



June 22, 2026

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 2026-002046PCA:**
Relocation and Re-establishment of Liquor Establishments
Board File No. 260180

Planning Commission Action: Adopted a Recommendation for Approval with Modification

Dear Ms. Calvillo and Supervisor Walton,

On June 18, 2026, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance, introduced by Supervisor Walton that would amend the Planning Code to principally permit the relocation of Bar Uses with Alcohol Beverage Control licenses as of May 19, 2003, within the Third Street Alcohol Restricted Use District (RUD) and the Bayview Neighborhood Commercial District (NCD). At the hearing the Planning Commission adopted a recommendation for approval with modification.

The Commission's proposed modification was as follows:

Amend the Third Street RUD and Bayview NCD to conditionally permit all Bars.

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, Acting Manager of Legislative Affairs

cc: Heather Goodman, 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. 21922

HEARING DATE: June 18, 2026

Project Name: Relocation and Re-establishment of Liquor Establishments
Case Number: 2026-002046PCA [Board File No. 260180]
Initiated by: Supervisor Walton / Introduced February 24, 2026
Staff Contact: Veronica Flores, Acting Manager of Legislative Affairs
veronica.flores@sfgov.org, 628-652-7525

RESOLUTION ADOPTING A RECOMMENDATION FOR APPROVAL WITH MODIFICATION OF A PROPOSED ORDINANCE THAT WOULD AMEND PLANNING CODE TO PRINCIPALLY PERMIT THE RELOCATION OF BAR USES WITH ALCOHOL BEVERAGE CONTROL LICENSES AS OF MAY 19, 2003, WITHIN THE THIRD STREET ALCOHOL RESTRICTED USE DISTRICT (RUD) AND THE BAYVIEW NEIGHBORHOOD COMMERCIAL DISTRICT (NCD); ALLOW ESTABLISHMENTS WITH ALCOHOL BEVERAGE CONTROL LICENSES AS OF MAY 19, 2003, TO RE-ESTABLISH THE USE UNDER THE EXISTING LICENSE WITHIN THE RUD AND 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 February 24, 2026 Supervisor Walton introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 260180, which would amend the Planning Code to principally permit the relocation of Bar Uses with Alcohol Beverage Control licenses as of May 19, 2003, within the Third Street Alcohol Restricted Use District (RUD) and the Bayview Neighborhood Commercial District (NCD); allow establishments with Alcohol Beverage Control licenses as of May 19, 2003, to re-establish the use under the existing license within the RUD and NCD;

WHEREAS, on May 12, 2026 Supervisor Walton introduced a substitute Ordinance under the same Board File Number;

WHEREAS, the Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on June 18, 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 recommendation is as follows:

1. Amend the Third Street RUD and Bayview NCD to conditionally permit all Bars.

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. It would also support a historic landmark to reestablish within the Third Street RUD.

General Plan Compliance

The proposed Ordinance and the Commission's recommended modification is 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.

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 retain existing commercial activity within the city. Incorporating the recommended modification to conditionally permit certain Bars within the Bayview NCD 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;

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 June 18, 2026.

Jonas P. Ionin
Commission Secretary

AYES: McGarry, So, Braun, Campbell
NOES: Williams, Moore
ABSENT: None
ADOPTED: June 18, 2026

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EXECUTIVE SUMMARY

PLANNING CODE TEXT AMENDMENT

HEARING DATE: June 18, 2026

90-Day Deadline: August 18, 2026

Project Name: Relocation and Re-establishment of Liquor Establishments
Case Number: 2026-002046PCA [Board File No. 260180]
Initiated by: Supervisor Walton / Introduced February 24, 2026
Staff Contact: Veronica Flores, Acting Manager of Legislative Affairs
veronica.flores@sfgov.org, 628-652-7525
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 principally permit the relocation of Bar Uses with Alcohol Beverage Control licenses as of May 19, 2003, within the Third Street Alcohol Restricted Use District (RUD) and the Bayview Neighborhood Commercial District (NCD).

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. Relocation of an existing Liquor Establishment is allowed with Conditional Use (CU).

The Way It Would Be:

The exceptions for Liquor Establishments within the Third Street Alcohol RUD would be expanded to allow:

- 1) the reestablishment of Liquor Establishments with an ABC License issued prior to May 19, 2003 after

a full or partial closure of 10 years or less; and

- 2) existing Liquor Establishments to relocate within the District.

Bar reestablishments and relocations would be principally permitted. All other Liquor Establishments would continue to require a CU to relocate. These amendments would also be reflected in the Bayview Zoning Control Table.

