



October 24, 2014

Ms. Angela Calvillo, Clerk
Honorable Mayor Lurie
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 Numbers 2025-004733PCA, 2025-004734PCA, 2025-004737PCA and 2025-004740PCA: Permit SF Planning Code Amendments**
Board File Nos. 250542, 250540, 250539 and 250538

Planning Commission Recommendation:	250542: Approval with Modification 250540: Approval 250539: Approval 250538: Approval with Modification
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Dear Ms. Calvillo and Mayor Lurie,

On June 26, 2025, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider four proposed Ordinance, introduced by Mayor Lurie, that would amend the Planning Code, and are associated with the mayor's Permit SF effort. At the hearing, the Planning Commission adopted a recommendation for approval for all four ordinances, with recommended amendments for two of the ordinances, as noted above.

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.

Mayor Lurie, 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", with a long horizontal flourish extending to the right.

Aaron D. Starr
Manager of Legislative Affairs

cc: Austin Yang, Deputy City Attorney
Guilia Gualco-Nelson, Deputy City Attorney
Robb Kapla, Deputy City Attorney
Katy Tang, Office of Small Business
John Carroll, Office of the Clerk of the Board

ATTACHMENTS :

Planning Commission Resolution
Planning Department Executive Summary



PLANNING COMMISSION RESOLUTION NO. 21762

HEARING DATE: June 26, 2028

Project Name: Priority Processing for Certain Commercial Uses
Case Number: 2025-004740PCA [Board File No. 250538]
Initiated by: Mayor Lurie/ Introduced May 20, 2025
Staff Contact: aaron starr, Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533

RESOLUTION ADOPTING A RECOMMENDATION FOR APPROVAL WITH MODIFICATIONS OF A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO UPDATE ELIGIBILITY REQUIREMENTS FOR THE PRIORITY PROCESSING PROGRAM FOR CERTAIN COMMERCIAL USES, INCLUDING ENABLING ELIGIBLE USES IN THE NORTH BEACH NEIGHBORHOOD COMMERCIAL DISTRICT, THE NORTH BEACH SPECIAL USE DISTRICT, THE CALLE 24 SPECIAL USE DISTRICT, AND FORMULA RETAIL USES WITH FEWER THAN 20 ESTABLISHMENTS TO PARTICIPATE IN THE PROGRAM, AND UPDATING SCHEDULING AND EXTENSION REQUIREMENTS FOR THE PRIORITY PROCESSING PROGRAM; 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 May 20, 2025, Mayor Lurie introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 250538, which would amending the Planning Code to update eligibility requirements for the priority processing program for certain commercial uses, including enabling eligible uses in the North Beach Neighborhood Commercial District, the North Beach Special Use District, the Calle 24 Special Use District, and Formula Retail uses with fewer than 20 establishments to participate in the program, and updating scheduling and extension requirements for the priority processing program.

WHEREAS, the Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on June 26, 2025, 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); 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 requires the proposed amendment; and

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

- Remove the Calle 24 Cultural District, North Beach SUD, and North Beach NCD from the Priority Processing Program.

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 Commission finds that the proposed ordinance is supportable because it consolidates and modernizes overlapping permitting programs. This creates a more streamlined and transparent pathway for small and mid-sized businesses seeking Conditional Use authorization.

The ordinance resolves the long-standing redundancy between the Commission's 2015 Community Business Priority Processing Program and Planning Code Section 303.2 by unifying them under a single, codified framework. It also expands eligibility to include historically excluded districts—such as Calle 24 and North Beach—and small-scale Formula Retail, addressing past inequities in access to expedited review.

These changes support economic recovery, reinforce the goals of PermitSF, and advance the City's broader objectives related to racial equity, neighborhood vitality, and small business retention.

The ordinance improves operational clarity and better serves the public interest.

General Plan Compliance

The proposed Ordinance is consistent with the following Objectives and Policies of the General Plan:

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 1: MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

Policy 1.1

Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences that cannot be mitigated.

The ordinance supports this objective and policy by streamlining the permitting process for small and mid-sized businesses, promoting economic vitality while minimizing potential negative impacts through clear eligibility criteria.

Urban Design Element

OBJECTIVE 1: EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

Policy 1.3:

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

By facilitating the reuse of existing commercial spaces and supporting neighborhood-serving businesses, the ordinance contributes to the preservation and enhancement of the city's distinctive urban form and character.

Housing Element

OBJECTIVE 1: IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

Policy 1.8

Promote mixed-use development, and include housing, particularly permanently affordable housing, in new commercial, institutional or other single-use development projects.

While the ordinance focuses on commercial uses, by expediting approvals for neighborhood-serving businesses, it supports the creation of vibrant mixed-use communities that integrate housing and services, aligning with this policy.

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 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 26, 2025.



Jonas P. Ionin
Commission Secretary

Jonas P Ionin

Digitally signed by Jonas P Ionin
Date: 2025.06.27 09:27:00 -07'00'

AYES:	Campbell, Williams, Braun, Imperial, Moore and So
NOES:	None
ABSENT:	McGarry
ADOPTED:	June 26, 2025



PLANNING COMMISSION

RESOLUTION NO. 21761

HEARING DATE: June 26, 2025

Project Name: Rescinding the Planning Commission’s Community Business Priority Processing Program
Case Number: 2025-004740CRV
Staff Contact: aaron starr, Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533

RESOLUTION RESCINDING THE COMMUNITY BUSINESS PRIORITY PROCESSING PROGRAM (“CB3P”) IN ORDER TO PROMOTE PROCESS EFFICIENCIES AND REDUCE CONFUSION WITH THE PLANNING CODE PRIORITY PROCESSING PROGRAM

WHEREAS, On February 12, 2015, the Planning Commission (“Commission”) unanimously adopted Resolution Number 19323, which created the Community Business Priority Processing Program (“CB3P”); and

WHEREAS, The intent of the CB3P was to support the business community—especially small and mid-sized businesses—and to increase efficiencies in the way the Commission and Planning Department (“Department”) handle Conditional Use Authorization applications. To this end the CB3P allowed qualified uses to obtain pre-application assistance with Conditional Use application requirements and required the Department and Commission to endeavor to expedite the review and approval process for these uses; and

WHEREAS, In 2020, the Board of Supervisors enacted Ordinance Number 139-20, which amended the Planning Code to expedite the review and hearing process for small and mid-sized businesses without compromising public notice and input or the review times of other applications (“Priority Processing Ordinance”); and

WHEREAS, The intent of the Priority Processing Ordinance was to build upon the success of the CB3P by expanding the scope of eligible projects; and

WHEREAS, The CB3P and Priority Processing Ordinance overlap in types of uses that are eligible for the programs and provide similar benefits, such as expedited hearings; however, some of the features of the two programs differ. Consolidating the two programs will promote efficiency and reduce confusion; and

WHEREAS, An ordinance in Board File 250538 is currently pending a recommendation before the Commission. The ordinance in Board File 250538 would consolidate the CB3P into the Priority Processing Ordinance and make accompanying updates to the Priority Processing Ordinance to promote process efficiencies and reduce confusion in the administration of these two programs.

NOW THEREFORE BE IT RESOLVED that the Commission hereby rescinds the CB3P established under Resolution Number 19323.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on June 26, 2025



Jonas P. Ionin
Commission Secretary

Jonas P Ionin

Digitally signed by Jonas P Ionin
Date: 2025.06.27 09:26:26 -07'00'

AYES:	Campbell, Williams, Braun, Imperial, Moore, and So
NOES:	None
ABSENT:	McGarry
ADOPTED:	June 26, 2025



EXECUTIVE SUMMARY

PLANNING CODE TEXT AMENDMENT

HEARING DATE: June 26, 2025

90-Day Deadline: August 18, 2025

Project Name: Priority Processing for Certain Commercial Uses

Case Number: 2025-004740PCA [Board File No. 250538]

