



# SAN FRANCISCO PLANNING DEPARTMENT

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File No. 170419  
Received via email  
8/3/2017

August 3, 2017

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

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**Re: Transmittal of Planning Department Case Number 2017-005179PCA:  
North Beach, Telegraph Hill, Broadway and Chinatown Area Controls; Formula  
Retail  
Board File No. 170419  
Historic Preservation Commission Recommendation: Approval with  
Modification  
Planning Commission Recommendation: Approval**

Dear Ms. Calvillo and Supervisor Peskin,

On July 19, 2017, the Historic Preservation Commission conducted duly noticed public hearings at regularly scheduled meetings to consider the proposed Ordinance, introduced by Supervisor Peskin that would amend the Planning Code to 1) support Legacy Businesses; 2) expand the definition of historic buildings and impose additional requirements in the Broadway Neighborhood Commercial District (NCD) and North Beach Special Use District (SUD); 3) prohibit certain uses in the North Beach SUD; 4) reduce the lot size limit in the North Beach SUD; 5) modify the requirements for approval of parking garages in the Telegraph Hill-North Beach Residential SUD, the North Beach NCD, and Chinatown Mixed Use Districts; and 6) revise the definition of Formula Retail. At the hearing the Historic Preservation Commission recommended approval with modification of the Ordinance.

The Historic Preservation Commission's proposed modifications were as follows:

1. Maintain the existing Historic Preservation review procedures for buildings in the North Beach SUD and the Broadway NCD
2. For the proposed Legacy Business controls in the North Beach SUD:
  - a. Exempt properties that have been vacant or otherwise removed from the Legacy Business Registry from the Conditional Use authorization requirement for uses occupying a space formerly occupied by a Legacy Business;
  - b. Add Conditional Use findings for the Planning Commission to consider when reviewing an application proposing to occupy a space formerly occupied by a Legacy Business; and
  - c. Have the Supervisor's Office provide additional clarity regarding treatment of Legacy Businesses in cases of vacancies where the business has left on their own accord

On July 20, 2017, the Planning Commission conducted duly noticed public hearings at regularly scheduled meetings to consider the proposed Ordinance, introduced by Supervisor Peskin that would amend the Planning Code to 1) support Legacy Businesses; 2) expand the definition of historic buildings and impose additional requirements in the Broadway Neighborhood Commercial District (NCD) and North Beach Special Use District (SUD); 3) prohibit certain uses in the North Beach SUD; 4) reduce the lot size limit in the North Beach SUD; 5) modify the requirements for approval of parking garages in the Telegraph Hill-North Beach Residential SUD, the North Beach NCD, and Chinatown Mixed Use Districts; and 6) revise the definition of Formula Retail. At the hearing the Planning Commission recommended approval of the Ordinance without modification.

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.

Supervisor, please advise the City Attorney at your earliest convenience if you wish to incorporate the changes recommended by the Historic Preservation 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,



Aaron D. Starr  
Manager of Legislative Affairs

cc:

Kate H. Stacy, Deputy City Attorney  
Lee Hepner, Aide to Supervisor Peskin  
Erica Major, Office of the Clerk of the Board

Attachments:

Historic Preservation Commission Resolution  
Planning Commission Resolution  
Planning Department Executive Summary



# SAN FRANCISCO PLANNING DEPARTMENT

## Historic Preservation Commission Resolution No. 880 HEARING DATE JULY 19, 2017

*Project Name:* North Beach, Telegraph Hill, Broadway and Chinatown Area Controls;  
Formula Retail

*Case Number:* 2017-005179PCA [Board File No. 170419]

*Initiated by:* Supervisor Peskin / Re-Introduced July 18, 2017

*Staff Contact:* Diego R Sánchez, Legislative Affairs  
diego.sanchez@sfgov.org, 415-575-9082

