



# SAN FRANCISCO PLANNING DEPARTMENT

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June 27, 2018

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

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**Re: Transmittal of Planning Department Case Number 2018-004191PCA:  
Hotel Uses in North Beach  
Board File No. 1801267  
Planning Commission Recommendation: Approval with Modification**

Dear Ms. Calvillo and Supervisor Peskin,

On June 14, 2018, the Planning Commission conducted duly noticed public hearings at regularly scheduled meetings to consider the proposed Ordinance, introduced by Supervisor Peskin that would limit Hotel uses in the Telegraph Hill-North Beach Residential Special Use District and the North Beach Neighborhood Commercial District. At the hearing the Planning Commission recommended approval with modification.

The Commission's proposed modifications were as follows:

- Modify the proposed amendments to Planning Code Section 249.49:  
Hotel uses shall not be permitted within the Residential or Residential-Commercial Districts within the Telegraph Hill-North Beach Residential Special Use District. Within the Broadway Neighborhood Commercial District Hotel uses of up to five rooms shall require Conditional Use authorization; Hotel Uses of more than five guest rooms shall not be permitted within the Broadway Neighborhood Commercial District, except that Hotel uses may be permitted as a Conditional Use through the procedures set forth in Section 303 of this Code only if the Zoning Administrator first determines that the proposed new Hotel use would occupy a space that is currently or was last legally occupied by a Hotel use; provided that its last Hotel use has not been discontinued or abandoned pursuant to Sections 186.1(d) or 178(d) of this Code and that the proposed new Hotel use will not enlarge the space; and provided further that no Conditional Use shall be required if the use remains the same as the prior authorized use, with no enlargement or intensification of use. Legally established existing Hotel uses are prohibited from enlarging or intensifying, and abandoned or discontinued Hotel uses shall not be reestablished.
- Modify the proposed amendments to Planning Code Section 722:  
(12) HOTEL USES IN NORTH BEACH  
Boundaries: North Beach Neighborhood Commercial District  
Controls: Hotel uses of up to five guest rooms shall require Conditional Use authorization; Hotel uses of more than five guest rooms shall not be permitted within the North Beach Neighborhood Commercial

District, except that Hotel uses may be permitted as a Conditional Use through the procedures set forth in Section 303 of this Code only if the Zoning Administrator first determines that the proposed new Hotel use would occupy a space that is currently or was last legally occupied by a Hotel use; provided that its last Hotel use has not been discontinued or abandoned pursuant to Sections 186.1(d) or 178(d) of this Code and that the proposed new Hotel use will not enlarge the space; and provided further that no Conditional Use shall be required if the use remains the same as the prior authorized use, with no enlargement or intensification of use. Legally established existing Hotel uses are prohibited from enlarging or intensifying, and abandoned or discontinued Hotel uses shall not be reestablished.

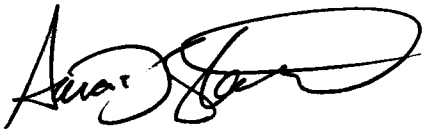
- Modify Planning Code Section 714, Broadway Neighborhood Commercial District, in those portions of the Broadway Neighborhood Commercial District that are also in the Telegraph Hill-North Beach Residential Special Use District to (1) require Conditional Use authorization for Hotel uses of up to five guest rooms and (2) prohibit Hotel uses with more than five guest rooms.

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,



Aaron D. Starr  
Manager of Legislative Affairs

cc:  
Peter Miljanich, Deputy City Attorney  
Lee Hepner, Aide to Supervisor Peskin  
Erica Major, Office of the Clerk of the Board

Attachments:  
Planning Commission Resolution  
Planning Department Executive Summary



# SAN FRANCISCO PLANNING DEPARTMENT

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## Planning Commission Resolution No. 20209

HEARING DATE JUNE 14, 2018

*Project Name:* Hotel Uses in North Beach  
*Case Number:* 2018-004191PCA [Board File No. 180267]  
*Initiated by:* Supervisor Peskin / Introduced March 20, 2018  
*Staff Contact:* Diego R Sanchez, Legislative Affairs  
diego.sanchez@sfgov.org, 415-575-9082  
*Reviewed by:* Aaron Starr, Manager of Legislative Affairs  
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**RESOLUTION APPROVING A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO LIMIT HOTEL USES IN THE TELEGRAPH HILL-NORTH BEACH RESIDENTIAL SPECIAL USE DISTRICT AND THE NORTH BEACH NEIGHBORHOOD COMMERCIAL DISTRICT; 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 FINDINGS OF PUBLIC NECESSITY, CONVENIENCE, AND WELFARE UNDER PLANNING CODE SECTION 302.**

WHEREAS, on March 20, 2018 Supervisor Peskin introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 180267, which would amend the Planning Code to limit Hotel uses in the Telegraph Hill-North Beach Residential Special Use District and the North Beach Neighborhood Commercial District;

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on June 14, 2018; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15060(c) and 15378; 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 1650 Mission Street, Suite 400, 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 **approves with modifications** the proposed ordinance.

