and the community it serves. To support Casa Maria and other small businesses, Supervisor Fielder introduced this ordinance to allow LCUs to make minor expansions, provided such changes do not result in the conversion or demolition of residential uses.

Issues and Considerations

Limited Commercial Uses

LCUs have long been an integral part of San Francisco's residential neighborhoods, providing immediate, walkable access to convenience goods and local services—such as small grocery stores, dry cleaners, and cafes—that meet the day-to-day needs of nearby residents. These businesses contribute to the city's mixed-use character and support vibrant, livable communities.



Example of LCUs. This market and adjacent beauty salon, at the corner of Anza Street and 8th Avenue, are in an RH-2 District, where new Commercial uses are generally Not Permitted.

LCUs are nonconforming commercial uses located within residential districts. Under current Planning Code provisions, LCUs may continue operating indefinitely but are prohibited from expanding their physical footprint, even for minor or incidental needs. This restriction has created challenges for operators—particularly restaurants and service-oriented businesses—who must comply with modern building and health standards that often require additional space for refrigeration, food preparation, or ADA-compliant restrooms. Permit approval errors have occasionally allowed LCUs to expand in non-compliant ways, leading to inconsistent enforcement; undermining both public safety and business stability.

Section 186, which governs LCUs, was originally adopted in the 1960s during an era of car-oriented, suburban-style planning that sought to limit neighborhood-serving businesses in residential areas—even though such uses had long been part of San Francisco’s urban fabric. Over time, the Board of Supervisors has amended Section 186 to better support walkable, mixed-use neighborhoods by introducing greater operational flexibility, including provisions for reactivating previously abandoned LCUs and exemptions from certain termination rules. These updates reflect a shift away from outdated suburban planning ideas toward policies that sustain small businesses and preserve neighborhood character.

San Francisco continues to update its Planning Code to remove outdated restrictions that do not align with the city’s vibrant, urban character. The proposed Ordinance builds on this effort by addressing expansion limitations that hinder LCUs from meeting operational and regulatory needs while maintaining the integrity of residential districts.

LCUs Expansions and Potential Impacts Housing Services

A housing service is defined by the Administrative Code as a service provided by the landlord in connection with the use of a rental unit. Common examples include off-street parking spaces, in-building laundry facilities, and storage areas. These services are often integral to rental agreements and must be preserved when considering any expansion of LCUs.

LCUs are generally located on the ground floor of buildings, but their configurations vary significantly. Some LCUs occupy standalone commercial structures, while others are part of mixed-use developments with residential units above or adjacent. In mixed-use buildings, the interaction between commercial and residential functions requires careful consideration to ensure that expansions do not unlawfully remove housing services or diminish amenities promised to tenants.

The proposed Ordinance protects dwelling unit removal by prohibiting any expansion that would result in the conversion or demolition of residential uses; however, it does not currently protect against the elimination or reduction of housing services. It is vital that safeguards are put in place that expand flexibility for small businesses without negatively impacting housing stability or tenant rights.

Rear Yard Exceptions and Administrative Process

Under current Planning Code requirements, projects proposing to expand into a required rear yard typically must obtain a Rear Yard Variance. This process involves demonstrating a property hardship—showing that the lot cannot otherwise be developed in a manner consistent with other properties in the district. Beyond that threshold issue, the Variance pathway triggers a full entitlement process, including public notice and a public hearing before the Zoning Administrator. These steps introduce months of delay and thousands of dollars in soft costs, creating a significant barrier for small businesses that are simply trying to make modest, practical upgrades to meet operational needs.

For small businesses, streamlined review provides a predictable, lower cost path to making minor improvements such as adding storage, expanding kitchen capacity, or reconfiguring interior space to meet customer demand.

The proposed Ordinance introduces a streamlined alternative by allowing LCU expansions into rear yards to be reviewed administratively by the Zoning Administrator, outside of the Variance entitlement process. This administrative review would occur as part of the building permit application, with no additional fee or public hearing process. For small businesses—many of which operate on thin margins and cannot absorb prolonged permitting timelines—this streamlined review provides a predictable, lower-cost path to making minor improvements such as adding storage, expanding kitchen capacity, or reconfiguring interior space to meet customer demand. By reducing procedural hurdles while maintaining professional staff oversight, the Ordinance supports local entrepreneurs, encourages reinvestment in neighborhood-serving businesses, and helps ensure that regulatory processes are proportionate to the scale of the proposed work.