*Reviewed by:* Aaron D Starr, Manager of Legislative Affairs  
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**RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO 1) SUPPORT LEGACY BUSINESSES; 2) EXPAND THE DEFINITION OF HISTORIC BUILDINGS AND IMPOSE ADDITIONAL REQUIREMENTS IN THE BROADWAY NCD AND NORTH BEACH SUD; 3) PROHIBIT CERTAIN USES IN THE NORTH BEACH SUD; 4) REDUCE THE LOT SIZE LIMIT IN THE NORTH BEACH SUD; 5) MODIFY THE REQUIREMENTS FOR APPROVAL OF PARKING GARAGES IN THE TELEGRAPH HILL-NORTH BEACH RESIDENTIAL SUD, THE NORTH BEACH SUD, AND THE CHINATOWN MIXED USE DISTRICTS; 6) REVISE THE DEFINITION OF FORMULA RETAIL; AND AFFIRMING THE PLANNING DEPARTMENT'S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE SECTION 101.1, AND FINDINGS OF PUBLIC CONVENIENCE, NECESSITY, AND WELFARE UNDER PLANNING CODE SECTION 302.**

WHEREAS, on July 18, 2017 Supervisor Peskin re-introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 170419, which would amend the Planning Code to 1) support Legacy Businesses; 2) expand the definition of historic buildings and impose additional requirements in the Broadway NCD and North Beach SUD; 3) prohibit certain uses in the North Beach SUD; 4) reduce the lot size limit in the North Beach SUD; 5) modify the requirements for approval of parking garages in the Telegraph Hill-North Beach Residential SUD, the North Beach NCD, and Chinatown Mixed Use Districts; and 6) revise the definition of Formula Retail;

WHEREAS, The Historic Preservation Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on July 19, 2017; and,

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

WHEREAS, the 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 1650 Mission Street, Suite 400, San Francisco; and

WHEREAS, the Commission has reviewed the proposed Ordinance; and

MOVED, that the Historic Preservation Commission hereby recommends that the Board of Supervisors **approve with modifications** the proposed ordinance.

Those modifications include:

1. Maintain the existing Historic Preservation review procedures for buildings in the North Beach SUD and the Broadway NCD and concur with the list of historic resources that are identified for review
2. For the proposed Legacy Business controls in the North Beach SUD:
  - a. Exempt properties that have been vacant or otherwise removed from the Legacy Business Registry from the Conditional Use authorization requirement for uses occupying a space formerly occupied by a Legacy Business;
  - b. Add Conditional Use findings for the Planning Commission to consider when reviewing an application proposing to occupy a space formerly occupied by a Legacy Business; and
  - c. Have the Supervisor's Office provide additional clarity regarding treatment of Legacy Businesses in cases of vacancies where the business has left on their own accord

## 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:

1. Promoting and preserving the existing small scale and pedestrian friendly nature of the North Beach area is of considerable importance to the City. This area is unique, nationally recognized and greatly contributes to the appeal of San Francisco.
2. New controls that strike a balance between preserving the existing housing and retail character of the North Beach area while still allowing in new uses and users can maintain the area's well known vibrancy.
3. **General Plan Compliance.** The proposed Ordinance and the Commission's recommended modifications are 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 proposed Ordinance will facilitate the establishment of retail uses that provide net benefits to the North Beach area. Any potential undesirable consequences may be addressed through existing regulatory controls.*

**OBJECTIVE 2**

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

**Policy 2.1**

Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

**Policy 2.3**

Maintain a favorable social and cultural climate in the city in order to enhance its attractiveness as a firm location.

*The proposed Ordinance helps retain existing commercial activity by establishing land use controls for the replacement of long standing, recognized legacy establishments. The preservation of these long standing legacy establishments helps maintain the favorable social and cultural climate that attracts visitors and firms alike.*

**OBJECTIVE 6**

MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.

**Policy 6.1**

Ensure and encourage the retention and provision of neighborhood-serving goods and services in the city's neighborhood commercial districts, while recognizing and encouraging diversity among the districts.

**Policy 6.7**

Promote high quality urban design on commercial streets.

*The proposed controls helping preserve long standing legacy establishments will help retain neighborhood-serving goods and services in the city's NCDs. The proposed bolstered controls on new garage installations in existing buildings will help promote high quality urban design on commercial streets, assuring that ground floor retail uses are not adversely affected.*

## URBAN DESIGN ELEMENT

### OBJECTIVE 4

IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY

#### Policy 4.4

Design Walkways and Parking Facilities to Minimize Danger to Pedestrians.

#### Policy 4.13

Improve Pedestrian Areas by Providing Human Scale and Interest.

