



December 12, 2024

Ms. Angela Calvillo, Clerk  
Honorable Supervisor Walton  
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 2024-009362PCA:**  
Third Street Alcohol Restricted Use District  
Board File No. 240932

**Planning Commission Recommendation: Adopted a Recommendation for Approval**

Dear Ms. Calvillo and Supervisor Walton,

On December 5, 2024, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance introduced by Supervisor Walton. The proposed Ordinance would amend the Third Street Alcohol Restricted Use District (RUD) to conditionally permit certain Bars within the Bayview Neighborhood Commercial District (NCD). At the hearing the Planning Commission adopted a recommendation for approval.

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.

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,

Aaron D. Starr

*Manager of Legislative Affairs*

cc: Austin Yang, Deputy City Attorney  
Percy Burch, Aide to Supervisor Walton  
John Carroll, Office of the Clerk of the Board

**ATTACHMENTS :**

Planning Commission Resolution  
Planning Department Executive Summary



# PLANNING COMMISSION RESOLUTION NO. 21656

**HEARING DATE: DECEMBER 5, 2024**

*Project Name:* Third Street Alcohol Restricted Use District  
*Case Number:* 2024-009362PCA [Board File No. 240932]  
*Initiated by:* Supervisor Walton / Introduced October 1, 2024  
*Staff Contact:* Veronica Flores Legislative Affairs  
veronica.flores@sfgov.org, 628-652-7525  
*Reviewed by:* Aaron Starr, Manager of Legislative Affairs  
aaron.starr@sfgov.org, 628-652-7533

**RESOLUTION ADOPTING A RECOMMENDATION FOR APPROVAL OF A PROPOSED ORDINANCE THAT WOULD AMEND THE THIRD STREET ALCOHOL RESTRICTED USE DISTRICT (RUD) TO CONDITIONALLY PERMIT CERTAIN BARS WITHIN THE BAYVIEW NEIGHBORHOOD COMMERCIAL DISTRICT (NCD); 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 1, 2024 Supervisor Walton introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 240932, which would amend the Third Street Alcohol Restricted Use District (RUD) to conditionally permit certain Bars within the Bayview Neighborhood Commercial District (NCD);

WHEREAS, the Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on December 5, 2024; 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** of the proposed ordinance.

## 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 proposed Ordinance would promote business growth and support small businesses.

## 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 1

MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

##### Policy 1.1

Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences that cannot be mitigated.

#### 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.

#### OBJECTIVE 6

MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.

### Policy 6.1

Ensure and encourage the retention and provision of neighborhood-serving goods and services in the city's neighborhood commercial districts, while recognizing and encouraging diversity among the districts.

## HOUSING ELEMENT

### Policy 26

Streamline and simplify permit processes to provide more equitable access to the application process, improve certainty of outcomes, and ensure meeting State- and local-required timelines, especially for 100% affordable housing and shelter projects.

*The proposed Ordinance supports the Commerce and Industry Element's goals of maintaining and supporting the economic growth of San Francisco. Expanding the exceptions within the Third Street Alcohol RUD supports Policy 2.1 to make it easier to attract new commercial activity to the city. Amending the Bayview NCD to conditionally permit certain Bars supports Policy 6.1: encouraging neighborhood-serving goods and services.*

## 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;
2. *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.*
3. 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.*

4. 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.*

5. 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.*

6. 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.*

7. 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.*

8. 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.*

9. 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 the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on December 5, 2024.



