

BOARD of SUPERVISORS



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August 3, 2018

File No. 180806

Lisa Gibson  
Environmental Review Officer  
Planning Department  
1650 Mission Street, Ste. 400  
San Francisco, CA 94103

Dear Ms. Gibson:

On July 31, 2018, Supervisor Tang introduced the following proposed legislation:

**File No. 180806**

**Ordinance amending the Planning Code to create a new Use allowing flexible, multi-use retail; making Flexible Retail principally permitted in Supervisorial District Four; 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.**

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

*Erica Major*  
By: Erica Major, Assistant Clerk  
Land Use and Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning  
Laura Lynch, Environmental Planning

1 [Planning Code - Flexible Retail Use]

2

3 **Ordinance amending the Planning Code to create a new Use allowing flexible, multi-use**  
4 **retail; making Flexible Retail principally permitted in Supervisorial District Four;**  
5 **affirming the Planning Department’s determination under the California Environmental**  
6 **Quality Act; making findings of consistency with the General Plan, and the eight**  
7 **priority policies of Planning Code, Section 101.1; and making findings of public**  
8 **necessity, convenience, and welfare pursuant to Planning Code, Section 302.**

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

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

17 Section 1. Findings.

18 (a) In February 2018, the Office of Economic and Workforce Development  
19 published a report entitled “State of the Retail Sector: Challenges and Opportunities for San  
20 Francisco’s Neighborhood Commercial Districts” (“Report”). Prepared by Strategic  
21 Economics, the Report analyzed the national restructuring of the retail, restaurant, and  
22 personal services industries; identified factors required to support successful San Francisco  
23 retail districts; catalogued opportunities, costs, and challenges for retail, restaurant, and  
24 personal services businesses in San Francisco; and documented adaptations that businesses  
25 are making in response to changing conditions.

(b) The Report’s key findings include:

- 1 • Between the first and third quarters of 2017, chain retailers nationwide  
2 announced 3,044 store openings, and 6,752 store closings. While overall retail  
3 sales were in decline, retail sales growth was concentrated in several  
4 categories, including: food and beverage stores; e-commerce; building materials  
5 and home furnishings; and health and personal care stores. Food services  
6 sales also experienced growth.
- 7 • Consistent with national trends, after many years of growth, San Francisco's  
8 retail sector appears to be slowing. Growth in retail employment and sales tax  
9 revenues slowed between 2015 and 2016, and vacancy rates in some  
10 neighborhood commercial districts are increasing. Retail business owners also  
11 reported seeing increased competition with online sales for a rapidly expanding  
12 range of products.
- 13 • While retail demand is slowing, there is a national trend towards increased  
14 consumer spending on dining, services, and other ways to engage retail  
15 customers. There is a corresponding increased demand in storefront space for  
16 restaurant, entertainment, and personal services in San Francisco  
17 neighborhoods. Restaurants and personal services are a key component of the  
18 experience provided by neighborhood shopping districts, drawing foot traffic to  
19 other businesses and providing spaces to linger and gather as a community.  
20 Continued growth in these activities could mitigate some of the effects on  
21 vacancy rates caused by local contraction in the retail industry.
- 22 • Based on increased consumer demand for experiences and increased  
23 competition from online sales, many retailers are developing new strategies to  
24 attract customers, including: expanding opportunities for customers to interact  
25 with products before making a purchase; integrating eating, drinking, and

1 wellness into traditional retail stores; and offering community-building activities  
2 such as classes, workshops, readings, lectures, or concerts. Incorporating  
3 multiple uses or creatively co-locating other uses may help retail businesses  
4 diversify their revenue streams.

- 5 • Land use and permitting requirements can present challenges to new  
6 businesses in San Francisco. New businesses must often invest significant time  
7 and money into completing the permitting and construction processes. These  
8 costs frequently place business owners in substantial debt, jeopardizing the  
9 viability of their enterprises before they are even able to open their doors and  
10 can dissuade aspiring entrepreneurs from opening their own businesses.
- 11 • Existing land use and permitting requirements may make it challenging for  
12 businesses to incorporate food, drink, events, and other elements that create  
13 attractive experiences for customers. Existing land use and permitting  
14 requirements also limit a business' ability to incorporate multiple uses, or co-  
15 locate multiple businesses, within a single storefront.