Affected Projects

The Department is aware of at least one LCU that would directly benefit from this proposed Ordinance: Casa Maria, located at 1201 South Van Ness Avenue. Casa Maria recently discovered that its rear-yard structure, which houses essential refrigeration equipment, is unpermitted. This structure was already in place when the family purchased the property decades ago. Under current Planning Code provisions, there is no path to legalize this structure because LCUs are prohibited from expanding beyond their original footprint. The proposed Ordinance provides a clear and lawful mechanism for Casa Maria to legalize this minor expansion, ensuring compliance while preserving an important neighborhood-serving business.

For small businesses, streamlined review provides a predictable, lower cost path to making minor improvements such as adding storage, expanding kitchen capacity, or reconfiguring interior space to meet customer demand.

While Casa Maria is a key example, the proposed Ordinance would apply broadly to LCUs citywide. Many small businesses—such as corner groceries, cafes, and dry cleaners—face comparable challenges in meeting modern Building and Health code standards within their existing footprint. By allowing minor expansions under defined conditions, this proposed Ordinance supports these businesses in remaining viable and continuing to serve their communities.

General Plan Compliance

The proposed Ordinance aligns with Objective 2 of the Commerce & Industry Element, which seeks to maintain and enhance a sound and diverse economic base. It also advances Policy 2.1 by helping retain existing neighborhood-serving commercial activity through expanded opportunities for LCUs to adapt and remain viable. Additionally, it supports Policy 2.3 by promoting a favorable social and cultural climate. LCUs have historically served as essential community resources, providing walkable access to goods and services for residents—including seniors, families, and individuals without access to private transportation—thereby reinforcing neighborhood livability and equity.

Racial and Social Equity Analysis

LCUs are more than neighborhood businesses—they are essential community assets that have historically served the immediate needs of residents, particularly in lower-income neighborhoods where access to goods and services within walking distance is critical. Many LCUs are operated by immigrant and minority business owners who provide culturally relevant products and services, reinforcing the social fabric of their communities.

When these businesses face regulatory barriers—such as restrictions on expansion or costly compliance requirements—the impacts are disproportionately felt in communities of color and among small, family-owned enterprises that lack the resources to navigate complex permitting processes. These challenges can lead to business closures, reducing access to essential services and eroding neighborhood vitality.

Many LCUs are operated by immigrant and minority business owners who provide culturally relevant products and services, reinforcing the social fabric of their communities.

The proposed Ordinance seeks to address these inequities by introducing flexibility that allows LCUs to adapt to modern Health and Building code standards without jeopardizing their ability to operate. By reducing unnecessary regulatory burdens and creating a clear pathway for compliance, the legislation supports racial and social equity goals—helping preserve neighborhood-serving businesses, sustaining local employment, and ensuring that historically marginalized communities continue to have access to essential services close to home. This approach aligns with the City’s broader commitment to economic inclusion and equitable development.

Implementation

The Department has determined that this Ordinance will affect current implementation procedures; however, the proposed changes can be incorporated without increasing permit costs or review time. Under the proposed Ordinance, when an LCU proposes to expand into a required rear yard, the Zoning Administrator will conduct an in-house review to evaluate the appropriateness of the addition. Typically, expansions into the rear yard require a Rear Yard Variance under Section 134, which involves demonstrating property hardship and undergoing a formal entitlement process. In contrast, the proposed Ordinance authorizes the Zoning Administrator to review and approve (either in full or in part) the expansion as part of the building permit, so long as the addition does not conflict with life safety requirements or other applicable Building and Fire codes.

This streamlined process ensures that necessary flexibility is provided to small businesses while maintaining critical safety standards and regulatory integrity. By integrating review into the building permit process and eliminating the need for a variance, the ordinance reduces administrative burdens without compromising compliance or neighborhood protections.

