



November 26, 2024

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

Re: **Transmittal of Planning Department Case Number 2024-008956PCA/MAP:**
2301 Chestnut Street Special Sign District
Board File No. 240931

Planning Commission Recommendation: Approval with Modification

Dear Ms. Calvillo and Supervisor Stefani,

On November 14, 2024, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance, introduced by Supervisor Stefani. The proposed ordinance would amend the Planning Code and Zoning Map to create a single-lot Special Sign District (SSD) at 2301 Chestnut Street. At the hearing the Planning Commission adopted a recommendation for approval with modifications.

The Commission's proposed modification was as follows:

Amend the Ordinance to allow all corner Commercial businesses in NC Districts to have two projecting signs.

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.

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,

A handwritten signature in black ink, appearing to read "Aaron D. Starr". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Aaron D. Starr
Manager of Legislative Affairs

cc: Giulia Gualco-Nelson, Deputy City Attorney
Lorenzo Rosas, Aide to Supervisor Stefani
John Carroll, Office of the Clerk of the Board

ATTACHMENTS :

Planning Commission Resolution
Planning Department Executive Summary



PLANNING COMMISSION RESOLUTION NO. 21648

HEARING DATE: NOVEMBER 14, 2024

Project Name: 2301 Chestnut Street Special Sign District
Case Number: 2024-008956PCA/MAP [Board File No. 240931]
Initiated by: Supervisor Stefani / Introduced October 16, 2024
Staff Contact: Audrey Merlone, Legislative Affairs
Audrey.Merlone@sfgov.org, 628-652-7534
Reviewed by: Aaron D Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533

RESOLUTION ADOPTING A RECOMMENDATION FOR APPROVAL OF A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE AND ZONING MAP TO ESTABLISH THE 2301 CHESTNUT STREET SPECIAL SIGN DISTRICT ENCOMPASSING THE REAL PROPERTY CONSISTING OF ASSESSOR'S PARCEL BLOCK NO. 0936, LOT NO. 001, TO ALLOW TWO PROJECTING SIGNS AT 2301 CHESTNUT STREET; 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 UNDER PLANNING CODE, SECTION 302.

WHEREAS, on October 16, 2024 Supervisor Stefani introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 240931, which would amend the Planning Code and Zoning Map to establish the 2301 Chestnut Street Special Sign District encompassing the real property consisting of Assessor's Parcel Block No. 0936, Lot No. 001, to allow two projecting signs at 2301 Chestnut Street; 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 under Planning Code, Section 302;

WHEREAS, the Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on November 14, 2024; and,

WHEREAS, the proposed ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15378 and 15060(c)(2); and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the department, as the custodian of records, at 49 South Van Ness Avenue, suite 1400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed ordinance; and

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed amendment; and

MOVED, that the Planning Commission hereby adopts a **recommendation for approval with modifications** of the proposed ordinance. The Commission's proposed recommendation is as follows:

1. Amend the Ordinance to allow **all** corner Commercial businesses in NC Districts to have two projecting signs.

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 Department supports the proposed Ordinance because it adjusts sign controls to help a small business while enhancing a street corner and neighborhood vibrancy. Importantly, this change accomplishes this without harming the character of the neighborhood or the pedestrian experience. However, the Department believes the same justifications in support of this ordinance are why it should also be expanded to all NC Districts. Instead of creating a one-parcel SUD for this business, staff recommends allowing two projecting signs at all corner Commercial units in the city's NC districts, as these units serve a unique function compared to mid-block businesses. With entrances on two street frontages, corner commercial units draw consumers from multiple directions and serve as anchors that set the tone for the entire block. Ensuring these spaces are active and welcoming is essential to fostering a vibrant commercial atmosphere in our NC districts. Beyond design considerations, there are also economic justifications for expanding the Ordinance to all NC districts. Small businesses continue to struggle post-pandemic, and the Ordinance will provide flexibility to corner businesses that may want to increase their visibility to consumers through additional signage.

