

**REVISED LEGISLATIVE DIGEST**  
*(Amended in Committee – June 30, 2025)*

[Planning Code - Fenestration, Transparency, and Sign Requirements Generally; Sales and Service Uses in the C-3 and RC Districts]

**Ordinance amending the Planning Code to 1) principally permit certain non-retail sales and service uses, including general office, design professional, business services, non-retail professional services, and trade offices, on the ground floor in the C-3 (“Downtown Commercial”) Districts through December 31, 2030, after which such uses will be conditionally permitted, and make accompanying revisions to required ground floor uses and Floor Area Ratio; 2) principally permit retail sales and service uses on the second floor and above in the RC (“Residential-Commercial”) Districts; 3) principally permit non-retail sales and service uses on the second floor and above, and conditionally permit catering and laboratory uses on the ground floor in the RC Districts; 4) update transparency and fenestration requirements for ground floor active uses and exempt child care facilities, homeless shelters, mortuaries, religious institutions, reproductive health clinics, and school uses from those requirements; 5) modify the definition of a Window Sign; 6) modify Planning review and approval of changes in copy of a Sign and Wall and Window Signs applied to doors, windows, or building facades; 7) modify the definition of a Non-Residential Use for the purposes of certain development impact fee waivers; and 8) modify permitted and required ground floor uses in the RH-DTR (“Rincon Hill Downtown Residential”) District, including uses in certain historic buildings, subject to various conditions; 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

A Retail Sales and Service Use involves the sale of goods or services directly to the ultimate consumer. A Non-Retail Sales and Service Use involves the sale of goods or services to other businesses rather than the end user. (Planning Code § 102.)

In the C-3 (Downtown Commercial) Districts, certain non-retail sales and service uses are principally permitted on the ground floor, including catering, design professional, laboratory, and life science. Other non-retail sales and service uses are conditionally permitted on the ground floor, including office, business services, and trade offices. (Planning Code § 210.2.) Floor Area Ratio (“FAR”) limits also apply in the C-3 Districts. (*Id.* § 124.)

In the RC (Residential Commercial) Districts, certain retail sales and service uses, including animal hospitals, bars, restaurants, general retail sales, and health services, are conditionally

permitted on the second floor and above. Non-retail sales and service uses are not permitted in the RC Districts, except for Design Professional uses. (Planning Code § 209.3.)

The Planning Code imposes transparency and fenestration requirements in Neighborhood Commercial, Residential Commercial, Commercial, and Mixed Use Districts. (Planning Code § 145.1(c)(6).) Currently, PDR uses are exempt from these requirements. (*Ibid.*)

The Planning Code also imposes active ground use requirements in certain districts, including in portions of the RH-DTR (Rincon Hill Downtown Residential Mixed Use) District and the C-3 Districts. (Planning Code § 145.4.) Additional ground-floor retail requirements apply in the RH-DTR. (*Id.* § 827(a)(2).)

Currently, in the Eastern Neighborhoods Mixed Use Districts, all uses are principally permitted in certain historic buildings, subject to review by the Historic Preservation Commission. (Planning Code § 803.9.)

Article 4 of the Planning Code governs development impact fees and requirements. Section 406 provides for a waiver of development impact fees and requirements for Non-Residential uses (other than a hotel use) that will be converted into a residential use, subject to certain eligibility conditions. (Planning Code § 406(j).) Production, Distribution, and Repair (PDR) Uses are not classified as Non-Residential Uses. (See *id.* §102.)

Article 6 of the Planning Code governs signs throughout the City. A Sign is defined as “Any structure, part thereof, or device or inscription which is located upon, attached to, or painted, projected, or represented on any land or right-of-way, or on the outside of any building or structure including an Awning, Canopy, Marquee, or similar appendage, or affixed to the glass on the outside or inside of a window. . . .” (Planning Code § 602.) Permits are required for Signs regulated under Article 6, except for certain types of Signs set forth in Section 604, including Business and Identifying Signs painted on windows or doors.

### Amendments to Current Law

#### **C-3 Districts**

This ordinance amends the Planning Code to:

- principally permit certain non-retail sales and service uses on the ground floor in the C-3 Districts, including office, business services, and trade offices, through December 31, 2030. After December 31, 2030, such uses will be conditionally authorized;
- exempt from FAR requirements any new Gross Floor Area created in a C-3 District through a change of use on the ground floor (§ 124); and
- exempt C-3 Districts from ground floor active use requirements through December 31, 2030 (§ 145.4).