Recommendation

The Department recommends that the **Commission adopt a recommendation for approval with modifications** of the proposed Ordinance and adopt the attached Draft Resolution to that effect. The Department’s proposed recommendations are as follows:

1. Require an applicant affidavit that identifies any existing housing services and confirms that tenants have been notified of any proposed changes that could affect those services.
2. Establish clear criteria and thresholds for the Zoning Administrator to apply when reviewing requests to expand into the rear yard.
3. Amend the Ordinance to prohibit LCUs from expanding into any portion of a Residential Use.

Basis for Recommendation

The Department supports the overall goals of this Ordinance because it strengthens the viability of the city's neighborhood-serving small businesses. Inspired by the hardships faced by one LCU—Casa Maria— the proposed Ordinance will benefit all LCUs citywide by streamlining processes and allowing for modest expansions. Allowing reasonable, incidental expansions will help these businesses meet operational needs, remain competitive, and continue serving their communities without triggering costly and complex Conditional Use processes. In the case of Casa Maria specifically, the proposed Ordinance will create a path for them to legalize the unpermitted rear yard structure installed by a prior owner. Without this proposed Ordinance, Casa Maria would need to remove the structure, which houses a second refrigerator essential for its operations as a local neighborhood grocer.

LCUs are vital neighborhood-serving businesses that provide essential goods and services within walking distance, particularly benefiting seniors, families, and residents without access to private transportation. Current restrictions on expansion and outdated requirements have made it difficult for these businesses to comply with modern Building and Health code standards, threatening their long-term viability and the economic diversity of residential neighborhoods.

The proposed Ordinance would be strengthened through the following recommended modifications:

Recommendation 1: Require an applicant affidavit that identifies any existing housing services and confirms that tenants have been notified of any proposed changes that could affect those services.

LCUs are typically located on the ground floor, and in some cases, areas proposed for expansion may include housing services such as parking, storage, or laundry facilities. Property owners should be required to submit a written declaration to the Rent Board describing:

- The housing services located in the area of the proposed LCU expansion;
- Whether the expansion would result in severance, reduction, or removal of those services; and
- The justification for any such changes.

This affidavit process can be modeled after the Local Accessory Dwelling Unit (ADU) Program, which already requires disclosure of housing services and tenant notification. This process also requires the Rent Board updating the Planning Department upon receipt and review of such declarations. Replicating this approach will protect tenants and ensure transparency.

Recommendation 2: Establish clear criteria and thresholds for the Zoning Administrator to apply when reviewing requests to expand into the rear yard. As currently drafted, the proposed Ordinance authorizes the Zoning Administrator to review rear yard exceptions administratively but does not establish standards for granting those exceptions. It is recommended that the Ordinance define clear review criteria to guide decision making and to minimize negative impacts on residential uses, both to the subject property and to properties adjacent to the LCU. Such criteria could include consideration of the loss of open space and an evaluation of whether the waiver addresses a demonstrated practical difficulty for the LCU. Additional flexibility should additionally be provided for corner lots.

Recommendation 3: Amend the Ordinance to prohibit LCUs from expanding into any portion of Residential Use. The proposed Ordinance was intended to prohibit expansion of LCUs into space that is part of a Residential unit's Gross Floor Area, generally thought of as the unit itself and excluding any accessory parking, tenant storage spaces, etc. However, as currently drafted, the proposed Ordinance provides that an expansion of an LCU may not constitute a Residential Conversion or Residential Demolition as those terms are defined in Planning Code Section 317. Under Section 317, these involve the *complete* removal or elimination of a Residential Use. As such, the proposed ordinance does not prohibit an LCU from expanding into an adjoining Residential Use while retaining that Residential Use at a reduced size. While the Department supports allowing the expansion of LCUs, those expansions should not be allowed when doing so would in any way reduce the quantity or quality of the City's housing stock or exacerbate the City's housing crisis. For these reasons, the proposed Ordinance should be amended to state explicitly that LCUs may not expand into or take space from Residential units.

Required Commission Action

The proposed Ordinance is before the Commission so that it may adopt a recommendation of approval, disapproval, or approval with modifications.