Jonas P Ionin

Digitally signed by Jonas P Ionin  
Date: 2024.12.10 15:37:41 -08'00'

Jonas P. Ionin  
Commission Secretary

AYES: Williams, Braun, Imperial, Moore, So  
NOES: Campbell  
ABSENT: McGarry  
ADOPTED: December 5, 2024



# EXECUTIVE SUMMARY

## PLANNING CODE TEXT AMENDMENT

**HEARING DATE: December 5, 2024**

**90-Day Deadline: January 7, 2025**

*Project Name:* Third Street Alcohol Restricted Use District  
*Case Number:* 2024-009362PCA [Board File No. 240932]  
*Initiated by:* Supervisor Walton / Introduced October 1, 2024  
*Staff Contact:* Veronica Flores Legislative Affairs  
veronica.flores@sfgov.org, 628-652-7525  
*Reviewed by:* Aaron Starr, Manager of Legislative Affairs  
aaron.starr@sfgov.org, 628-652-7533  
*Environmental Review:* Not a Project Under CEQA

**RECOMMENDATION: Adopt of Recommendation for Approval with Modifications**

### Planning Code Amendment

The proposed Ordinance would amend the Third Street Alcohol Restricted Use District (RUD) to conditionally permit certain Bars within the Bayview Neighborhood Commercial District (NCD). Such Bars may only have a Type 42 Alcoholic Beverage Control (ABC) License (beer and wine only).

#### The Way It Is Now:

With some exceptions, no new on-sale or off-sale Liquor Establishments are permitted within the Third Street Alcohol RUD.

## The Way It Would Be:

The exceptions for Liquor Establishments within the Third Street Alcohol RUD would be expanded to allow Bars with on-sale Type 42 ABC Licenses within Bayview NCD. Such Bars would require a Conditional Use Authorization (CUA). This amendment would also be reflected in the Bayview Zoning Control Table.

## Background

The need for the proposed ordinance came about when the owner of Gratta Wines sought to open a new wine bar in the neighborhood; however, because the RUD prohibits bars, even if they are only selling wine and beer, they were unable to obtain the necessary permits. The proposed Ordinance would expand the exceptions to allow a Bar with Type 42 ABC license (wine and beer) within the Bayview NCD. Not only would this ordinance benefit Gratta Wines, but it would also allow other bars with a Type 42 ABC license to open within the RUD.

## Issues and Considerations

### Third Street Alcohol RUD

In 2003, the Board of Supervisors established the Third Street Alcohol RUD to address the overconcentration of liquor stores and the lack of essential neighborhood services in the Third Street Corridor. The RUD generally prohibits new on-sale and off-sale liquor establishments, with limited exceptions. For instance, establishments that applied to the ABC before the RUD's effective date or existing liquor establishments relocating within the district could proceed through the CUA process.

The RUD is located along Third Street between Islais Creek and Highway 101 (see Figure 1) and overlaps various zoning districts, including the Bayview NCD, NCT-3, PDR-1-G, PDR-1-B, PDR-2, M-1, and NC-3. It was intended to preserve the residential character and neighborhood-serving commercial uses of the area.

In 2014, the Board expanded the RUD's exceptions to permit establishments with Type 2<sup>1</sup> or Type 23<sup>2</sup> ABC licenses. The proposed ordinance seeks to further expand these exceptions, prompting questions about the RUD's continued relevance and whether it should be updated or amended to better align with current conditions.

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<sup>1</sup> [Ordinance No. 35-14.](#)

<sup>2</sup> [Ordinance No. 248-14.](#)