The modifications include the following:

Modify the proposed amendments to Planning Code Section 249.49:

Hotel uses shall not be permitted within the Residential or Residential-Commercial Districts within the Telegraph Hill-North Beach Residential Special Use District, except that Hotel uses may be permitted as a Conditional Use through the procedures set forth in Section 303 of this Code only if the Zoning Administrator first determines that the proposed new Hotel use would occupy a space that is currently or was last legally occupied by a Hotel use; provided that its last Hotel use has not been discontinued or abandoned pursuant to Sections 186.1(d) or 178(d) of this Code and that the proposed new Hotel use will not enlarge the space; and provided further that no Conditional Use shall be required if the use remains the same as the prior authorized use, with no enlargement or intensification of use. Legally established existing Hotel uses are prohibited from enlarging or intensifying, and abandoned or discontinued Hotel uses shall not be reestablished.

Modify the proposed amendments to Planning Code Section 722:

(12) HOTEL USES IN NORTH BEACH

Boundaries: North Beach Neighborhood Commercial District

Controls: Hotel uses of up to five guest rooms shall require Conditional Use authorization; Hotel uses of more than five guest rooms shall not be permitted within the North Beach Neighborhood Commercial District, except that Hotel uses may be permitted as a Conditional Use through the procedures set forth in Section 303 of this Code only if the Zoning Administrator first determines that the proposed new Hotel use would occupy a space that is currently or was last legally occupied by a Hotel use; provided that its last Hotel use has not been discontinued or abandoned pursuant to Sections 186.1(d) or 178(d) of this Code and that the proposed new Hotel use will not enlarge the space; and provided further that no Conditional Use shall be required if the use remains the same as the prior authorized use, with no enlargement or intensification of use. Legally established existing Hotel uses are prohibited from enlarging or intensifying, and abandoned or discontinued Hotel uses shall not be reestablished.

Modify the Hotel use controls in Planning Code Section 714, Broadway Neighborhood Commercial District, in those portions of the Broadway Neighborhood Commercial District that are also in the Telegraph Hill-North Beach Residential Special Use District to (1) require Conditional Use authorization for Hotel uses of up to five guest rooms and (2) prohibit Hotel uses with more than five guest rooms.

## 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:

1. Tourism and visitor trade are significant contributors to San Francisco's economic base. Tourist spending generates significant taxes and fees for San Francisco. The tourist industry is also a significant source of employment.

2. The General Plan takes into account the potential adverse effects of tourism on existing residential and commercial areas. It recommends that visitor oriented facilities, such as Hotel uses, be located in areas where visitor attractions are currently located.
3. Land use controls on visitor oriented facilities like Hotel uses should strive to strike a balance between these competing concerns. This can include enacting very strict controls on Hotel uses in more residential areas, thereby eliminating the risk of disrupting the calm found in sensitive areas. They can also include allowing Hotel uses in commercial or retail areas where the City's hustle and bustle is already present and the addition of a new Hotel use may go unnoticed
4. **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 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 diversity among the districts.

*Because Hotel Uses are oriented toward tourists, prohibiting their location within the North Beach Neighborhood Commercial District helps to lessen competition with neighborhood-serving establishments for properties in the area. This can help retain neighborhood-serving establishments as well.*

### OBJECTIVE 8

ENHANCE SAN FRANCISCO'S POSITION AS A NATURAL CENTER FOR CONVENTIONS AND VISITOR TRADE.

#### Policy 8.1

Guide the location of additional tourist related activities to minimize their adverse impacts on existing residential, commercial, and industrial activities.

*The proposed Ordinance aims to minimize any adverse impacts Hotel uses could have upon the existing residential and commercial activities within the Telegraph Hill-North Beach Residential SUD and the North Beach NCD.*

## NORTH EASTERN WATERFRONT AREA PLAN

### OBJECTIVE 6

TO DEVELOP AND MAINTAIN RESIDENTIAL USES ALONG THE NORTH EASTERN WATERFRONT IN ORDER TO ASSIST IN SATISFYING THE CITY'S HOUSING NEEDS AND CAPITALIZE ON THE AREA'S POTENTIAL AS A DESIRABLE LIVING ENVIRONMENT.