*The proposed Ordinance will facilitate the improvement of the pedestrian environment by bolstering the findings required for installing garages, assuring that any new garage does not front on alleys or other narrow public rights of way.*

## HOUSING ELEMENT

### OBJECTIVE 2

RETAIN EXISTING HOUSING UNITS, AND PROMOTE SAFETY AND MAINTENANCE STANDARDS WITHOUT JEOPARDIZING AFFORDABILITY

#### Policy 2.3

Prevent the Removal or Reduction of Housing for Parking.

*The proposed Ordinance will assist in the prevention of the reduction of housing for parking as it proposes to bolster existing findings for projects seeking to install a garage in an existing building.*

4. **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 have a beneficial on neighborhood serving retail uses as it proposes new land use controls to assure neighborhood compatibility as well as preservation of long standing retail uses.*

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 will have a beneficial effect on housing and neighborhood character as it proposes development controls that steer new projects toward compatibility with the established housing and 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 maintain existing Planning Department procedures that preserve 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.*

5. **Planning Code Section 302 Findings.** The 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 recommends that the Board ADOPT the proposed Ordinance with modifications as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on July 19, 2017.



Christine L. Silva  
Acting Commission Secretary

AYES: Johnck, Johns, Matsuda, Pearlman, Wolfram

NOES: None

ABSENT: Hasz, Hyland

ADOPTED: July 19, 2017





# SAN FRANCISCO PLANNING DEPARTMENT

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## Planning Commission Resolution No. 19966

HEARING DATE JULY 20, 2017

*Project Name:* North Beach, Telegraph Hill, Broadway and Chinatown Area Controls;  
Formula Retail

*Case Number:* 2017-005179PCA [Board File No. 170419]

*Initiated by:* Supervisor Peskin / Re-Introduced July 18, 2017

*Staff Contact:* Diego R Sánchez, Legislative Affairs  
diego.sanchez@sfgov.org, 415-575-9082

*Reviewed by:* Aaron D Starr, Manager of Legislative Affairs  
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**RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO 1) SUPPORT LEGACY BUSINESSES; 2) EXPAND THE DEFINITION OF HISTORIC BUILDINGS AND IMPOSE ADDITIONAL REQUIREMENTS IN THE BROADWAY NCD AND NORTH BEACH SUD; 3) PROHIBIT CERTAIN USES IN THE NORTH BEACH SUD; 4) REDUCE THE LOT SIZE LIMIT IN THE NORTH BEACH SUD; 5) MODIFY THE REQUIREMENTS FOR APPROVAL OF PARKING GARAGES IN THE TELEGRAPH HILL-NORTH BEACH RESIDENTIAL SUD, THE NORTH BEACH NCD AND CHINATOWN MIXED USE DISTRICTS; AND 6) REVISE THE DEFINITION OF FORMULA RETAIL; AFFIRMING THE PLANNING DEPARTMENT'S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE SECTION 101.1, AND FINDINGS OF PUBLIC CONVENIENCE, NECESSITY, AND WELFARE UNDER PLANNING CODE SECTION 302.**

WHEREAS, on July 18, 2017 Supervisor Peskin re-introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 170419, which would amend the Planning Code to 1) support Legacy Businesses; 2) expand the definition of historic buildings and impose additional requirements in the Broadway NCD and North Beach SUD; 3) prohibit certain uses in the North Beach SUD; 4) reduce the lot size limit in the North Beach SUD; 5) modify the requirements for approval of parking garages in the Telegraph Hill-North Beach Residential SUD, the North Beach NCD, and Chinatown Mixed Use Districts; and 6) revise the definition of Formula Retail;

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on July 20, 2017; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15060(c)(2) and 15378; 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 1650 Mission Street, Suite 400, San Francisco; and

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

MOVED, that the Planning Commission hereby recommends that the Board of Supervisors **approve** the proposed ordinance.

## **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:

1. Promoting and preserving the existing small scale and pedestrian friendly nature of the North Beach area is of considerable importance to the City. This area is unique, nationally recognized and greatly contributes to the appeal of San Francisco.
2. New controls that strike a balance between preserving the existing housing and retail character of the North Beach area while still allowing in new uses and users can maintain the area's well known vibrancy.
3. **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 proposed Ordinance will facilitate the establishment of retail uses that provide net benefits to the North Beach area. Any potential undesirable consequences may be addressed through existing regulatory controls.*

### **OBJECTIVE 2**

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

**Policy 2.1**

Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

**Policy 2.3**

Maintain a favorable social and cultural climate in the city in order to enhance its attractiveness as a firm location.