Initiated by: Mayor Lurie / Introduced May 20, 2025

Staff Contact: aaron starr, Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533

Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org,

Environmental

Review Not a Project Under CEQA

RECOMMENDATION: Adopt of Recommendation for Approval

Planning Code Amendment

The proposed Ordinance would amend the Planning Code to update eligibility requirements for the priority processing program for certain commercial uses, including enabling eligible uses in the North Beach Neighborhood Commercial District, the North Beach Special Use District, the Calle 24 Special Use District, and Formula Retail uses with fewer than 20 establishments to participate in the program, and updating scheduling and extension requirements for the priority processing program.

	The Way It Is Now	The Way It Would Be
1	Formula Retail cannot take advantage of the Planning Code’s Priority Processing Program.	Formula Retail , with fewer than 20 locations, could take advantage of the Planning Code’s Priority Processing Program.
2	Projects within the Calle 24 Cultural District, Noth Beach NCD, and North Beach SUD cannot take advantage of the Planning Code’s Priority Processing Program.	Projects within these districts would be able to take advantage of the Planning Code’s Priority Processing Program.
3	Recognized Neighborhood Groups can send a letter of opposition to ask that an item be taken off consent at any point prior to the Planning Commission’s scheduled hearing.	Recognized Neighborhood Groups could send a letter of opposition or ask that an item be continued at least one day before the hearing
4	The Planning Code’s Priority Processing Program required that eligible projects be placed on consent .	This requirement would be removed. Project would likely still be placed on consent unless doing so conflicts with existing Planning Commission policy or direction.
5	Planning Code Section 303.2 included a reporting requirement to the Board “showing the number and percentage of eligible applications that are considered within 90 days of the date the Department has deemed the application complete and the reason or reasons why eligible applications were not heard within 90 days, if any.”	This reporting requirement would be removed.
6	Planning Code Section 303.2 included language requiring the Department to notify the applicant of the date of acceptance of the complete application and of the applicant’s eligibility for priority processing.	This language would be removed. While uncodified, the Planning Department would continue to notify applicants of their eligibility .

Background

The proposed ordinance updates and expands San Francisco’s priority processing program for commercial uses, building on more than a decade of planning reform efforts. The Planning Commission launched the Small Business Priority Processing Pilot Program in 2013 to accelerate review for small businesses without delaying other applications. In 2015, the program was expanded and renamed the Community Business Priority Processing Program, extending eligibility to more use types and streamlining administrative review (See Exhibit C).

In 2020, the Board of Supervisors codified a separate program in Planning Code Section 303.2 *Priority Processing For Certain Uses in Commercial Spaces*. While the commission policy and the codified program overlap, they are not identical. The current ordinance consolidates both programs into a single framework, while expanding eligibility to include additional districts and Formula Retail uses with fewer than 20 locations. It also strengthens program transparency, standardizes hearing timelines, and aligns with PermitSF goals to modernize permitting, improve service delivery, and support economic recovery.

Issues and Considerations

Planning Commission’s Community Business Priority Processing Program

The proposed ordinance assumes that the Planning Commission will adopt a resolution rescinding their 2015 Community Business Priority Processing Program. A draft resolution is included on this commission calendar with to achieve just that. Without that resolution, two separate and overlapping programs would continue to exist. Below is a comparison between the proposed ordinance and how it compares with the Planning Commission’s 2015 policy. An “X” indicates that the control or requirement exists in the program.

	CB3P	Proposed Ordinance
Commission hearing within 90 days of completed application	X	X
Requirement that the item be placed on consent	X	
Abbreviated case report and resolution required/codified	X	
The application pertains to a project subject to a CU	X	X
The application pertains exclusively to a Non-Residential Use	X	X
Limited to interior or store-front work such as changes of use or tenant improvements and does not involve any new construction or building expansion.	X	X
Limited to Formula Retail with fewer than 20 locations	X	X
Proposal does not involve the consolidation of storefronts	X	X
Proposal does not seek to provide parking beyond what is allowed as accessory	X	X
Proposal does not remove dwelling units	X	X
Proposal is not seeking hours of operation beyond what is principally permitted	X	
Proposal is not seeking to sell alcohol for on or off-site consumption	X	
Does not seek to establish or expand any of the following uses:		
Tobacco Paraphernalia Establishment	X	X
Adult Entertainment	X	X
Cannabis Retail (formally Medical Cannabis Dispensary)	X	X
Wireless Telecommunication Facility	X	X
Drive-up Facility	X	X
Fringe Financial Service	X	X
Massage Establishment	X	

	Outdoor Activity Area	X	
	Bar	X	
	Liquor Store	X	
	Nighttime/General Entertainment	X	
	Ground floor office that is closed to the general public.	X	

General Plan Compliance

The proposed ordinance aligns with the San Francisco General Plan by advancing key objectives in the Commerce and Industry, Urban Design, and Housing Elements. It supports economic diversity and job creation by streamlining permitting for small and mid-sized businesses (Commerce and Industry Objective 1, Policy 1.1). It aligns with Urban Design Objective 1 by promoting the reuse of existing storefronts in a way that reinforces the visual and functional coherence of neighborhoods. Although focused on commercial activity, the ordinance also supports Housing Element policies by fostering vibrant, mixed-use communities where housing and services can co-exist. Overall, the ordinance furthers the General Plan's goals of equitable economic development and a well-designed, livable urban environment.

Racial and Social Equity Analysis

The proposed ordinance advances racial and social equity by streamlining the permitting process for small and mid-sized businesses. Many of these businesses are owned by BIPOC, immigrant, and low-income entrepreneurs who have historically faced structural barriers to opening or sustaining businesses in San Francisco. Lengthy timelines, complex requirements, and high permitting costs have disproportionately impacted these communities, making it difficult to access commercial space and maintain stable operations. By removing exclusions for the Calle 24 Special Use District and the North Beach Neighborhood Commercial District, the ordinance expands expedited permitting to culturally significant neighborhoods with longstanding community-serving businesses. Prioritizing small-scale commercial activity in these areas helps preserve cultural identity, supports local employment, and promotes equitable access to economic opportunity.

At the same time, equity impacts depend on implementation. Without targeted outreach, language access, and technical assistance, more privileged applicants may be better positioned to take advantage of streamlined processes. Care must also be taken to ensure that acceleration of approvals does not inadvertently undermine community-serving review or result in uses that displace or outcompete legacy businesses.

In sum, the ordinance represents a meaningful step toward equitable economic recovery by addressing longstanding permitting inequities, but its success will depend on ensuring that access to the program is inclusive, intentional, and community-informed.

Implementation

The Department has determined that this Ordinance will impact our current implementation procedures; however, the proposed changes can be implemented without increasing permit costs or review time.

Recommendation

The Department recommends that the Commission ***adopt a recommendation for approval*** of the proposed Ordinance and adopt the attached Draft Resolution to that effect.

Basis for Recommendation

The Department recommends approval of the proposed ordinance because it consolidates and modernizes overlapping permitting programs. This creates a more streamlined and transparent pathway for small and mid-sized businesses seeking Conditional Use authorization. As discussed above, the ordinance resolves the long-standing redundancy between the Commission’s 2015 Community Business Priority Processing Program and Planning Code Section 303.2 by unifying them under a single, codified framework. It also expands eligibility to include historically excluded districts—such as Calle 24 and North Beach—and small-scale Formula Retail, addressing past inequities in access to expedited review. These changes support economic recovery, reinforce the goals of PermitSF, and advance the City’s broader objectives related to racial equity, neighborhood vitality, and small business retention. The Department believes the ordinance is consistent with the General Plan, improves operational clarity, and better serves the public interest.

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) 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: Board of Supervisors File No. 250538
- Exhibit C: Planning Commission CP3P Resolution