16 (c) More flexibility within land use controls would support small businesses by  
17 enabling them to creatively experiment with integrating food, beverage, retail and professional  
18 services uses within the same space. The creation of flexible, multi-use space could enable  
19 small-scale entrepreneurs to launch brick-and-mortar operations, on a temporary or  
20 permanent basis, within larger storefronts.

21 (d) The purpose of this ordinance is to reduce storefront vacancies, support a  
22 diverse mix of businesses, enable retail businesses to engage in creative strategies to attract  
23 customers and diversify revenues, and otherwise support healthy and vibrant commercial  
24 corridors in San Francisco.

1 Section 2. Environmental and Land Use Findings.

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

7 (b) On \_\_\_\_\_, the Planning Commission, in Resolution No. \_\_\_\_\_,  
8 adopted findings that the actions contemplated in this ordinance are consistent, on balance,  
9 with the City's General Plan and eight priority policies of Planning Code Section 101.1. The  
10 Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of  
11 the Board of Supervisors in File No. \_\_\_\_\_, and is incorporated herein by reference.

12 (c) Pursuant to Planning Code Section 302, the Board finds that this Planning Code  
13 amendment will serve the public necessity, convenience, and welfare for the reasons set forth  
14 in Planning Commission Resolution No. \_\_\_\_\_, and the Board incorporates such reasons  
15 herein by reference.

16  
17 Section 3. The Planning Code is hereby amended by revising Section 102 to read as  
18 follows, with the definition of "Flexible Retail" placed after the definition of "Family" and before  
19 the definition of "Floor Area, Gross":

20 **SEC. 102. DEFINITIONS.**

21 \* \* \* \*

22 **Arts Activities.** A Retail Entertainment, Arts and Recreation Use that includes performance,  
23 exhibition (except exhibition of films), rehearsal, production, post-production, and some  
24 schools of any of the following: ~~D~~dance; music; dramatic art; film; video; graphic art;  
25 painting; drawing; sculpture; small-scale glassworks; ceramics; textiles; woodworking;

1 photography; custom-made jewelry or apparel; and other visual, performance and sound  
2 arts and craft. It shall exclude accredited Schools and Post-Secondary Educational  
3 Institutions. It shall include commercial arts and art-related business service uses including,  
4 but not limited to; recording and editing services; small-scale film and video developing and  
5 printing; titling; video and film libraries; special effects production; fashion and photo stylists;  
6 production, sale and rental of theatrical wardrobes; and studio property production and rental  
7 companies. Arts spaces shall include studios, workshops, archives and theaters, and other  
8 similar spaces customarily used principally for arts activities, exclusive of a Movie Theater,  
9 General Entertainment Amusement Enterprise, Adult Business Entertainment, and any other  
10 establishment where liquor is customarily served during performances.

11 \* \* \* \*

12  
13 **Flexible Retail.** A Retail Sales and Service Use in Neighborhood Commercial Districts that can  
14 include any combination of the following use categories and characteristics within a space and can be  
15 operated by one or more business operators:

- 16 (1) Arts Activities;  
17 (2) Restaurant, Limited;  
18 (3) Retail Sales and Services, General;  
19 (4) Service, Personal;  
20 (5) Service, Retail Professional; and  
21 (6) Trade Shop.

22 \* \* \* \*

23  
24 **Restaurant, Limited.** A Retail Sales and Service Use that serves ready-to-eat foods and/or  
25 drinks to customers for consumption on or off the premises, that may or may not have seating.

1 It may include wholesaling, manufacturing, or processing of foods, goods, or commodities on  
2 the premises as an Accessory Use as set forth in Sections 204.3 or 703.2 depending on the  
3 zoning district in which it is located. It includes, but is not limited to, foods provided by  
4 sandwich shops, coffee houses, pizzerias, ice cream shops, bakeries, delicatessens, and  
5 confectioneries meeting the above characteristics, but is distinct from a Specialty Grocery,  
6 Restaurant, and Bar. Within the North Beach SUD, it is also distinct from Specialty Food  
7 Manufacturing, as defined in Section 780.3(b). It shall not provide on-site beer and/or wine  
8 sales for consumption on the premises, but may ~~sell provide off-site~~ beer and/or wine sales for  
9 consumption off the premises with a California Alcoholic Beverage Control Board License type  
10 20 (off-sale beer and wine), if all areas devoted to the display and sale of alcoholic beverages  
11 occupy less than 15% of the Occupied Floor Area of the establishment ~~(including all areas~~  
12 ~~devoted to the display and sale of alcoholic beverages)~~. Such businesses shall operate with the  
13 specified conditions in Section 202.2(a)(1).