Background

Supervisor Walton introduced the proposed Ordinance to support historic Bars to reestablish and relocate within the Third Street Alcohol RUD. The goal is to support these existing businesses to continue to operate within the RUD. This may also give them the opportunity to find a new space that meets their operational needs.

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 result is that over time the number of Bars would decrease as businesses closed since new ones couldn't open up.

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.

Over the past decade, the Board has continued to adjust the Third Street Alcohol RUD as conditions along the corridor have changed. In 2014, the Board expanded the RUD's exceptions to permit establishments with Type 2¹ or Type 23² ABC licenses. Last year, the Board expanded the RUD's exceptions again to conditionally permit Bars with Type 42 ABC licenses.³ These updates, combined with ongoing changes in the neighborhood, mean that Third Street is no longer experiencing the concentration of Bars that originally prompted creation of the RUD more than 20 years ago. The current proposal would further expand these exceptions. This raises questions about whether the RUD is still calibrated to today's conditions and whether a more comprehensive update is needed to better align the regulations with current priorities.

¹ [Ordinance No. 35-14.](#)

² [Ordinance No. 248-14.](#)

³ [Ordinance No. 21-25.](#)

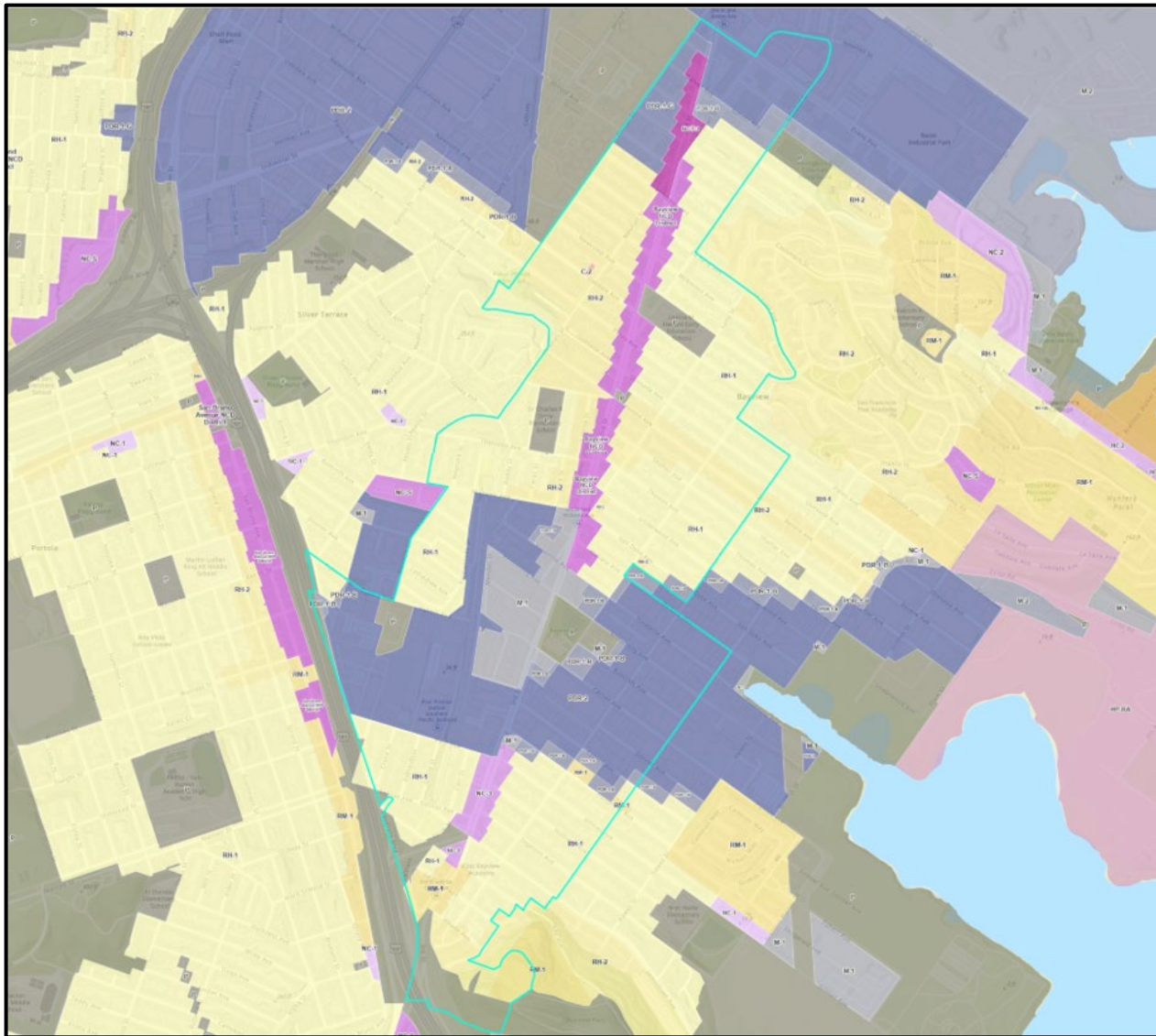


Figure 1: Map of Third Street Alcohol Restricted Use District

Existing Bars on Third Street

There are currently three bars located along the Third Street corridor:

- Jazz Room, 5267 3rd Street – still operating today;
- Sam Jordan's Bar, formerly at 4004 3rd Street – closed to the public in 2019⁴ and closed their business license in 2021; and
- Gratta Wines Market, Winery and Lounge, 2022 Lane Street, 5273 3rd Street – the wine bar opened in 2025 allowed through [Ordinance No. 21-25](#).

⁴ SFGate, [San Francisco's oldest black-owned bar will close](#).

Only the first two Bars listed above are eligible for the relocation under this proposed Ordinance because they were already operating at the time the Third Street RUD was established. Of these two bars, Sam Jordan's Bar closed their business in 2019 and would be eligible to reestablish within the Third Street RUD. Sam Jordan's Bar is a historic landmark. If it were to relocate to another site, the original property would retain its historic status. Further, any new use proposed for the original site would need to retain the historic features.

Nonconforming Uses

Legally established uses are considered nonconforming uses if the zoning permissions are later changed. Conditionally permitted uses have a three-year abandonment clause, after which time they require a CU to reestablish the use. Uses that were previously principally permitted do not have this same abandonment period and can be reestablished anytime through a building permit application.

Affected Projects

The Department is aware of only one Bar that would be eligible for the reestablishment permissions under the proposed Ordinance: Sam Jordan's Bar. Because Sam Jordan's closed in 2019, it does not meet the continuous operation requirements for the relocation exceptions within the Third Street RUD. Under current rules, relocation of a continuously operating Liquor Establishments requires a CU. Under the proposed Ordinance, reestablishing and relocating Sam Jordan's within the district would be principally permitted. The proposed Ordinance is expected to affect only one eligible establishment (Sam Jordan's) but has broader implications for alcohol-related land use controls in the Bayview.

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 retain existing commercial activity within the city. Incorporating the recommended modification to conditionally permit certain Bars within the Bayview NCD supports Policy 6.1: encouraging neighborhood-serving goods and services.

Racial and Social Equity Analysis

The proposed Planning Code amendments are intended to support long-standing bar operators within the Third Street Alcohol RUD by allowing them to relocate within the district. This flexibility could help activate vacant storefronts and strengthen commercial activity along the Third Street corridor.

However, the amendments also highlight structural equity issues. While existing operators with pre-2003 ABC licenses gain new mobility, new entrepreneurs remain unable to enter the market. This is especially true for Bayview residents who have historically faced barriers to business ownership. This creates a two-tiered system that limits broader economic opportunity in a neighborhood where expanding local entrepreneurship is a key racial and social equity priority.

The current requirement that any new Bar use or expansion undergo a standalone code amendment is itself an inequitable process, creating a high barrier to entry. Although this proposed Ordinance addresses a

narrow need, it does not improve overall access or predictability for other operators who might contribute positively to the corridor. While the proposed Ordinance does not increase the total number of Bars, reducing public process for one class of business raises questions about consistent and equitable engagement.

The Department's recommended modification to conditionally permit Bars and Nighttime Entertainment uses more broadly would help establish a more equitable framework. This approach would expand opportunities for responsible new operators while maintaining safeguards appropriate for an environmental justice community with elevated alcohol-related health impacts.

Implementation

The Department has determined that this ordinance will not impact our current implementation procedures.

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 RUD and Bayview NCD to conditionally permit all Bars.

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 to the RUD. 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 RUD and Bayview NCD to conditionally permit all Bars.

To address the structural equity concerns identified, the Department recommends considering a broader update to the NCD's alcohol-related controls by requiring Conditional Use authorization for all Bars within the Third Street RUD and Bayview NCD. Establishing Conditional Use review for Bars creates a clearer and more equitable regulatory structure.

This recommendation also responds directly to the social and equity issues identified in this report. By requiring a public hearing for any new alcohol-serving use, it ensures that the Planning Commission and the community have an opportunity to evaluate each proposal. This process allows for case-by-case review of factors such as location, operating characteristics, and compatibility with neighborhood priorities.

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. 260180

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.