General Plan Compliance

The proposed Ordinance and the Commission's recommended modifications are consistent with the following Objectives and Policies of the General Plan:

URBAN DESIGN ELEMENT

Policy 1.3

Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.

Policy 1.6

Make centers of activity more prominent through design of street features and by other means.

Policy 1.8

Increase the visibility of major destination areas and other points for orientation.

The general pattern of buildings should emphasize the topographic form of the city and the importance of centers of activity. It should also help to define street areas and other public open spaces. Shopping streets and other centers for activity and congregation of people should stand out in an attractive manner in their districts. The proposed Ordinance, along with the Department's recommended modifications, aims to highlight corner commercial businesses as focal points on their blocks. By allowing these businesses to have two projecting Signs, the Ordinance signals to pedestrians approaching from different directions that they are entering a vibrant neighborhood commercial corridor. This visual cue will not only attract patrons to the individual business but also draw attention to and encourage foot traffic throughout the entire commercial area.

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 the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on November 14, 2024.



Jonas P. Ionin
Commission Secretary

Jonas P Ionin Digitally signed by Jonas P Ionin
Date: 2024.11.22 16:39:33 -08'00'

- AYES: Campbell, McGarry, Williams, Braun, Imperial, So
NOES: None
ABSENT: Moore
ADOPTED: November 14, 2024



EXECUTIVE SUMMARY

PLANNING CODE TEXT & ZONING MAP AMENDMENT

HEARING DATE: November 14, 2024

90-Day Deadline: January 14, 2025

Project Name: 2301 Chestnut Street Special Sign District
Case Number: 2024-008956PCA/MAP [Board File No. 240931]
Initiated by: Supervisor Stefani / Introduced October 16, 2024
Staff Contact: Audrey Merlone, Legislative Affairs
Audrey.Merlone@sfgov.org, 628-652-7534
Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533
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 and Zoning Map to create a single-lot Special Sign District (SSD) at 2301 Chestnut Street.

The Way It Is Now:

2301 Chestnut Street is in a Small-Scale Neighborhood Commercial (NC-2) District. In the NC-2, a business is not permitted to have more than one projecting sign.

The Way It Would Be:

The proposed Ordinance would create a Special Sign District (SSD) at 2301 Chestnut Street. Within the SSD, a business located on the corner – defined as the unit that fronts two adjoining streets – would be permitted to

have up to two projecting signs. All other requirements for projecting signs and signs in general, including but not limited to size, illumination, and placement, would remain the same. Businesses within this lot specific SSD that are *not* located on the corner would be limited to one projecting sign.

Issues and Considerations

Types of Business Signs:

The sign controls exist to safeguard and enhance property values across use types and enhance the distinctive appearance of San Francisco. To accomplish this, a permit is required to install, replace, reconstruct, expand, intensify, or relocate any sign unless it is specifically exempted from the regulations. Signs must conform to the provisions set forth in Article 6 and other applicable sections of the Planning Code. There are many types of signs regulated under Article 6, including Identifying Signs, General Advertising Signs, and Business Signs. Section 602 defines a Business Sign as:

“A Sign which directs attention to the primary business, commodity, service, industry or other activity which is sold, offered, or conducted on the premises upon which such Sign is located, or to which it is affixed.”



Two examples of Wall Signs.



Example of a projecting Sign.



Example of a Sign on an Awning.

Three of the most common types of Business Signs are Wall Signs, projecting signs, and signs on Awnings. The Ordinance would only increase the *number* of projecting signs allowed at 2301 Chestnut’s corner business. A projecting sign generally extends beyond a street property line or a building setback line.

Existing Sign Controls in NC Districts

All NC’s (named and general) limit projecting signs to one per business. Flashing elements are not allowed on projecting signs in any NC. In NC-1, NC-2 and certain named NC’s, projecting signs may only be directly illuminated during business hours. Dimensional limits of projecting signs vary by NC district.