14 \* \* \* \*

15  
16 **Retail Sales and Service, General.** A Retail Sales and Service Use that provides goods  
17 and/or services to the general public and that is not listed as a separate Retail Sales and  
18 Service Use in this Section ~~of the Code~~ 102. This use includes, but is not limited to the sale or  
19 provision of the following goods and services:

20 (a) Personal items such as tobacco and magazines;

21 (b) Self-service laundromats and dry cleaning, where no portion of a building  
22 occupied by such use shall have any opening other than fixed windows and exits required by  
23 law within 50 feet of any R District;

24 (c) Household goods and service (including paint, fixtures, and hardware, but  
25 excluding other building materials);

- 1 (d) Variety merchandise, pet supply stores, and pet grooming services;
- 2 (e) Florists and plant stores;
- 3 (f) Apparel and accessories;
- 4 (g) Antiques, art galleries, art supplies, and framing service;
- 5 (h) Home furnishings, furniture, and appliances;
- 6 (i) Books, stationery, greeting cards, office supplies, copying service, music, and
- 7 sporting goods; and
- 8 (j) Toys, gifts, and photographic goods and services.

9 \* \* \* \*

10  
11 **Service, Personal.** A Retail Sales and Services Use that provides grooming services to the  
12 individual, including salons, cosmetic services, tattoo parlors, and health spas, bathhouses,  
13 and steam rooms. Personal Service does not include Massage Establishments or Gym, which  
14 are defined separately in this Section 102.

15 \* \* \* \*

16  
17 **Service, Retail Professional.** A Retail Sales and Service Use that provides to the general  
18 public, general business, or professional services including, but not limited to, management,  
19 clerical, accounting, legal, consulting, insurance, real estate brokerage, and travel services. It  
20 may provide services to the business community, provided that it also provides services to the  
21 general public. Otherwise, it shall be considered a Non-Retail Professional Service Use as  
22 defined in this Section ~~of the Planning Code~~ 102.

23 This use does not include research service of an industrial or scientific nature in a  
24 commercial or medical laboratory, other than routine medical testing and analysis by a health-  
25 care professional or hospital.

1 \* \* \* \*

2  
3 **Trade Shop.** A Retail Sales and Service Use that provides custom-crafted goods and/or  
4 services for sale directly to the consumer, reserving some storefront space for display and  
5 retail service, subject to the conditions in Section 202.2. A trade shop includes, but is not  
6 limited to:

7 (a) Repair of personal apparel, accessories, household goods, appliances, furniture,  
8 and similar items, but excluding repair of motor vehicles and structures;

9 (b) Upholstery services;

10 (c) Carpentry;

11 (d) Printing of a minor processing nature, including multi-copy and blueprinting  
12 services and printing of pamphlets, brochures, resumes, and small reports, but excluding  
13 printing of books, magazines, or newspapers;

14 (e) Tailoring; and

15 (f) Other artisan craft uses, including fine arts uses. Arts Activities and Light  
16 Manufacturing shall be considered distinct from Trade Shops.

17 \* \* \* \*

18  
19 Section 4. The Planning Code is hereby amended by revising Sections 710, 711, 712,  
20 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 728, 729, 730, 750,  
21 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, and 764, to read as follows:

22  
23 **SEC. 710. NC-1 – NEIGHBORHOOD COMMERCIAL CLUSTER DISTRICT.**

24 \* \* \* \*

25 **Table 710. NEIGHBORHOOD COMMERCIAL CLUSTER DISTRICT NC-1**

**ZONING CONTROL TABLE**

\*\*\*\*

Zoning Category	§ References	Controls		
NON-RESIDENTIAL USES		Controls by Story		
		1st	2nd	3rd+
****				
Sales and Service Use Category				
<b>Retail Sales and Service Uses*</b>	§ 102	P(2)	NP	NP
****				
Cannabis Retail	§§ 102, 202.2(a)	NP(6)	NP(6)	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP(3)</u>	<u>NP</u>	<u>NP</u>
****				

\* Not listed below

(1) Additional five feet for NC-1 parcels with a Commercial use on the ground floor within the following areas:

(a) Within the boundaries of Sargent Street to Orizaba Avenue to Lobos Street to Plymouth Avenue to Farellones Street to San Jose Avenue to Alemany Boulevard to 19th Avenue to Randolph Street to Monticello Street and back to Sargent Street.

