

BOARD of SUPERVISORS



City Hall  
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# MEMORANDUM

TO: Katy Tang, Director  
**Small Business Commission, City Hall, Room 448**

FROM: John Carroll, Assistant Clerk, Land Use and Transportation Committee

DATE: October 9, 2024

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS  
Land Use and Transportation Committee

The Board of Supervisors' Land Use and Transportation Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

**File No. 240932**

**Ordinance amending the Planning Code to create an exception for certain distilleries, wineries, and breweries to establish on-sale liquor establishments in the Bayview Neighborhood Commercial District, subject to a conditional use authorization; 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.**

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c:  
Offices of Chair Melgar and Supervisor Walton  
Kerry Birnbach, Senior Policy Analyst/Commission Secretary

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**RESPONSE FROM SMALL BUSINESS COMMISSION - Date:** \_\_\_\_\_

**No Comment**  
 **Recommendation Attached**

\_\_\_\_\_  
**Chairperson, Small Business Commission**

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.

14

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

16

17 Section 1. Environmental and Land Use Findings.

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

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

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

1 additions, and Board amendment deletions in accordance with the “Note” that appears under  
2 the official title of the ordinance.

3

4 APPROVED AS TO FORM:  
5 DAVID CHIU, City Attorney

6 By: \_\_\_\_\_ /s/ \_\_\_\_\_  
7 AUSTIN M. YANG  
8 Deputy City Attorney

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**LEGISLATIVE DIGEST**  
(Substituted, October 1, 2024)

[Planning Code - Third Street Alcohol Restricted Use District]

**Ordinance amending the Planning Code to create an exception for certain distilleries, wineries, and breweries to establish on-sale liquor establishments in the Bayview Neighborhood Commercial District, subject to a conditional use authorization; 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**

Existing Law

The Third Street Alcohol Restricted Use District generally prohibits the new Liquor Establishments. There are limited exceptions for temporary uses, Liquor Establishments that applied prior to the effective date of the general prohibition (May 19, 2003), sales of wine and brandy pursuant to a Department of Alcohol Beverage Control (“ABC”) License Type 2, or Type 23.

Amendments to Current Law

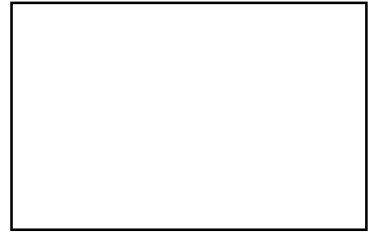
This ordinance would allow ABC License Type 42 establishments to open in the Third Street Alcohol Restricted Use District, subject to a conditional use authorization. It would also make clarifying amendments to the Zoning Tables of the Bayview Neighborhood Commercial District. Although the ordinance would amend the zoning table to make the control for Bars “NP”, Bars are currently already subject to the controls in the Third Street Alcohol Restricted Use District, which generally prohibits on-sale Liquor Establishments, like Bars.

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## Introduction Form

*(by a Member of the Board of Supervisors or the Mayor)*



I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- 2. Request for next printed agenda (For Adoption Without Committee Reference)  
*(Routine, non-controversial and/or commendatory matters only)*
- 3. Request for Hearing on a subject matter at Committee
- 4. Request for Letter beginning with "Supervisor [ ] inquires..."
- 5. City Attorney Request
- 6. Call File No. [ ] from Committee.
- 7. Budget and Legislative Analyst Request (attached written Motion)
- 8. Substitute Legislation File No. [240932]
- 9. Reactivate File No. [ ]
- 10. Topic submitted for Mayoral Appearance before the Board on [ ]

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- Small Business Commission       Youth Commission       Ethics Commission
- Planning Commission       Building Inspection Commission       Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- Yes                       No

*(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)*

Sponsor(s):

Walton

Subject:

Planning Code - Third Street Alcohol Restricted Use District

Long Title or text listed:

Ordinance amending the Planning Code to create an exception for certain distilleries, wineries, and breweries to establish on-sale liquor establishments in the Bayview Neighborhood Commercial District, subject to a conditional use authorization; 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

Signature of Sponsoring Supervisor: /s/ Shamann Walton