Environmental Review

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c)(2) and 15378 because they do not result in a physical change in the environment.

Public Comment

As of the date of this report, the Planning Department has received two submissions of public comment regarding the proposed Ordinance. Both submissions are in favor of the proposed Ordinance, and cite their support for Casa Maria, specifically. These submissions are attached as Exhibit C.

ATTACHMENTS:

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: Board of Supervisors File No. 251081
- Exhibit C: Submissions of Public Comment

Portions of this report were drafted and/or edited with the assistance of Microsoft Copilot, in accordance with the City and County of San Francisco's policy on the use of generative AI tools.



PLANNING COMMISSION DRAFT RESOLUTION

HEARING DATE: January 22, 2026

Project Name: Expansion of Limited Commercial Uses
Case Number: 2025-010671PCA [Board File No. 251081]
Initiated by: Supervisor Fielder / Introduced October 28, 2025
Staff Contact: Veronica Flores, Legislative Affairs
veronica.flores@sfgov.org, 628-652-7525

Additional

Authors: Edgar Oropeza, Current Planning
Reviewed by: Audrey Merlone, Acting Manager of Legislative Affairs
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RESOLUTION ADOPTING A RECOMMENDATION FOR APPROVAL WITH MODIFICATION OF A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO ALLOW LIMITED COMMERCIAL USES TO EXPAND, PROVIDED THE EXPANSION DOES NOT RESULT IN CONVERSION OR DEMOLITION OF RESIDENTIAL USES, AND ALLOWING THE ZONING ADMINISTRATOR TO APPROVE LIMITED COMMERCIAL USE EXPANSIONS INTO THE REAR YARD; AFFIRMING THE PLANNING DEPARTMENT’S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN, AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1; AND MAKING FINDINGS OF PUBLIC NECESSITY, CONVENIENCE, AND WELFARE PURSUANT TO PLANNING CODE, SECTION 302.

WHEREAS, on October 28, 2025 Supervisor Fielder introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 251081, which would amend the Planning Code to allow Limited Commercial Uses to expand, provided the expansion does not result in conversion or demolition of residential uses, and allowing the Zoning Administrator to approve Limited Commercial Use expansions into the rear yard;

WHEREAS, the Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on January 22, 2026; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15378 and 15060(c)(2); and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the Custodian of Records, at 49 South Van Ness Avenue, Suite 1400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed amendment; and

MOVED, that the Planning Commission hereby adopts a **recommendation for approval with modifications** of the proposed ordinance. The Commission's proposed recommendations are as follows:

1. Require an applicant affidavit that identifies any existing housing services and confirms that tenants have been notified of any proposed changes that could affect those services.
2. Establish clear criteria and thresholds for the Zoning Administrator to apply when reviewing requests to expand into the rear yard.
3. Amend the Ordinance to prohibit LCUs from expanding into any portion of a Residential Use.

Findings

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

The Department supports the overall goals of this Ordinance because it strengthens the viability of the city's neighborhood-serving small businesses. Inspired by the hardships faced by one LCU—Casa Maria—the proposed Ordinance will benefit all LCUs citywide by streamlining processes and allowing for modest expansions. Allowing reasonable, incidental expansions will help these businesses meet operational needs, remain competitive, and continue serving their communities without triggering costly and complex Conditional Use processes. In the case of Casa Maria specifically, the proposed Ordinance will create a path for them to legalize the unpermitted rear yard structure installed by a prior owner. Without this proposed Ordinance, Casa Maria would need to remove the structure, which houses a second refrigerator essential for its operations as a local neighborhood grocer.

LCUs are vital neighborhood-serving businesses that provide essential goods and services within walking distance, particularly benefiting seniors, families, and residents without access to private transportation. Current restrictions on expansion and outdated requirements have made it difficult for these businesses to comply with modern Building and Health code standards, threatening their long-term viability and the economic diversity of residential neighborhoods.

General Plan Compliance

The proposed Ordinance and the Commission’s recommended modifications are consistent with the following Objectives and Policies of the General Plan:

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 2

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 2.1

Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

Policy 2.3

Maintain a favorable social and cultural climate in the city in order to enhance its attractiveness as a firm location.