(b) On Noriega, Irving, Taraval, and Judah Streets west of 19th Avenue.

(2) P if located more than 1/4 one-fourth mile from any NC District or Restricted Use Subdistrict with more restrictive controls; otherwise, same as more restrictive control.

(3) ~~Note deleted.~~ P in Supervisorial District 4.

(4) C required for 7 or more persons.

(5) C if a Macro WTS Facility; P if a Micro WTS Facility.

(6) C in Supervisorial District 4.

**SEC. 711. NC-2 – SMALL-SCALE NEIGHBORHOOD COMMERCIAL DISTRICT.**

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**Table 711. SMALL-SCALE NEIGHBORHOOD COMMERCIAL DISTRICT NC-2  
ZONING CONTROL TABLE**

\*\*\*\*\*

Zoning Category	§ References	Controls		
		1st	2nd	3rd+
<b>NON-RESIDENTIAL USES</b>				
<b>Controls by Story</b>				
*****				
<b>Sales and Service Use Category</b>				
*****				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<i>§ 102</i>	<i>NP(2)</i>	<i>NP</i>	<i>NP</i>
*****				

\* Not listed below

(1) Additional five feet for NC-2 parcels zoned 40' or 50' with an Active Use on the ground floor within the following areas: Balboa Street between 2nd Avenue and 8th Avenue, and between 32nd Avenue and 39th Avenue.

(2) ~~Note deleted.~~ P in Supervisorial District 4.

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**SEC. 712. NC-3 – MODERATE-SCALE NEIGHBORHOOD COMMERCIAL DISTRICT.**

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1 **Table 712. MODERATE-SCALE NEIGHBORHOOD COMMERCIAL DISTRICT NC-3**  
 2 **ZONING CONTROL TABLE**

3 \* \* \* \*

Zoning Category	§ References	Controls		
<b>NON-RESIDENTIAL STANDARDS</b>				
* * * *				
<b>Sales and Service Use Category</b>				
* * * *				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<i>§ 102</i>	<i>NP</i>	<i>NP</i>	<i>NP</i>
* * * *				

12 \* \* \* \*

13  
 14 **SEC. 713. NC-S – NEIGHBORHOOD COMMERCIAL SHOPPING CENTER**  
 15 **DISTRICT.**

16 \* \* \* \*

17 **Table 713. NEIGHBORHOOD COMMERCIAL SHOPPING CENTER DISTRICT NC-S**  
 18 **ZONING CONTROL TABLE**

19 \* \* \* \*

Zoning Category	§ References	Controls		
<b>NON-RESIDENTIAL STANDARDS</b>				
* * * *				
<b>Sales and Service Use Category</b>				
* * * *				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP

<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
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**SEC. 714. BROADWAY NEIGHBORHOOD COMMERCIAL DISTRICT.**

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**Table 714. BROADWAY NEIGHBORHOOD COMMERCIAL DISTRICT  
ZONING CONTROL TABLE**

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Zoning Category	§ References	Controls		
<b>NON-RESIDENTIAL STANDARDS</b>				
****				
<b>Sales and Service Use Category</b>				
****				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
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**SEC. 715. CASTRO STREET NEIGHBORHOOD COMMERCIAL DISTRICT.**

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**Table 715. CASTRO STREET NEIGHBORHOOD COMMERCIAL DISTRICT  
ZONING CONTROL TABLE**

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Zoning Category	§ References	Controls		
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**NON-RESIDENTIAL STANDARDS**

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**Sales and Service Use Category**

\*\*\*\*\*

Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
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<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
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**SEC. 716. INNER CLEMENT STREET NEIGHBORHOOD COMMERCIAL DISTRICT.**

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**Table 716. INNER CLEMENT STREET NEIGHBORHOOD COMMERCIAL DISTRICT  
ZONING CONTROL TABLE**

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**Zoning Category**

**§ References**

**Controls**

**NON-RESIDENTIAL STANDARDS AND USES**

\*\*\*\*\*

**Sales and Service Use Category**

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Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
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<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
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****				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
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**SEC. 719. HAIGHT STREET NEIGHBORHOOD COMMERCIAL DISTRICT.**