**Policy 6.1**

Strengthen, preserve, and protect existing residential uses.

*By prohibiting Hotel Uses within Residential Zoning Districts in the Telegraph Hill-North Beach Residential Special Use District the proposed Ordinance helps to preserve and protect residential uses and helps maintain a strictly residential feel to the area.*

**OBJECTIVE 18**

TO DEVELOP A DIVERSITY OF ADDITIONAL ACTIVITIES WHICH WOULD STRENGTHEN THE EXISTING PREDOMINATE USES IN THE BASE OF TELEGRAPH HILL SUBAREA AND ACTIVITIES WHICH WOULD EXPAND THE PERIOD OF USE, BUT OF AN INTENSITY WHICH WOULD PROVIDE A RELIEF FROM THE ADJACENT DOWNTOWN AND FISHERMAN'S WHARF AREAS.

**Policy 18.2**

Encourage the development of residential uses as a major use on inland sites in this area. Such use should be especially encouraged immediately adjacent to Telegraph Hill and at the upper levels of commercial development.

*By prohibiting Hotel Uses within Residential Zoning Districts in the Telegraph Hill-North Beach Residential Special Use District the proposed Ordinance helps to lessen competition for sites from uses other than residential ones. This facilitates residential development in the area. It also assures that potentially incompatible retail uses like Hotel uses are adequately segregated from more sensitive residential uses.*

5. **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;

*By limiting Hotel uses the proposed Ordinance would help preserve and enhance neighborhood serving retail uses.*

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

*The limitations on Hotel uses would help conserve and protect housing and 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 because the Ordinance concerns itself with limiting Hotel uses.*

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.*

6. **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 APPROVES 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 June 14, 2018.



Jonas P. Ionin  
Commission Secretary

AYES: Fong, Hillis, Johnson, Koppel

NOES: Melgar, Moore, Richards

ABSENT: None

ADOPTED: June 14, 2018





# SAN FRANCISCO PLANNING DEPARTMENT

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## Executive Summary Planning Code Text Amendment

HEARING DATE: JUNE 14, 2018  
90-DAY DEADLINE: JUNE 24, 2018

*Project Name:* **Hotel Uses in North Beach**  
*Case Number:* **2018-004191PCA** [Board File No. 180267]  
*Initiated by:* Supervisor Peskin / Introduced March 20, 2018  
*Staff Contact:* Diego R Sanchez, Legislative Affairs  
diego.sanchez@sfgov.org, 415-575-9082  
*Reviewed by:* Aaron Starr, Manager of Legislative Affairs  
aaron.starr@sfgov.org, 415-558-6362  
*Recommendation:* **Approval with Modifications**

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### PLANNING CODE AMENDMENT

The proposed Ordinance would amend the Planning Code to limit Hotel uses in the Telegraph Hill-North Beach Residential Special Use District and the North Beach Neighborhood Commercial District.

#### The Way It Is Now:

1. In the Telegraph Hill-North Beach Residential Special Use District, Hotel uses are generally allowed with Conditional Use authorization. In the Residential, House and the Residential, Mixed Zoning Districts within the Telegraph Hill-North Beach Residential Special Use District, Hotel uses with more than five guest rooms are prohibited.
2. In the North Beach Neighborhood Commercial District, Hotel uses are allowed at all stories with Conditional Use authorization.

#### The Way It Would Be:

1. In the Telegraph Hill-North Beach Residential Special Use District Hotel uses would be prohibited. Further, enlargement or intensification of existing Hotel uses would also be prohibited.
2. In the North Beach Neighborhood Commercial District, Hotel uses would be prohibited at all stories. Further, enlargement or intensification of existing Hotel uses would also be prohibited.

### ISSUES AND CONSIDERATIONS

#### Tourism Industry in SF

Tourism and visitor trade are significant contributors to San Francisco's economic base. According to one industry association, total visitor spending in 2016 was approximately \$8.9 billion. This spending generates significant taxes and fees for San Francisco. That year, for example, the tourism industry

generated \$724 million in taxes and fees. The tourism industry is also a significant source of employment, supporting approximately 80,000 jobs in 2016.<sup>1</sup>

The General Plan also recognizes the economic importance of the tourism industry in San Francisco.<sup>2</sup> It notes that tourist spending is particularly important because it provides a substantial input of outside dollars to the local economy. Beyond new revenue, the General Plan indicates that the tourism industry can be a source of employment for semi-skilled residents. This is important because many of these residents may have difficulties finding work in other sectors.