#### **RC Districts**

This ordinance amends the Planning Code to:

- principally permit certain retail sales and service uses, including animal hospitals, bars, restaurants, general retail sales, and health services, on the second floor and above in RC Districts;
- principally permit non-retail sales and service uses at the second floor and above in RC Districts; and
- conditionally permit laboratory and catering uses on the ground floor in RC Districts.

### **RH-DTR Districts**

This ordinance amends the Planning Code to:

- principally permit in the RH-DTR District all uses in designated landmark or contributory buildings within an Article 10 District, or buildings listed on or eligible for the California Register of Historical Resources, subject to review by the Zoning Administrator and the Historic Preservation Commission (§ 803.9); and
- exempt the foregoing buildings in RH-DTR Districts from ground floor active use requirements (§ 145.4).

### **Transparency and Fenestration**

This ordinance also codifies a Zoning Administrator Interpretation defining fenestration and visibility requirements for frontages with active uses in Neighborhood Commercial, Residential-Commercial, and Mixed Use Districts. (Planning Code Section 145.1(c)(6).) This ordinance also exempts the following uses from these transparency and fenestration requirements: Child Care Facility; Homeless Shelter; Mortuary; Religious Institution; Reproductive Health Clinic; School Use; and any Social or Health Service Use proposed on-site with either a Homeless Shelter or an affordable housing project that meets the requirements of Planning Code Section 315(b). This ordinance amends the Central SOMA Special Use District (§ 249.78) to clarify cross-references to the transparency and fenestration exemptions.

### **Impact Fees**

This ordinance amends Planning Code Section 406(j) to define a replacement of use for the purpose of calculating impact fees and make existing PDR uses eligible for the residential conversion development impact fee and requirements waiver.

### **Signs**

The ordinance also amends Article 6 of the Planning Code to:

- narrow the definition of a Window Sign to one that touches the glass on the inside or outside of a building and make associated revisions to the definition of a Sign;
- clarify that Signs listed under Section 604(c) do not require a permit or Planning approval to the extent such Signs are permitted by the Code;
- expand the existing exception for painted Signs to any Wall or Window Sign that: (i) is not located in a Public or Residential District; (ii) does not otherwise require review and

approval under Articles 10 and 11; (iii) does not require a building permit; and (iv) is not a General Advertising Sign;

- expand the existing change in copy exception to all changes of copy that do not (i) require a Building Permit; (ii) constitute a change from a General Advertising Sign; (iii) increase the Area, Height, Illumination, or Projection of a Sign, excluding any changes that affect only the copy of the Sign;
- delete the existing change in copy exceptions for the C-3 Districts and portions of the C-2 District, which are now unnecessary due to the expansion of the Citywide change in copy exception;
- make the allowable area of a Window Sign a function of the total area of a business's windows and clear doors; and
- increase the allowable area of a Window Sign in Residential Districts to one-third the area of the total area of a business's windows and clear doors.

#### Background Information

This ordinance contains findings detailing the need for a fast, predictable, and transparent permitting process, which will create new jobs, businesses, and homes, as well as facilitate the City's economic recovery from the COVID-19 pandemic by removing barriers to active streetscapes in the City's downtown neighborhoods.

This ordinance incorporates amendments made at the June 30, 2025 meeting of the Land Use and Transportation Committee. Those amendments:

- C-3 Districts
  - exempt from FAR requirements any new Gross Floor Area created in a C-3 District through a change of use on the ground floor (§ 124); and
  - exempt C-3 Districts from ground floor active use requirements through December 31, 2030 (§ 145.4).
- RC Districts
  - conditionally permit laboratory and catering uses on the ground floor in RC Districts.
- RH-DTR Districts
  - principally permit in the RH-DTR District all uses in designated landmark or contributory buildings within an Article 10 District, or buildings listed on or eligible for the California Register of Historical Resources, subject to review by the Zoning Administrator and the Historic Preservation Commission (§ 803.9); and
  - exempt the foregoing buildings in RH-DTR Districts from ground floor active use requirements (§ 145.4).
- Transparency and Fenestration
  - make clarifying edits to transparency and fenestration requirements and delete references to Window and Interior Signs.
- Signs

- delete references to Interior Signs in the original ordinance and instead narrowed the definition of a Window Sign to one that only touches the glass of a building so as to be seen from the outside;
- clarify that no permit or Planning review is required for signs listed in Section 604(c)
- expand the existing change in copy and painted sign exceptions; and
- expand the allowable area of Window Signs.

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