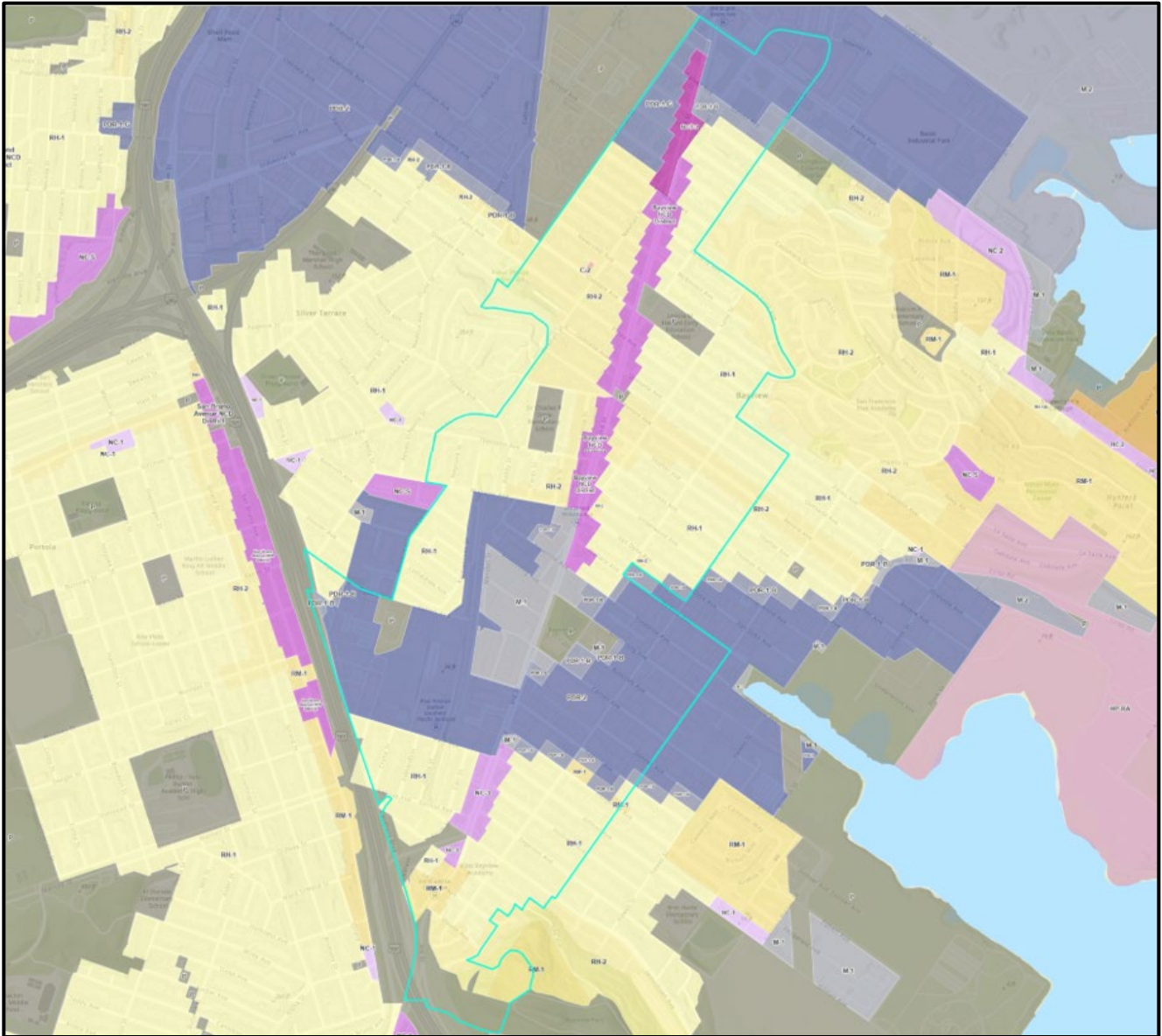


Figure 1: Map of Third Street Alcohol Restricted Use District

### Named Neighborhood Commercial Districts

Named neighborhood commercial districts allow neighborhood-specific changes based on the community's goals and priorities.

Named neighborhood commercial districts allow for more tailored controls and help to protect or enhance unique characteristics associated with a neighborhood. Changes that are made to a named neighborhood commercial district only apply to that district, whereas changes made to NC-1, NC-2, and NC-3 Districts apply citywide. For example, if a named NCD wants to control the number of eating and drinking establishments because of overconcentration, then the controls for that named NCD can be changed to prohibit or require a

CUA for Restaurants. Conversely, if a neighborhood wants to encourage a type of use, the controls for that named NCD can be changed so that use is principally permitted.