*The proposed Ordinance helps retain existing commercial activity by establishing land use controls for the replacement of long standing, recognized legacy establishments. The preservation of these long standing legacy establishments helps maintain the favorable social and cultural climate that attracts visitors and firms alike.*

**OBJECTIVE 6**

MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.

**Policy 6.1**

Ensure and encourage the retention and provision of neighborhood-serving goods and services in the city's neighborhood commercial districts, while recognizing and encouraging diversity among the districts.

**Policy 6.7**

Promote high quality urban design on commercial streets.

*The proposed controls helping preserve long standing legacy establishments will help retain neighborhood-serving goods and services in the city's NCDs. The proposed bolstered controls on new garage installations in existing buildings will help promote high quality urban design on commercial streets, assuring that ground floor retail uses are not adversely affected.*

**URBAN DESIGN ELEMENT**

**OBJECTIVE 4**

IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY

**Policy 4.4**

Design Walkways and Parking Facilities to Minimize Danger to Pedestrians.

**Policy 4.13**

Improve Pedestrian Areas by Providing Human Scale and Interest.

*The proposed Ordinance will facilitate the improvement of the pedestrian environment by bolstering the findings required for installing garages, assuring that any new garage does not front on alleys or other narrow public rights of way.*

## HOUSING ELEMENT

### OBJECTIVE 2

RETAIN EXISTING HOUSING UNITS, AND PROMOTE SAFETY AND MAINTENANCE STANDARDS WITHOUT JEOPARDIZING AFFORDABILITY

#### Policy 2.3

Prevent the Removal or Reduction of Housing for Parking.

*The proposed Ordinance will assist in the prevention of the reduction of housing for parking as it proposes to bolster existing findings for projects seeking to install a garage in an existing building.*

4. **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 have a beneficial on neighborhood serving retail uses as it proposes new land use controls to assure neighborhood compatibility as well as preservation of long standing retail uses.*

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 will have a beneficial effect on housing and neighborhood character as it proposes development controls that steer new projects toward compatibility with the established housing and 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 preserve 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.*

5. **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 recommends that the Board ADOPT the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on July 20, 2017.



Christine L. Silva  
Acting Commission Secretary

AYES: Fong, Johnson, Koppel, Melgar, Moore

NOES: None

ABSENT: Hillis, Richards

ADOPTED: July 20, 2017





# SAN FRANCISCO PLANNING DEPARTMENT

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## Executive Summary Planning Code Text Amendment

HEARING DATE: JULY 20, 2017  
EXPIRATION DATE: OCTOBER 9, 2017

*Project Name:* **Commercial Uses in North Beach; Technical and Other Amendments**  
*Case Number:* **2017-005179PCA [Board File No. 170419]**  
*Initiated by:* Supervisor Peskin / Re-Introduced July 11, 2017  
*Staff Contact:* Diego R Sánchez, Legislative Affairs  
diego.sanchez@sfgov.org, 415-575-9082  
*Reviewed by:* Aaron Starr, Manager of Legislative Affairs  
aaron.starr@sfgov.org, 415-558-6362  
*Recommendation:* **Recommend Approval with Modifications**

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### PLANNING CODE AMENDMENT

The proposed Ordinance would amend the Planning Code to 1) support Legacy Businesses; 2) expand the definition of historic buildings and impose additional requirements in the Broadway NCD and North Beach SUD; 3) prohibit certain uses in the North Beach SUD; 4) reduce the lot size limit in the North Beach SUD; 5) modify the requirements for approval of parking garages in the Telegraph Hill-North Beach Residential SUD, the North Beach NCD, and Chinatown Mixed Use Districts; 6) reduce the off-street parking spaces permitted for residential uses in the Telegraph Hill-North Beach Residential SUD, and the Broadway and North Beach NCDs; and 7) revise the definition of Formula Retail.