PROJECTING SIGNS	NC-1 and NCT-1	RC, NC-2, NCT-2	NCT, NC-3, NCT-3, Chinatown CBD	Chinatown Visitor Retail District	Chinatown Residential NCD
Permissibility	1 max per business	1 max per business	1 max per business	1 max per business	1 max per business
Projection from the Building Face Maximum	6’6” or no more than 75% of distance from property line to curb	6’6” or no more than 75% of distance from property line to curb	6’6” or no more than 75% of distance from property line to curb	6’6” or no more than 75% of distance from property line to curb	6’6” or no more than 75% of distance from property line to curb
Height or Total Area	15’ high or height of the wall to which it is attached	24 square feet total area 24’ height or height of the wall to which it is attached, or height of lowest residential windowsill of the building	32 square feet total area 24’ height or height of the wall to which it is attached, or height of lowest residential windowsill of the building	24 square feet total area 24’ height or height of the wall to which it is attached, or height of lowest residential windowsill of the building	15’ high or height of the wall to which it is attached
Illumination	Direct or Indirect allowed	Direct or Indirect allowed	Direct or Indirect allowed	Indirect, or direct only during business hours	Indirect, or direct only during business hours

The Businesses at 2301 Chestnut Street

The building at 2301 Chestnut Street contains three commercial units. A full-service restaurant occupies the corner unit, while another full-service restaurant is in the center unit. The westernmost unit is occupied by a small grocery store. In February 2024, the restaurant on the corner applied for a permit to install an additional projecting sign at a secondary entrance on Chestnut Street. Although the business already has a projecting sign at the main corner entrance, it wanted to direct patrons to the bar side of the establishment through the secondary entrance. The sign permit is on hold pending legislative approval.



The corner business at 2301 Chestnut Street.

Considerations for Corner Buildings

Corner lots have an enhanced role in shaping the neighborhood's identity, often serving as focal points that establish the streetscape's initial impression. The city's Residential Design Guidelines recommend that corner *residential* buildings highlight their strategic location by visually engaging with the public realm. Similarly, corner *commercial* buildings are essential in defining and anchoring commercial corridors. Unlike mid-block buildings, corner commercial properties generally occupy larger frontages and frequently feature



Two existing projecting signs at corner commercial units.

multiple entrances, facilitating access from various directions and extending their reach beyond the primary commercial area. Activating and maintaining these spaces to ensure they remain accessible and inviting is crucial.

Awning and Sign Amnesty Program

In August of 2023, Mayor Breed signed an ordinance (149-23) that amended the Building Code and Planning Code to create a temporary amnesty program for existing unpermitted Business Signs and Awnings. The legislation was created due to the large number of businesses throughout the city that had one or more unpermitted sign, including many businesses that contained two projecting signs. Though this program created much-needed alleviation from the sign controls for businesses with *existing* unpermitted signs, it did not allow for businesses to install new signs unless they comply with the Planning Code.

Supporting Small Businesses

The Controller's Office of Economic Analysis released a report¹ in October of 2022 on the status of the re-opening of the City's economy. One of the key findings was that new business formation (tracked by the number of business registration certificates filed) remained far below pre-pandemic rates, especially in the retail trades and restaurant/bar categories. The report revealed that visitors were beginning to return to San Francisco to shop, eat, and experience the city; however, the lack of daily commuters and lower than normal number of tourists has hurt small businesses. The Controller's March 2024 report² on the state of San Francisco's economy indicates similar findings from the 2022 report on the status of the reopening: Although tourism and commercial vacancy rates are slowly improving, they are still below pre-pandemic levels. Many businesses are still attempting to recover from the pandemic amidst a period of slow economic growth both locally and nationally. In an era where brick and mortar commercial businesses are struggling to attract patrons, the city should be encouraging vibrant and attractive streetscapes that pull pedestrians into commercial corridors, and allowing two projecting signs for corner businesses serves that end.