### Bayview NCD

The Bayview NCD was established in 2020 under [Ordinance No. 07-20](#). It is located along Third Street between Yosemite and Jerrold Avenues (see Figure 2). Establishing a named neighborhood commercial district enables the Board to implement customized zoning controls along Third Street, addressing imbalances in land use types. This was not an option when the Third Street Alcohol RUD was established because this area was still zoned NC-3; however, today the creation of the named NCD allows the Board to amend the Bayview NCD to include all of the Third Street Alcohol RUD controls.



Figure 2: Map of Bayview Neighborhood Commercial District

## General Plan Compliance

The proposed Ordinance supports the Commerce and Industry Element's goals of maintaining and supporting the economic growth of San Francisco. Expanding the exceptions within the Third Street Alcohol RUD supports Policy 2.1 to make it easier to attract new commercial activity to the city. Amending the Bayview NCD to conditionally permit certain Bars supports Policy 6.1: encouraging neighborhood-serving goods and services. Incorporating the recommended modification to conditionally permit all Bars and Nighttime Entertainment in the Bayview NCD further supports this Policy.

The proposed Ordinance would also align with the Housing Element's streamlining efforts if the recommended modifications were incorporated. Policy 26 discusses streamlining and simplifying permit processes, which can apply beyond housing applications. This can be done by exempting named NCDs from the Third Street Alcohol RUD and amending controls directly in the Bayview NCD. Further, this Policy calls out more equitable access to the application process. Conditionally permitting all Bars in Bayview NCD, rather than just those with Type 42 ABC licenses, helps achieve this.

## Racial and Social Equity Analysis

The proposed Planning Code amendments aim to promote racial and social equity by simplifying the process for opening small businesses in San Francisco. This could help activate currently vacant storefronts along the Third Street corridor, providing more foot traffic and a more robust commercial corridor for the community. While these amendments are a step in the right direction, their minimal scope limits their potential impact. Expanding the allowance for Bars to include all types, beyond those with a Type 42 ABC license, could have a more significant and inclusive effect. Similarly, broadening the ordinance to accommodate a wider range of businesses could create greater opportunities for diverse business owners in the area.

However, the amendments also raise valid concerns about their potential impact on the neighborhood. Allowing more establishments selling alcohol in the district could exacerbate the very issues that prompted the establishment of the Third Street Alcohol RUD in the first place. That said the ordinance requires a CUA for certain Bars in the Bayview NCD, ensuring each new proposed business location can be vetted for appropriateness and concentration. Currently, anytime a new business wants to locate within the district, or an existing business wants to expand their offerings a code amendment is required. For example, this proposed ordinance. Allowing these uses with a CUA acknowledges that fact that the neighborhood has changed and allows more opportunity for new businesses to join the neighborhood.

## Implementation

The Department has determined that this ordinance will not impact our implementation process; however, it may increase the number of CUAs we process and the commission hears.

## 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. Amend the Third Street Alcohol RUD to not apply to Named Neighborhood Commercial Districts.
2. Amend the ordinance to conditionally permit all Bars and Nighttime Entertainment within the Bayview NCD.

## Basis for Recommendation

The Department supports the overall goals of this Ordinance because it supports economic growth within the Bayview NCD. The proposed Ordinance adds some flexibility, but the impacts would be very minor if this is limited to Bars with Type 42 ABC licenses. The proposed Ordinance also includes general clean-up items to make the Planning Code clearer. The Department believes that the following recommendations could both support the local business owner and better respond to the neighborhood's needs today:

### **Recommendation 1: Amend the Third Street Alcohol RUD to not apply to Named Neighborhood Commercial Districts.**

The Third Street Alcohol RUD was established more than 20 years ago. The Department understands that the RUD is working as intended in that it prohibits new Liquor Establishments across the varying districts, which include PDR or M zoning districts. However, some aspects of the RUD are outdated now that there is a named NCD for the Bayview. The Department's proposal is to amend the RUD so that it does not apply to named NCDs. Adding an exception to the RUD would also avoid having to do a zoning map amendment should any future named NCDs be created within the RUD boundaries. With this recommendation, the RUD would still prohibit new Liquor Establishments in the other zoning districts within the RUD. These districts are generally more permissive when it comes to Liquor Establishments, so it is important to keep the RUD restrictions within those zoning districts. Currently, the only named NCD within the Third Street Alcohol RUD is the Bayview NCD.