The proposed Ordinance aligns with Objective 2 of the Commerce & Industry Element, which seeks to maintain and enhance a sound and diverse economic base. It also advances Policy 2.1 by helping retain existing neighborhood-serving commercial activity through expanded opportunities for LCUs to adapt and remain viable. Additionally, it supports Policy 2.3 by promoting a favorable social and cultural climate. LCUs have historically served as essential community resources, providing walkable access to goods and services for residents—including seniors, families, and individuals without access to private transportation—thereby reinforcing neighborhood livability and equity.

Planning Code Section 101 Findings

The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The proposed Ordinance would not have a negative effect on housing or neighborhood character.

3. That the City’s supply of affordable housing be preserved and enhanced;

The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The proposed Ordinance would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake.

7. That the landmarks and historic buildings be preserved;

The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas.

Planning Code Section 302 Findings.

The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby ADOPTS A RECOMMENDATION FOR APPROVAL WITH MODIFICATIONS of the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on January 22, 2026.

Jonas P. Ionin
Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED: January 22, 2026

1 [Planning Code - Expansion of Limited Commercial Uses]

2

3 **Ordinance amending the Planning Code to allow Limited Commercial Uses to expand,**
 4 **provided the expansion does not result in conversion or demolition of residential uses,**
 5 **and allowing the Zoning Administrator to approve Limited Commercial Use expansions**
 6 **into the rear yard; affirming the Planning Department's determination under the**
 7 **California Environmental Quality Act; making findings of consistency with the General**
 8 **Plan, and the eight priority policies of Planning Code, Section 101.1; and making**
 9 **findings of public necessity, convenience, and welfare pursuant to Planning Code,**
 10 **Section 302.**

11 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
 12 **Additions to Codes** are in *single-underline italics Times New Roman font*.
 13 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
 14 **Board amendment additions** are in double-underlined Arial font.
 15 **Board amendment deletions** are in ~~strikethrough Arial font~~.
 16 **Asterisks (* * * *)** indicate the omission of unchanged Code
 17 subsections or parts of tables.

15

16 Be it ordained by the People of the City and County of San Francisco:

17

18 Section 1. Environmental and Land Use Findings.

19 (a) The Planning Department has determined that the actions contemplated in this
 20 ordinance comply with the California Environmental Quality Act (California Public Resources
 21 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of
 22 Supervisors in File No. 251081 and is incorporated herein by reference. The Board affirms
 23 this determination.

24 (b) On _____, the Planning Commission, in Resolution No. _____,
 25 adopted findings that the actions contemplated in this ordinance are consistent, on balance,

1 with the City's General Plan and eight priority policies of Planning Code Section 101.1. The
2 Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of
3 the Board of Supervisors in File No. _____, and is incorporated herein by reference.

4 (c) Pursuant to Planning Code Section 302, this Board finds that this ordinance will
5 serve the public necessity, convenience, and welfare for the reasons set forth in Planning
6 Commission Resolution No. _____, and incorporates such reasons by this reference
7 thereto. A copy of said resolution is on file with the Clerk of the Board of Supervisors in File
8 No. _____.

9
10 Section 2. Articles 1, 1.7, and 3 of the Planning Code are hereby amended by revising
11 Sections 102, 186, and 307, to read as follows:

12
13 **SEC. 102. DEFINITIONS.**

14 * * * *

15 *Limited Commercial Use (LCU).* A nonconforming use of a commercial or industrial character
16 *located in specified Residential Districts, as described in Section 186.*

17 **Limited Live Performance.** An Accessory Use as defined in Section 1060 of the
18 Police Code.