The General Plan also takes into account the potential adverse effects of tourism on existing residential and commercial areas.<sup>3</sup> It recommends that visitor oriented facilities, such as Hotel uses, be located in areas where visitor attractions are currently located. This can help reduce any negative effects from the tourism industry upon the City's residential areas.

Land use controls on visitor oriented facilities like Hotel uses should strive to strike a balance between these competing concerns. This can include enacting very strict controls on Hotel uses in more residential areas, thereby eliminating the risk of disrupting the calm found in sensitive areas. They can also include allowing Hotel uses in commercial or retail areas where the City's hustle and bustle is already present and the addition of a new Hotel use may go unnoticed.

### **Hotel Uses and Land Use Controls in the City's Northeast**

#### The Northeastern Waterfront and the Community Business District

The Telegraph Hill-North Beach Residential Special Use District stretches from Columbus Avenue to the west to the Embarcadero and Sansome Street to the east (*see Exhibit B*). At the eastern end lie the North Eastern Waterfront Area Plan (NEWAP) and the Waterfront Special Use District No.3 (WSUD3). The NEWAP encourages the development of a diverse set of activities, including those occurring during evenings and weekends, at intensities and concentrations lower than those at Fisherman's Wharf or downtown. Among those encouraged activities are Hotel uses.<sup>4</sup> The WSUD3, established in part to protect nearby residential and commercial areas from adverse adjacent development, recognizes Hotel

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<sup>1</sup>San Francisco Travel Updates Tourism Forecast. 26 September 2017. Retrieved from <http://www.sftravel.com/article/san-francisco-travel-updates-tourism-forecast>

<sup>2</sup> Commerce and Industry Element. Objective 8: Enhance San Francisco's position as a natural center for conventions and visitor trade.

<sup>3</sup> Commerce and Industry Element. Objective 8: Enhance San Francisco's position as a natural center for conventions and visitor trade. Policy 8.1 Guide the location of additional tourist related activities to minimize their adverse impact on existing residential, commercial, and industrial activities.

<sup>4</sup> North Eastern Waterfront Area Plan. Objective 18 Develop a diversity of additional activities which would strengthen the existing predominant uses in the base of Telegraph Hill Subarea and activities which would expand the period of use, but of an intensity which would provide a relief from the adjacent downtown and Fisherman's Wharf areas. Policy 18.3 Encourage the moderate development of uses such as shops, restaurants, entertainment and hotels which activate the waterfront during evenings and weekends, but to a lesser overall intensity and concentration than present in the adjacent downtown and Fisherman's Wharf areas.

uses as potentially compatible uses for the area. It does this by allowing them with Conditional Use authorization.<sup>5</sup> Last, the Community Business (C-2) zoning district underlies a significant portion of this area. The C-2 is intended to provide goods and services to a Citywide or a regional market area, and complement the main area for such types of trade in downtown. The C-2 allows Hotel uses with Conditional Use authorization.<sup>6</sup>

Overall, existing land use controls recognize the value of Hotel uses in the eastern end of the Telegraph Hill-North Beach Residential Special Use District. They also recognize that these uses should undergo additional scrutiny for compatibility through the Conditional Use process.

#### North Beach NCD

The North Beach Neighborhood Commercial District (NCD) runs along Columbus Avenue between Broadway and Francisco Street, but also extends east and west of Columbus (*see Exhibit B*). It forms the spine of the North Beach neighborhood and is the center of retail activity in the area.

North Beach is an attraction for City residents as well as for regional, national and global tourists. Many flock to the neighborhood for its array of eating and drinking establishments, its nightlife and its parks and open spaces. A significant number of these uses are geared toward the tourist trade. Having overnight accommodations located on or near Columbus makes patronizing establishments there convenient.

However, North Beach is also a long standing residential neighborhood. Residents depend on the neighborhood-serving establishments for goods and services. The North Beach Special Use District, which essentially overlaps with the North Beach SUD, has as a purpose to preserve and maintain a variety of neighborhood-serving retail uses for the residents of North Beach and nearby neighborhoods.<sup>7</sup> Given this, a balance between neighborhood-serving and tourist oriented uses is vital to the NCD's functioning. Controls on Hotel uses should be modified to reflect this concern by lessening their allowed intensity. This can be done by restricting the number of allowed guest rooms in Hotel uses. Similar controls are found in the City's Residential zoning districts, where analogous concerns between residential and commercial/tourist uses exist.