### **Recommendation 2: Amend the ordinance to conditionally permit all Bars and Nighttime Entertainment within the Bayview NCD.**

The proposed Ordinance targets beer and wine bars, particularly a wine bar proposed by Gratta Wines. While the proposed Ordinance does not call out a specific tenant or block/lot, it was crafted in such a way to primarily benefit one specific type of business. The Department's recommendation is to conditionally permit all Bars within the Bayview NCD, rather than just those with Type 42 ABC licenses. The NCD would also need to be amended to conditionally permit or prohibit Nighttime Entertainment (a business that serves alcohol by definition) as they are permitted as of right in the Bayview NCD. Removing the RUD would remove the current de facto prohibition on these uses. This recommendation acknowledges the social and equity issues raised in this report by requiring a public hearing and vetting for any new alcohol serving use. This ensures that the Planning Commission and members of the public can vet any proposed Bars or Nighttime Entertainment establishment.

## 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 not received any public comment regarding the proposed Ordinance.

### ATTACHMENTS:

Exhibit A: Draft Planning Commission Resolution  
Exhibit B: Board of Supervisors File No. 240932

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# **PLANNING COMMISSION**

## **DRAFT RESOLUTION**

**HEARING DATE: December 5, 2024**

*Project Name:* Third Street Alcohol Restricted Use District  
*Case Number:* 2024-009362PCA [Board File No. 240932]  
*Initiated by:* Supervisor Walton / Introduced October 1, 2024  
*Staff Contact:* Veronica Flores Legislative Affairs  
veronica.flores@sfgov.org, 628-652-7525  
*Reviewed by:* Aaron Starr, Manager of Legislative Affairs  
aaron.starr@sfgov.org, 628-652-7533

**RESOLUTION ADOPTING A RECOMMENDATION FOR APPROVAL WITH MODIFICATION OF A PROPOSED ORDINANCE THAT WOULD AMEND THE THIRD STREET ALCOHOL RESTRICTED USE DISTRICT (RUD) TO CONDITIONALLY PERMIT CERTAIN BARS WITHIN THE BAYVIEW NEIGHBORHOOD COMMERCIAL DISTRICT (NCD); 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 1, 2024 Supervisor Walton introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 240932, which would amend the Third Street Alcohol Restricted Use District (RUD) to conditionally permit certain Bars within the Bayview Neighborhood Commercial District (NCD);

WHEREAS, the Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on December 5, 2024; 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. Amend the Third Street Alcohol RUD to not apply to Named Neighborhood Commercial Districts.
2. Amend the ordinance to conditionally permit all Bars and Nighttime Entertainment within the Bayview NCD.

## 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 proposed Ordinance would promote business growth and support small businesses.

## 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 1

MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

##### Policy 1.1

Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences that cannot be mitigated.

#### 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.

## OBJECTIVE 6

MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.

### Policy 6.1

Ensure and encourage the retention and provision of neighborhood-serving goods and services in the city's neighborhood commercial districts, while recognizing and encouraging diversity among the districts.

## HOUSING ELEMENT

### Policy 26

Streamline and simplify permit processes to provide more equitable access to the application process, improve certainty of outcomes, and ensure meeting State- and local-required timelines, especially for 100% affordable housing and shelter projects.