The Ordinance signals to pedestrians approaching from different directions that they are entering a vibrant neighborhood commercial corridor.

General Plan Compliance

Policy 1.6 of the Urban Design Element is to: "*Make centers of activity more prominent through design of street features and by other means.*". Policy 1.8 is to: "*Increase the visibility of major destination areas and other points for orientation.*". Shopping streets and other centers for activity and congregation of people should stand out in an attractive manner in their districts. The proposed Ordinance aims to highlight a corner commercial business as a focal point on the block. By allowing this business to have two projecting signs, the Ordinance signals to pedestrians approaching from different directions that they are entering a vibrant neighborhood commercial corridor. This visual cue will not only attract patrons to the individual business

¹ https://sfcontroller.org/sites/default/files/Documents/Economic%20Analysis/October%20Re-Opening%20Report_final.pdf

² <https://www.sf.gov/sites/default/files/2024-04/Status%20of%20the%20San%20Francisco%20Economy%20March%202024.pdf>

but also draw attention to and encourage foot traffic throughout the entire commercial area.

Racial and Social Equity Analysis

The proposed Ordinance would only apply to one commercial unit. As such, its impact is far too limited to influence racial or social equity in the city. If the ordinance were more expansive, however, it could have a more meaningful effect.

A survey by Supervisor Stefani's office identified numerous corner commercial buildings in NC districts across the city that already contain two projecting signs. Staff research found that some of the highest rates of noncompliance— i.e. corner businesses with two projecting signs—occur in the city's Cultural Heritage Districts. These unique neighborhoods are vital to San Francisco's economy, drawing tourists who come to experience the diverse cultures, aesthetics, and artistic heritage each area offers. At the same time, the individual character of Cultural Districts has never been more at risk, and the city's historic small businesses are especially vulnerable. Prior to the pandemic, commercial rents in most neighborhoods doubled or tripled, forcing otherwise thriving businesses that anchored commercial corridors to close. The pandemic only worsened financial pressures on these historic small businesses, intensifying their challenges.

It is also important to acknowledge the origins of many of the city's design controls, and why certain aesthetics are considered "desirable" over others. Many of the city's oldest design controls sought to reduce "visual clutter". The term "visual clutter" is often employed as a proxy to minimize the expression of cultural identity and diversity. More recent design guidelines in the Japantown and Calle 24 cultural districts recognize the importance of celebrating these districts' unique aesthetics and diverse qualities of signage. The Cultural Districts strive to promote and protect businesses and industries that advance the culture and history of said districts. In this way, if the Ordinance's reach were to expand, it would further equity by complementing this goal of the Cultural Districts.

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 recommendation is as follows:

1. Amend the Ordinance to allow **all** corner Commercial businesses in NC Districts to have two projecting signs.

Basis for Recommendation

The Department supports the proposed Ordinance because it adjusts sign controls to help a small business while enhancing a street corner and neighborhood vibrancy. Importantly, this change accomplishes this

without harming the character of the neighborhood or the pedestrian experience. However, the Department believes the same justifications in support of this ordinance are why it should also be expanded to all NC Districts. Therefore, we are recommending the following modification:

Recommendation 1: Amend the Ordinance to allow all corner Commercial businesses in NC Districts to have two projecting signs. Instead of creating a one-parcel SUD for this business, staff recommends allowing two projecting signs at all corner commercial units in the city's NC districts, as these units serve a unique function compared to mid-block businesses. With entrances on two street frontages, corner Commercial units draw consumers from multiple directions and serve as anchors that set the tone for the entire block. Ensuring these spaces are active and welcoming is essential to fostering a vibrant commercial atmosphere in our NC districts. Beyond design considerations, there are also economic justifications for expanding the Ordinance to all NC districts. Small businesses continue to struggle post-pandemic, and the Ordinance will provide flexibility to corner businesses that may want to increase their visibility to consumers through additional signage.

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.