19 * * * *

20
21 **SEC. 186. EXEMPTION OF LIMITED COMMERCIAL AND INDUSTRIAL**
22 **NONCONFORMING USES IN RH, RM, RTO, AND RED DISTRICTS.**

23 The purpose of this Section 186 is to provide for the further continuance in RH, RM,
24 RTO, and RED Districts of nonconforming uses of a limited commercial and industrial
25 character, as herein described, which are beneficial to, or can be accommodated within, the

1 residential areas in which they are located. It is hereby found and declared that, despite the
2 general incompatibility of nonconforming uses with the purposes of this Code, and with other
3 nearby uses, these limited commercial uses may be tolerated in residential areas, and tend to
4 provide convenience goods and services on a retail basis to meet the frequent and recurring
5 needs of neighborhood residents within a short distance of their homes or, within the South of
6 Market RED Districts, tend to provide jobs and continuation of small-scale service and light
7 industrial activities. These uses tend to be small in scale, to serve primarily a walk-in trade,
8 and cause a minimum of interference with nearby streets and properties. Accordingly, this
9 Section recognizes the public advantages of these uses and establishes conditions for their
10 continued operation.

11 (a) **Exemption from Termination Provisions.** The following ~~nonconforming uses in R~~
12 ~~Districts~~ Limited Commercial Uses shall be exempt from the termination provisions of Section
13 185, provided such uses comply with all the conditions specified in subsection (b) below:

14 * * * *

15 (4) In the RED Districts, any nonconforming use that is Arts Activities, Business
16 Service, Catering, Design Professional, Light Manufacturing, Personal Service, Trade Office,
17 Trade Shop, Wholesale Sales, or Wholesale Storage, use.

18 (b) **Conditions on Limited ~~Nonconforming~~ Commercial Uses.** The ~~L~~limited
19 ~~nonconforming~~ Commercial ~~U~~ses described in subsection (a) above shall meet the following
20 conditions:

21 * * * *

22 (g) **Reactivation.** Limited ~~e~~Commercial ~~U~~ses in RH, RM, RTO, and RED Districts
23 that have been discontinued or abandoned, as defined in Section 183, may be reactivated if
24 the Zoning Administrator finds that:

25 * * * *

1 (h) Expansion, Intensification, and Alteration. A Limited Commercial Use may expand,
2 resulting in an increase in Use Size, notwithstanding Section 181, provided the expansion does not
3 include any Residential Conversion or Residential Demolition as defined in Section 317. The provisions
4 and limitations in Section 181 regarding enlargement, intensification, extension, relocation, and
5 alteration shall not apply to Limited Commercial Uses.

6 (hi) **Other Applicable Provisions.** The provisions for nonconforming uses contained
7 in Sections 180 through 183 shall continue to apply to all Limited Commercial ~~Uses~~ affected
8 by this Section 186, except as provided in subsection (h) above. ~~that the cost limit for structural~~
9 ~~alterations contained in Section 181(b)(4) shall not be applicable thereto.~~

10
11 **SEC. 307. OTHER POWERS AND DUTIES OF THE ZONING ADMINISTRATOR.**

12 In addition to those specified in Sections 302 through 306 of this Code, the Zoning
13 Administrator shall have the following powers and duties in administration and enforcement of
14 this Code.

15 * * * *

16 (h) **Exceptions from Certain Specific Code Standards through Administrative**
17 **Review.** The Zoning Administrator may allow complete or partial relief from certain standards
18 specifically identified below, in Section 161, or elsewhere in this Code when modification of
19 the standard would result in a project fulfilling the criteria set forth below and in the applicable
20 section.

21 (1) **Applicability.**

22 * * * *

23 (D) **Conversion of Non-conforming Uses to Residential Uses.** The
24 Zoning Administrator may modify or waive dwelling unit exposure requirements, rear yard
25 requirements, open space requirements for inner courts, and the substitution of off-site

1 publicly accessible open space for required residential open space, provided that:

2 (i) the Residential Use, whether Dwelling Units, Group Housing,
3 or SRO units, are Principally Permitted in the district or districts in which the project is located;

4 (ii) the nonconforming use is eliminated by such conversion,
5 provided further that the structure is not enlarged, extended, or moved to another location;
6 and

7 (iii) the requirements of the Building Code, the Housing Code,
8 and other applicable portions of the Municipal Code are met.

9 (E) **Better Roofs; Living Roof Alternative.** For projects subject to
10 Section 149 and 249.78(d)(3), the Zoning Administrator may waive portions of the applicable
11 requirements as provided in Section 149(e) and 249.78(d)(3)(D), respectively.