*The proposed Ordinance supports the Commerce and Industry Element's goals of maintaining and supporting the economic growth of San Francisco. Expanding the exceptions within the Third Street Alcohol RUD supports Policy 2.1 to make it easier to attract new commercial activity to the city. Amending the Bayview NCD to conditionally permit certain Bars supports Policy 6.1: encouraging neighborhood-serving goods and services. Incorporating the recommended modification to conditionally permit all Bars and Nighttime Entertainment in the Bayview NCD further supports this Policy.*

*The proposed Ordinance would also align with the Housing Element's streamlining efforts if the recommended modifications were incorporated. Policy 26 discusses streamlining and simplifying permit processes, which can apply beyond housing applications. This can be done by exempting named NCDs from the Third Street Alcohol RUD and amending controls directly in the Bayview NCD. Further, this Policy calls out more equitable access to the application process. Conditionally permitting all Bars in Bayview NCD, rather than just those with Type 42 ABC licenses, helps achieve this.*

## 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;
2. *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.*
3. 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.*

4. 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.*

5. 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.*

6. 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.*

7. 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.*

8. 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.*

9. 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 the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on December 5, 2024

Jonas P. Ionin  
*Commission Secretary*

AYES:

NOES:

ABSENT:

ADOPTED: December 5, 2024

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1 [Planning Code - Third Street Alcohol Restricted Use District]

2

3 **Ordinance amending the Planning Code to create an exception for certain distilleries,**  
4 **wineries, and breweries to establish on-sale liquor establishments in the Bayview**  
5 **Neighborhood Commercial District, subject to a conditional use authorization;**  
6 **affirming the Planning Department’s determination under the California Environmental**  
7 **Quality Act; making findings of consistency with the General Plan, and the eight**  
8 **priority policies of Planning Code, Section 101.1; and making findings of public**  
9 **necessity, convenience, and welfare pursuant to Planning Code, Section 302.**

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

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

18

19 Section 1. Environmental and Land Use Findings.

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

25 (b) On \_\_\_\_\_, the Planning Commission, in Resolution No. \_\_\_\_\_,  
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, the Board finds that this Planning Code  
5 amendment will serve the public necessity, convenience, and welfare for the reasons set forth  
6 in Planning Commission Resolution No. \_\_\_\_\_, and the Board incorporates such  
7 reasons herein by reference. A copy of said resolution is on file with the Clerk of the Board of  
8 Supervisors in File No. \_\_\_\_\_.

9  
10 Section 2. General Findings.

11 (a) Over the years, a number of craft breweries, wineries, and distilleries have  
12 operated within the Bayview neighborhood. These businesses are part of a broader tradition  
13 of local manufacturing. They are also an important part of the local food and beverage  
14 ecosystem, producing products for sale on their premises, as well as in restaurants, bars,  
15 retail markets, and other establishments.

16 (b) The Third Street Alcohol Restricted Use District currently prohibits the  
17 establishment of new beer and wine bars.

18 (c) Bars serving beer and wine can add to the variety of nightlife offerings in a  
19 neighborhood commercial district, filling vacant storefronts and providing additional vibrancy  
20 to benefit a corridor.

21 (d) Enabling manufacturers within the neighborhood to launch new beer and wine bars  
22 will create new opportunities for small businesses along Third Street, and could attract  
23 additional alcohol manufacturers.

1 Section 3. Article 2 of the Planning Code is hereby amended by revising Section  
2 249.62, to read as follows:

3 **SEC. 249.62. THIRD STREET ALCOHOL RESTRICTED USE DISTRICT.**

4 \* \* \* \*

5 (a) In order to preserve the residential character and the neighborhood-serving  
6 commercial uses of the area, the Third Street Alcohol Restricted Use District (“Third Street  
7 Alcohol RUD”) is hereby established for the property in the area generally bounded by Islais  
8 Creek to the nNorth, Quint Street, Phelps Street, Tampa Street, Bridgeview Drive, Newhall  
9 Street, Venus Street, and Egbert Avenue to the wWest, US Highway 101 to the sSouth, and  
10 Mendell Street, La Salle Avenue, Keith Street, Palou Street, Jennings Street, and Ingalls  
11 Street to the eEast, as designated on Sectional Map Numbers 8 and 10. ~~The Third Street  
12 Alcohol RUD is designated on Section Map Numbers 8SU and 10SU.~~

13 (1) No new on-sale or off-sale Liquor Establishment shall be permitted in the  
14 Third Street Alcohol RUD.