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**Table 719. HAIGHT STREET NEIGHBORHOOD COMMERCIAL DISTRICT  
ZONING CONTROL TABLE**

\*\*\*\*

Zoning Category	§ References	Controls		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>				
****				
<b>Sales and Service Use Category</b>				
****				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
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**SEC. 720. EXCELSIOR OUTER MISSION NEIGHBORHOOD COMMERCIAL  
DISTRICT.**

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1 **Table 720. EXCELSIOR OUTER MISSION STREET NEIGHBORHOOD COMMERCIAL**  
 2 **DISTRICT ZONING CONTROL TABLE**

3 \* \* \* \*

Zoning Category	§ References	Controls		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>				
* * * *				
<b>Sales and Service Use Category</b>				
* * * *				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
* * * *				

12 \* \* \* \*

13  
 14 **SEC. 721. JAPANTOWN NEIGHBORHOOD COMMERCIAL DISTRICT.**

15 \* \* \* \*

16 **Table 721. JAPANTOWN NEIGHBORHOOD COMMERCIAL DISTRICT ZONING**  
 17 **CONTROL TABLE**

18 \* \* \* \*

Zoning Category	§ References	Controls		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>				
* * * *				
<b>Sales and Service Use Category</b>				
* * * *				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>

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**SEC. 722. NORTH BEACH NEIGHBORHOOD COMMERCIAL DISTRICT.**

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**Table 722. NORTH BEACH NEIGHBORHOOD COMMERCIAL DISTRICT  
ZONING CONTROL TABLE**

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Zoning Category	§ References	Controls		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>				
****				
<b>Sales and Service Use Category</b>				
****				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<i>§ 102</i>	<i>NP</i>	<i>NP</i>	<i>NP</i>
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**SEC. 723. POLK STREET NEIGHBORHOOD COMMERCIAL DISTRICT.**

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**Table 723. POLK STREET NEIGHBORHOOD COMMERCIAL DISTRICT  
ZONING CONTROL TABLE**

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Zoning Category	§ References	Controls		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>				

* * * *				
Sales and Service Use Category				
* * * *				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
* * * *				

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**SEC. 724. SACRAMENTO STREET NEIGHBORHOOD COMMERCIAL DISTRICT.**

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**Table 724. SACRAMENTO STREET NEIGHBORHOOD COMMERCIAL DISTRICT  
ZONING CONTROL TABLE**

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Zoning Category	§ References	Controls		
NON-RESIDENTIAL STANDARDS AND USES				
* * * *				
Sales and Service Use Category				
* * * *				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
* * * *				

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**SEC. 725. UNION STREET NEIGHBORHOOD COMMERCIAL DISTRICT.**

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1                   **Table 725. UNION STREET NEIGHBORHOOD COMMERCIAL DISTRICT**  
 2   **ZONING CONTROL TABLE**

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<b>Zoning Category</b>		<b>§ References</b>	<b>Controls</b>		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>					
*****					
<b>Sales and Service Use Category</b>					
*****					
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP	
<i>Flexible Retail</i>	<i>§ 102</i>	<i>NP</i>	<i>NP</i>	<i>NP</i>	
*****					

12       \*\*\*\*\*

13  
 14                   **SEC. 726. PACIFIC AVENUE NEIGHBORHOOD COMMERCIAL DISTRICT.**

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16                   **Table 726. PACIFIC AVENUE NEIGHBORHOOD COMMERCIAL DISTRICT**  
 17   **ZONING CONTROL TABLE**

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<b>Zoning Category</b>		<b>§ References</b>	<b>Controls</b>		
<b>NON-RESIDENTIAL STANDARDS</b>					
*****					
<b>Sales and Service Use Category</b>					
*****					
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP	
<i>Flexible Retail</i>	<i>§ 102</i>	<i>NP</i>	<i>NP</i>	<i>NP</i>	

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**SEC. 728. 24TH STREET – NOE VALLEY NEIGHBORHOOD COMMERCIAL DISTRICT.**

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**Table 728. 24TH STREET – NOE VALLEY NEIGHBORHOOD COMMERCIAL DISTRICT ZONING CONTROL TABLE**