#### The Way It Is Now:

##### Development Standards and Off-Street Parking

1. In the North Beach Neighborhood Commercial District (NCD) new construction or significant enlargement of existing buildings on lots 5,000 square feet or larger requires Conditional Use authorization.
2. To approve a garage installation in the North Beach NCD and the Telegraph Hill-North Beach SUD, the Planning Commission must make five findings at a Mandatory Discretionary Review (MDR) hearing. These include finding that (1) the garage would not cause the removal or conversion of a residential unit, (2) the proposed garage opening does not substantially decrease livability of a dwelling unit without increasing the floor area in a commensurate amount, (3) the building has not had two or more evictions within the past ten years, (4) the garage would not front on a public right of way narrower than 41 feet, and (5) the proposed garage is consistent with the Priority Policies of Section 101.1. The Department is required receive an affidavit attesting to findings (1) – (3) and verify those findings in addition to determining whether the proposal complies with findings (4) and (5) prior to a Planning Commission hearing or issuance of a neighborhood notification.
3. In the North Beach NCD up to 0.75 parking spaces per Dwelling Unit are allowed with Conditional Use authorization.

4. In the Telegraph Hill-North Beach SUD up to three cars for each four dwelling units is permitted and up to one car for each dwelling unit is allowed with Conditional Use authorization.

#### Retail Controls

5. Within the North Beach NCD and SUD, Health Services are principally permitted at the first and second stories and are prohibited at the third story and above.
6. In the North Beach Special Use District a non-residential use proposing to use a space last occupied by a Commercial Use that was a Legacy Business does not need to secure Conditional Use authorization solely because the immediately prior use occupying that space was a Legacy Business.
7. The North Beach NCD requires Active Commercial Uses, as defined in Planning Code Section 145.4, at the ground floor and prohibits the following:
  - a. Large Scale Urban Agriculture
  - b. Hours of Operation between 2 am and 6 am.
8. In the North Beach SUD, the Planning Commission is not required to determine whether a new use seeking Conditional Use authorization supports any of the purposes of the North Beach SUD.

#### Historic Preservation Review

9. In the North Beach SUD and Broadway NCD the Planning Department, with the Historic preservation Commission, reviews the alteration or expansion of buildings according to the Secretary of the Interior Standards for the Treatment of Historic Properties when the property is designated pursuant to Article 10 of the Planning Code. Properties that are not designated however, are identified as potential or known historical resources. The Historic Preservation Commission does not review building permit applications or entitlements associated with properties that are not designated pursuant to either Article 10 or Article 11 of the Planning Code. The Planning Department reviews projects involving known or potential resources for conformance with the Secretary of the Interior's Standards recognizing the City's priority policies that historic buildings will be protected and preserved; and with the goal of issuing a Categorical Exemption for the purposes of CEQA review

#### Formula Retail

10. Uses subject to the Formula Retail controls are listed under Planning Code Section 303.1. This list has been interpreted to include most, but not all, uses under the definition of Sales and Service, Retail, as found in Planning Code Section 102.
11. A Formula Retail establishment may change owner, operator or use in a zoning district that prohibits Formula Retail uses with Conditional Use authorization.

#### **The Way It Would Be:**

#### Development Standards and Off-Street Parking



1. In the North Beach Neighborhood Commercial District (NCD) new construction or significant enlargement of existing buildings on lots 2,500 square feet or larger would require Conditional Use authorization.
2. A MDR hearing would still be required to approve a garage installation in a building, existing or proposed, of two units or more in the North Beach NCD and the Telegraph Hill-North Beach NCD; however, the Planning Commission's findings would be modified as follows (underlined and italicized is proposed new text):
  - a. proposed the garage opening/addition of off-street parking will not cause the *elimination or reduction of ground-story retail or commercial space*;
  - b. the proposed garage opening will not *eliminate* or decrease the *square footage of any* dwelling;
  - c. the building has not had two or more evictions within the past ten years;
  - d. the garage would not front on *an Alley pursuant to Section 155(r)(2) or* a public right of way narrower than 41 feet; and
  - e. the proposed garage is consistent with the Priority Policies of Section 101.1.The Planning Department would be required receive an affidavit from the Project Sponsor attesting to findings (1) – (3) and verify those findings in addition to determining if the proposal complies with findings (4) prior to issuance of a neighborhood notification. If the project does not provide the affidavit or the garage would front on an Alley or public right of way narrower than 41 feet the Department would be required to disapprove the application and no Planning Commission hearing would be required.
3. In the North Beach NCD providing off-street parking spaces above a ratio of 0.5 parking spaces per Dwelling Unit would not be permitted.
4. No more than 0.5 parking spaces for each dwelling unit would be allowed in the Telegraph Hill-North Beach Special Use District.