15 (2) The prohibition on Liquor Establishments in subsection (a)(1) shall not be  
16 interpreted to prohibit the following:

17 (A) Temporary uses, as described in Planning Code Section s 205.1 or  
18 205.3;

19 (B) Establishment of a Liquor Establishment if application for such  
20 Liquor Establishment is on file with the California Department of Alcoholic Beverage Control  
21 (“ABC”) prior to the effective date of ~~legislation~~ Ordinance No. 67-03 establishing the Third  
22 Street Alcohol RUD (May 19, 2003);

23 (C) Sales of wine and brandy pursuant to an ~~Alcohol Beverage Control~~  
24 {ABC} License Type 2; ~~or~~

1 (D) Sales and manufacturing of beer pursuant to an *Alcohol Beverage*  
 2 *Control* (ABC) License Type 23; *or*

3 (E) Establishment of an on-sale Liquor Establishment with an ABC License  
 4 Type 42 within the Bayview Neighborhood Commercial District, pursuant to a conditional use  
 5 authorization as provided in Section 303.

6  
 7 **SEC. 737. BAYVIEW NEIGHBORHOOD COMMERCIAL DISTRICT.**

8 \* \* \* \*

9 **Table 737. BAYVIEW NEIGHBORHOOD COMMERCIAL DISTRICT ZONING**

10 **CONTROL TABLE**

|   |                          | Bayview NCD       |     |      |
|---|--------------------------|-------------------|-----|------|
| Zoning Category                           | § References             | Controls          |     |      |
| * * * *                                   |                          |                   |     |      |
| <b>NON-RESIDENTIAL STANDARDS AND USES</b> |                          |                   |     |      |
| * * * *                                   |                          |                   |     |      |
| <b>Commercial Use Characteristics</b>     |                          |                   |     |      |
| Drive-up Facility                         | § 102                    | NP(2)             |     |      |
| * * * *                                   |                          |                   |     |      |
|   |                          | Controls by Story |     |      |
|   |                          | 1st               | 2nd | 3rd+ |
| * * * *                                   |                          |                   |     |      |
| <b>Sales and Service Use Category</b>     |                          |                   |     |      |
| <b>Retail Sales and Service Uses*</b>     | § § 102, 202.2(a), 202.3 | P                 | P   | P    |



|   |         |               |                 |                 |    |
|---|---------|---------------|-----------------|-----------------|----|
| 1 | * * * * |               |                 |                 |    |
| 2 | Bar     | §§ 102,       | <u>NP(2)(7)</u> | <u>NP(2)(7)</u> | NP |
| 3 |         | 202.2(a),     |                 |                 |    |
| 4 |         | <u>249.62</u> |                 |                 |    |
| 5 | * * * * |               |                 |                 |    |

6 \* Not listed below

7 \* \* \* \*

8 (2) ~~THIRD STREET SPECIAL USE DISTRICT~~

9 ~~Boundaries: Applicable only to the portion of the Third Street SUD as shown on Sectional Map 10 SU~~  
10 ~~zoned NC 3.~~

11 ~~Controls: Off sale retail liquor sales are NP; d~~Drive-up facilities for Restaurants and Limited-  
12 Restaurants are C.

13 \* \* \* \*

14 (7) THIRD STREET ALCOHOL RESTRICTED USE DISTRICT (Section 249.62). C for Bars  
15 with ABC License Type 42.

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

21  
22 Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
23 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
24 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
25 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment

