

BOARD of SUPERVISORS



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## MEMORANDUM

TO: William Scott, Police Chief  
Ken Rich, Acting Co-Director, Office of Economic and Workforce  
Development  
Joaquin Torres, Acting Co-Director, Office of Economic and Workforce  
Development

FROM: John Carroll, Assistant Clerk,  
Public Safety and Neighborhood Services Committee,  
Board of Supervisors

DATE: July 17, 2018

SUBJECT: LEGISLATION INTRODUCED

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The Board of Supervisors' Public Safety and Neighborhood Services Committee has received the following proposed legislation, introduced by the Mayor on July 10, 2018:

**File No. 180732**

**Ordinance amending the Police Code to authorize the Chief of Police, or the Chief's designee, to provide signed verification of preapplication meetings for neighborhood-restricted liquor licenses.**

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Rowena Carr, Police Department  
Asja Steeves, Police Department  
J'Wel Vaughan, Office of Economic and Workforce Development  
Lisa Pagan, Office of Economic and Workforce Development  
Ben VanHouten, Office of Economic and Workforce Development

1 [Police Code - Neighborhood-Restricted Liquor Licenses]

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3 **Ordinance amending the Police Code to authorize the Chief of Police, or the Chief's**  
4 **designee, to provide signed verification of preapplication meetings for neighborhood-**  
5 **restricted liquor licenses.**

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

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

15 Section 1. The Police Code is hereby amended by adding Section 1297, to read as  
16 follows:

17 **SEC. 1297. NEIGHBORHOOD-RESTRICTED LIQUOR LICENSES.**

18 *The Chief of Police, or the Chief's designee, is authorized, on behalf of the City and County of*  
19 *San Francisco, to provide signed verification that states an applicant for a neighborhood-restricted*  
20 *special on-sale general liquor license has completed the preapplication meeting required under*  
21 *California Business and Professions Code Section 23826.13(d)(3).*

22 Section 2. Effective Date and Operative Date.

23 (a) This ordinance shall become effective 30 days after enactment. Enactment occurs  
24 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not  
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1 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the  
2 Mayor's veto of the ordinance.

3 (b) This ordinance shall become operative the day after the California Department of  
4 Alcoholic Beverage Control (ABC) publishes on its website either (1) a list of the 2018 results  
5 of the drawing pursuant to California Business and Professions Code Sections 23826 and  
6 23961 to determine the priority in which ABC will consider the 2018 applications for  
7 neighborhood-restricted special on-sale general liquor licenses, or (2) if no drawing is  
8 conducted, a list of persons eligible to apply for a neighborhood-restricted special on-sale  
9 general liquor license in 2018.

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11 APPROVED AS TO FORM:  
12 DENNIS J. HERRERA, City Attorney

13 By:

  
14 LAUREN CURRY  
Deputy City Attorney

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**LEGISLATIVE DIGEST**

[Police Code – Neighborhood-Restricted Liquor Licenses]

**Ordinance amending the Police Code to authorize the Chief of Police, or the Chief’s designee, to provide signed verification of preapplication meetings for neighborhood-restricted liquor licenses.**

Existing Law

In 2016, the California Legislature adopted SB 1285, codified as California Business & Professions Code Section 23826.13 (“Section 23826.13”), which created a new type of affordable, non-transferable liquor license (“Type 87”) exclusively for restaurants located within certain San Francisco neighborhoods (Bayview, Excelsior, Ocean Avenue, Portola, Noriega Street, Taraval Street and Visitacion Valley) and authorized the issuance of five Type 87 liquor licenses in 2017.

The California Legislature developed the Type 87 license to help address restaurant attraction and retention challenges in these commercial corridors. A Type 87 license costs approximately \$15,384, and is an affordable alternative to seeking a liquor license on the private market, where licenses are routinely sold for prices exceeding \$200,000.

In 2017, the California Legislature adopted AB 471, authorizing the issuance of an additional 25 Type 87 licenses over the next five years, and made other technical amendments to Section 23826.13.

Under Sec. 23826.13(d)(3), before submitting a Type 87 license application to the California Department of Alcoholic Beverage Control (“ABC”), a prospective applicant must conduct a minimum of one preapplication meeting to discuss the application with neighbors and members of the community where the premises are located for which the license is to be issued. At least 14 calendar days before the meeting the prospective applicant must mail written notice of the meeting to every resident within a 500-foot radius of the premises, to neighborhood associations identified by the Planning Department, and to the Chief of Police.

Before the 2017 amendments, Section 23826.13 required a prospective applicant to receive signed verification from “the local governing body” that the applicant had completed the preapplication meeting. For each Type 87 applicant that has satisfied the preapplication meeting requirement to-date, the Board has adopted a resolution authorizing the Clerk of the Board to sign on the Board’s behalf verifying that the applicant has completed the preapplication meeting. AB 471 amended Section 23826.13 by authorizing either “the local governing body...*or its designated subordinated officer or body*” to provide signed verification. (Italics added.)

FILE NO. 180732

Under Police Code Section 1298, the Chief of Police is authorized, on behalf of the City and County of San Francisco, to request that ABC place conditions upon a liquor license. The Chief is also authorized to weigh in on the removal or modification of any conditions on an ABC liquor license.

Amendments to Current Law

This ordinance would amend the Police Code to establish that the Chief of Police, or the Chief's designee, is authorized, on behalf of the City and County of San Francisco, to provide signed verification that an applicant for a Type 87 liquor license has completed the preapplication meeting under Section 23826.13(d)(3).

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