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Zoning Category	§ References	Controls		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>				
****				
<b>Sales and Service Use Category</b>				
****				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<i>§ 102</i>	<i>NP</i>	<i>NP</i>	<i>NP</i>
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**SEC. 729. WEST PORTAL AVENUE NEIGHBORHOOD COMMERCIAL DISTRICT.**

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**Table 729. WEST PORTAL AVENUE NEIGHBORHOOD COMMERCIAL DISTRICT ZONING CONTROL TABLE**

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Zoning Category	§ References	Controls		
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**NON-RESIDENTIAL STANDARDS**

\*\*\*

**Sales and Service Use Category**

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Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>

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**SEC. 730. INNER SUNSET NEIGHBORHOOD COMMERCIAL DISTRICT.**

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**Table 730. INNER SUNSET NEIGHBORHOOD COMMERCIAL DISTRICT  
ZONING CONTROL TABLE**

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Zoning Category	§ References	Controls		
<b>NON-RESIDENTIAL STANDARDS</b>				
***				
<b>Sales and Service Use Category</b>				
***				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
***				

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Sales and Service Use Category				
****				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
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**SEC. 752. NCT-3 – MODERATE-SCALE NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.**

\*\*\*\*

**Table 752. MODERATE-SCALE NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT  
NCT-3 ZONING CONTROL TABLE**

\*\*\*\*

Zoning Category	§ References	Controls		
<b>NON-RESIDENTIAL STANDARDS</b>				
****				
Sales and Service Use Category				
****				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
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**SEC. 753. SOMA NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.**

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1                   **Table 753. SOMA NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT**  
 2   **ZONING CONTROL TABLE**

3           \*\*\*\*

Zoning Category	§ References	Controls		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>				
****				
<b>Sales and Service Use Category</b>				
****				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<i>§ 102</i>	<i>NP</i>	<i>NP</i>	<i>NP</i>
****				

12           \*\*\*\*

14                   **SEC. 754. MISSION STREET NEIGHBORHOOD COMMERCIAL TRANSIT**  
 15   **DISTRICT.**

16           \*\*\*\*

17                   **Table 754. MISSION STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT**  
 18   **ZONING CONTROL TABLE**

19           \*\*\*\*

Zoning Category	§ References	Controls		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>				
****				
<b>Sales and Service Use Category</b>				
****				

1	Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
2	<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
3	****				

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5  
6 **SEC. 755. OCEAN AVENUE NEIGHBORHOOD COMMERCIAL TRANSIT**  
7 **DISTRICT.**

8 \*\*\*\*

9 **Table 755. OCEAN AVENUE NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT**  
10 **ZONING CONTROL TABLE**

11 \*\*\*\*

Zoning Category		§ References	Controls		
<b>NON-RESIDENTIAL STANDARDS</b>					
****					
<b>Sales and Service Use Category</b>					
****					
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP	
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>	
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20 \*\*\*\*

21  
22 **SEC. 756. GLEN PARK NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.**

23 \*\*\*\*

24 **Table 756. GLEN PARK NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT**  
25 **ZONING CONTROL TABLE**

1 \* \* \* \*

Zoning Category	§ References	Controls		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>				
* * * *				
<b>Sales and Service Use Category</b>				
* * * *				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
* * * *				

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11  
12 **SEC. 757. FOLSOM STREET NEIGHBORHOOD COMMERCIAL TRANSIT**  
13 **DISTRICT.**

14 \* \* \* \*

15 **Table 757. FOLSOM STREET NEIGHBORHOOD COMMERCIAL TRANSIT**  
16 **DISTRICT ZONING CONTROL TABLE**

17 \* \* \* \*

Zoning Category	§ References	Controls		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>				
* * * *				
<b>Sales and Service Use Category</b>				
* * * *				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>

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**SEC. 758. REGIONAL COMMERCIAL DISTRICT.**

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**Table 758. REGIONAL COMMERCIAL DISTRICT ZONING CONTROL TABLE**

\*\*\*\*

Zoning Category	§ References	Controls		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>				
****				
<b>Sales and Service Use Category</b>				
****				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<i>§ 102</i>	<i>NP</i>	<i>NP</i>	<i>NP</i>
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**SEC. 759. DIVISADERO STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.**

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**Table 759. DIVISADERO STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT ZONING CONTROL TABLE**

\*\*\*\*

Zoning Category	§ References	Controls		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>				

1 \* \* \* \*

2 **Sales and Service Use Category**

3 \* \* \* \*

4 Cannabis Retail §§ 102, 202.2(a) C C NP

5 *Flexible Retail* § 102 NP NP NP

6 \* \* \* \*

7 \* \* \* \*

8  
9 **SEC. 760. FILLMORE STREET NEIGHBORHOOD COMMERCIAL TRANSIT**  
10 **DISTRICT.**

11 \* \* \* \*

12 **Table 760. FILLMORE STREET NEIGHBORHOOD COMMERCIAL TRANSIT**  
13 **DISTRICT ZONING CONTROL TABLE**

14 \* \* \* \*

Zoning Category	§ References	Controls		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>				
* * * *				
<b>Sales and Service Use Category</b>				
* * * *				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
* * * *				

23 \* \* \* \*



****				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
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**SEC. 763. 24TH STREET – MISSION NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.**

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**Table 763. 24TH STREET – MISSION NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT ZONING CONTROL TABLE**

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Zoning Category	§ References	Controls		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>				
****				
<b>Sales and Service Use Category</b>				
****				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
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**SEC. 764. UPPER MARKET STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.**

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1 **Table 764. UPPER MARKET STREET NEIGHBORHOOD COMMERCIAL TRANSIT**  
 2 **DISTRICT ZONING CONTROL TABLE**

3 \* \* \* \*

Zoning Category	§ References	Controls		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>				
* * * *				
<b>Sales and Service Use Category</b>				
* * * *				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
* * * *				

12 \* \* \* \*

13  
 14 Section 5. Effective Date. This ordinance shall become effective 30 days after  
 15 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
 16 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
 17 of Supervisors overrides the Mayor's veto of the ordinance.

18  
 19 Section 6. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
 20 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
 21 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
 22 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment

23 ///

24 ///

25

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

3

4

5 APPROVED AS TO FORM:  
6 DENNIS J. HERRERA, City Attorney

7

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By:   
AUSTIN M. YANG  
Deputy City Attorney

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## LEGISLATIVE DIGEST

[Planning Code - Flexible Retail Use]

**Ordinance amending the Planning Code to create a new Use allowing flexible, multi-use retail; making Flexible Retail principally permitted in Supervisorial District Four; 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 Planning Code considers Arts Activities, Limited Restaurants, General Retail Sales and Services, Personal Services, Retail Professional Services, and Trade Shop as separate uses. Each of these Uses is defined in section 102 of the Planning Code. While there is no Use that permits a retailer to combine multiple Uses in the same space, under certain conditions, the Planning Code permits some Uses to be considered Accessory to Principal Uses. In Neighborhood Commercial Districts (“NCDs”) conditions for Accessory Uses are set forth in Planning Code section 703. Generally, Accessory Uses may not occupy more than 30% of the total floor area occupied by such use and the Principal or Conditional use.

### Amendments to Current Law

This ordinance creates the Flexible Retail Use. Flexible Retail would be a type of Retail Sales and Service Use located in NCDs. This Use would combine the following existing uses: Arts Activities, Limited Restaurants, General Retail Sales and Services, Personal Services, Retail Professional Services, and Trade Shop. Flexible Retail would also allow these Uses to be operated by one or more businesses within the space. This is different than Accessory Uses because there would be no limitation on the amount space any of the Uses could occupy.

### Background Information

In February 2018, the Office of Economic and Workforce Development published a report entitled “State of the Retail Sector: Challenges and Opportunities for San Francisco’s Neighborhood Commercial Districts.” The report found that based on increased consumer demand for experiences and increased competition from online sales, many retailers are developing new strategies to attract customers, including: expanding opportunities for customers to interact with products before making a purchase; integrating eating, drinking, and wellness into traditional retail stores; and offering community-building activities such as classes, workshops, readings, lectures, or concerts. The report found that incorporating

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multiple uses or creatively co-locating other uses may help retail businesses diversify their revenue streams.

The report also found that land use and permitting requirements can present challenges to new businesses in San Francisco. Specifically, that existing land use and permitting requirements may make it challenging for businesses to incorporate food, drink, events, and other elements that create attractive experiences for customers, and that existing land use and permitting requirements also limit a business' ability to incorporate multiple uses, or co-locate multiple businesses, within a single storefront.

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