12 (F) **Bay Windows.** Bay windows that maintain the same massing as
13 those allowed as a permitted obstruction in ~~Planning Code~~ Section 136, but do not otherwise
14 meet the requirements of Section 136, may be provided complete or partial relief with the
15 advice of the Planning Director that said windows otherwise meet all applicable design
16 guidelines.

17 (~~FG~~) **Restriction of Lot Mergers in Certain Districts and on**
18 **Pedestrian-Oriented Streets.** For projects subject to the restrictions on lot mergers in
19 Section 121.7, the Zoning Administrator may approve exceptions from those restrictions as
20 provided in Section 121.7(c).

21 (H) *Expansion of Limited Commercial Uses Into Rear Yard. For an*
22 *expansion of a Limited Commercial Use subject to Section 186, the Zoning Administrator may approve*
23 *exceptions from the rear yard requirements of Section 134.*

24 (2) **Procedures.** The review of a modification requested under this Section 307
25 shall be conducted as part of, and incorporated into, a related building permit application or

1 other required project authorizations; no additional fee shall be required. Under no
2 circumstances shall such modification provide relief from any fee, including those related to
3 usable open space pursuant to Sections 135(j) and 135.3(d). The provisions of this
4 subsection (h) shall not preclude such additional conditions as may be deemed necessary by
5 the Zoning Administrator to further the purposes of this Section or other Sections of this Code.
6

7 Section 3. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
8 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
9 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
10 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
11 additions, and Board amendment deletions in accordance with the "Note" that appears under
12 the official title of the ordinance.
13

14 Section 4. Effective Date. This ordinance shall become effective 30 days after
15 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
16 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
17 of Supervisors overrides the Mayor's veto of the ordinance.
18
19

20 APPROVED AS TO FORM:
21 DAVID CHIU, City Attorney

22 By: /s/
23 HEATHER GOODMAN
24 Deputy City Attorney

25 n:\legana\as2025\2600068\01878172.docx



Date: 01/12/2025

Dear Members of the San Francisco Planning Commission,

On behalf of the Calle 24 Latino Cultural District, we strongly support the proposed legislation to expand Limited Commercial Uses for long-standing small businesses.

The Mission District, particularly the Calle 24 Latino Cultural District, is home to many legacy, non-conforming businesses that have served the community for decades. This legislation acknowledges reflects how neighborhood-serving businesses actually operate and would help preserve the cultural and economic fabric of the Mission.

A key example is **Casa Maria**, purchased from Socorro Arana in August 2005. Casa Maria has long provided essential groceries and culturally relevant food to working families, seniors, and longtime residents. Without the ability to expand its permitted use, the business faces operational challenges that threaten its long-term viability.

This legislation would allow Casa Maria and similar community anchors to adapt responsibly while remaining aligned with neighborhood character. We respectfully urge the Planning Commission to support this measure and help ensure the survival of beloved Mission businesses.

A handwritten signature in blue ink, appearing to read "Susana Rojas", is written over the typed name.

Susana Rojas
Executive Director
Calle 24 Latino Cultural District

San Francisco Planning Commission
Commission Chambers Rm 400
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Re: 1201 S. Van Ness

Dear Commissioners,

My name is Jim, and my family owns the building where Casa Maria is located. We have known Coco, the store owner and his family for nearly 20 years, and have become friends over time. We always help each other whenever we can, and know they are a hard working family.

I'm writing to support Casa Maria, a small business that's been serving the Mission and Latino community throughout the years. The people in the community have depended on Casa Maria as a familiar neighborhood store for essentials. Casa Maria is also working with Nuestra Causa, a Mission District organization on a program called Sembrando Esperanza, which supplies food and has helped feed over 7,000 people in 2025, including vulnerable families. This makes Casa Maria a very valuable asset to the community.

I kindly urge the Commissioners to pass this Legislation which will allow Casa Maria to expand the use of space, so they can fully operate their store. I worry if this is not approved, Casa Maria may face the risk of closing, which will have a very negative impact on the people who call the Mission their home, the community organization that depend on Casa Maria to serve the people in need, and the loss of jobs.

I appreciate your consideration in helping this small family business.

Best Regards,

Jim Lu