### **General Plan Compliance**

#### Commerce and Industry Element

**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 diversity among the districts.

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<sup>5</sup> Planning Code Section 240.3(f)

<sup>6</sup> Planning Code Section 210.1

<sup>7</sup> Planning Code Section 780.3

*Because Hotel Uses are oriented toward tourists, prohibiting their location within the North Beach Neighborhood Commercial District helps to lessen competition with neighborhood-serving establishments for properties in the area. This can help retain neighborhood-serving establishments as well.*

**Objective 8:** Enhance San Francisco's position as a natural center for conventions and visitor trade.

**Policy 8.1:** Guide the location of additional tourist related activities to minimize their adverse impacts on existing residential, commercial, and industrial activities.

*The proposed Ordinance aims to minimize any adverse impacts Hotel uses could have upon the existing residential and commercial activities within the Telegraph Hill-North Beach Residential SUD and the North Beach NCD.*

Northeastern Waterfront Area Plan

**Objective 6:** To develop and maintain residential uses along the Northeastern Waterfront in order to assist in satisfying the City's housing needs and capitalize on the area's potential as a desirable living environment.

**Policy 6.1:** Strengthen, preserve, and protect existing residential uses.

*By prohibiting Hotel Uses within Residential Zoning Districts in the Telegraph Hill-North Beach Residential Special Use District the proposed Ordinance helps to preserve and protect residential uses and helps maintain a strictly residential feel to the area.*

**Objective 18:** To develop a diversity of additional activities which would strengthen the existing predominate uses in the base of Telegraph Hill Subarea and activities which would expand the period of use, but of an intensity which would provide a relief from the adjacent downtown and Fisherman's Wharf areas.

**Policy 18.2** Encourage the development of residential uses as a major use on inland sites in this area. Such use should be especially encouraged immediately adjacent to Telegraph Hill and at the upper levels of commercial development.

*By prohibiting Hotel Uses within Residential Zoning Districts in the Telegraph Hill-North Beach Residential Special Use District the proposed Ordinance helps to lessen competition for sites from uses other than residential ones. This facilitates residential development in the area. It also assures that potentially incompatible retail uses like Hotel uses are adequately segregated from more sensitive residential uses.*

**Implementation**

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

**RECOMMENDATION**

The Department recommends that the Commission *approve with modifications* the proposed Ordinance and adopt the attached Draft Resolution to that effect. The Department's proposed recommendations are as follows:

1. Continue to allow Hotel Uses with Conditional Use authorization in the portions of the Telegraph Hill-North Beach Residential SUD within the C-2 zoning district.
2. Allow Hotel Uses of up to five guest rooms in the North Beach Neighborhood Commercial District with Conditional Use authorization.

## **BASIS FOR RECOMMENDATION**

The Department supports the Ordinance's intention to moderate the effect of Hotel uses on adjacent residential uses within the Telegraph Hill-North Beach Residential SUD and upon other uses within the North Beach NCD. Assuring that new development is compatible with existing uses is the cornerstone of sound land use planning. However, the Department does believe that the following modifications still assure compatibility of uses while allowing new Hotel uses in areas that are suited for them:

**Recommendation 1: Continue to allow Hotel Uses with Conditional Use authorization in the portions of the Telegraph Hill-North Beach Residential SUD within the C-2 zoning district.** Allowing Hotel uses with Conditional Use authorization recognizes their benefit when located near places of natural, historical or cultural significance and interest. The areas zoned C-2 within the Telegraph Hill-North Beach Residential SUD are generally areas, or near areas, of such interest. These areas have also been identified as areas suitable for Hotel uses through past planning efforts. The Conditional Use authorization requirement serves to assure compatibility, given the particularities of sites in the area.

**Recommendation 2: Allow Hotel Uses of up to five guest rooms in the North Beach Neighborhood Commercial District with Conditional Use authorization.** While the NCD is a hub of retail activity for the area, it also serves as an indispensable locale for neighborhood-serving activities. Limiting the intensity to new Hotel uses within the NCD will help balance the competing interests of expanding the tourist industry while still allowing for spaces for local use.

## **REQUIRED COMMISSION ACTION**

The proposed Ordinance is before the Commission so that it may approve it, reject it, or approve it with modifications.

## **ENVIRONMENTAL REVIEW**

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.

## **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: Map of Hotels and Land Use Controls in Subject Area
- Exhibit C: Board of Supervisors File No. 180267