#### Retail Controls

5. Within the North Beach NCD and SUD Health Services would be prohibited on the first story and require Conditional Use authorization on the second story and above.
6. Conditional Use authorization would be required in the North Beach SUD for a non-residential use proposing to occupy a space where the immediately prior use was a Commercial Use that was also a Legacy Business.
7. The North Beach SUD would impose the following controls, effective in the North Beach NCD:
  - a. Active Commercial Uses, as defined in Planning Code Section 145.4, at the ground floor
  - b. Prohibition on Large Scale Urban Agriculture
  - c. Prohibition on Hours of Operation between 2 am and 6 am
8. The Planning Commission would be required to find that a new use seeking Conditional Use authorization supports the purposes of the North Beach Special Use District prior to granting the authorization.

#### Historic Preservation Review

9. In the North Beach SUD the Planning Department or the Historic Preservation Commission would be required to review the alteration or expansion of all buildings located within listed or potentially eligible National Register or California Register historic districts, including districts identified in the California Historical Resources Information System Inventory, according to the Secretary of the Interior Standards for the Treatment of Historic Properties. In the Broadway NCD, this analysis would only occur when a project is proposed, either through an addition or new construction, to exceed 40 feet in height.

#### Formula Retail

10. All uses under the definition of Sales and Service, Retail, as found in Planning Code Section 102, would be subject to the Planning Code Section 303.1 Formula Retail controls. This would include the following uses that are not currently considered Formula Retail:
  - a. Adult Business
  - b. Animal Hospital
  - c. Kennel
  - d. Mortuary
  - e. Health Services
  - f. Motel
  - g. Retail Professional Services
  - h. Self-Storage
  - i. Trade Shop
11. A Formula Retail establishment would not be allowed to change owner, operator or use in a zoning district that prohibits Formula Retail uses unless the use changes to one that is no longer a Formula Retail use.

## **BACKGROUND**

The commercial corridors in the North Beach area perform the duties of neighborhood-serving marketplace, specialty shopping area, dining district, and destination night time entertainment and tourist attraction. They are also home to many apartments and residential hotels. The area is characterized by a fine grain development pattern, with many properties of historical interest and import. Together this lends to the area's renowned appeal.

Land use regulations in the North Beach area must balance the competing interests of local residents and their daily needs with those of a citywide and regional population. It is reasonable to expect a number of tailored zoning controls to address neighborhood concerns about livability and existing physical and commercial character. However, these should be informed by the need for effective implementation as well as continued growth and turnover in the retail sector.

## **ISSUES AND CONSIDERATIONS**

### **Garage Installation Review**

The aesthetics and function of an existing building, as well as the quality of the pedestrian environment can be adversely affected by poorly installed garage openings.<sup>1</sup> Consideration must also be given to existing residential units and tenants. As such, it's the City's policy to discourage the loss or lessening of residential units and especially the displacing tenants for the purposes of installing a garage.<sup>2</sup>

The Planning Code incorporates such considerations in the North Beach NCD and SUD<sup>3</sup> by requiring the Planning Department (Department) to verify that a garage installation is sensitive to those considerations; however, missing from the current controls is consideration given to the loss of ground floor retail spaces because of the addition of vehicular access. The proposed ordinance will add this consideration to the Code for the North Beach NCD. Also missing from current controls is a clear milestone from which to measure the required ten year period free of tenant evictions. The date the Department accepts a complete building permit application for a garage installation would be a useful milestone for these purposes.

The proposed ordinance would also add a requirement for a 30 day period between the Department's verification of the fulfillment of the considerations and Commission hearing. This coincides with the notice period for neighborhood notification (also known as Section 311 or 312 notification), and fits within the Department's standard practice. This period of time is intended to provide members of the public with a reasonable amount of time to review the Department's verification prior to the Planning Commission hearing. Currently, this determination may not be publicly available until the case report is published one week prior to the hearing.

Determining whether a proposed garage installation complies with these considerations is easily done for existing buildings. As part of an application to install a garage a plan set indicating the existing and proposed condition will reveal any changes to existing residential or retail spaces. Doing this for proposed buildings is impossible since one cannot determine an initial condition that a proposed garage would worsen. Given this, these garage installation considerations should only apply to existing buildings.

### **Historic Preservation Review**

The North Beach survey, including the Broadway commercial corridor was adopted by the Board of Supervisors in August 1999. This survey identified historic resources, both individual and contributors to larger districts throughout the survey area. A number of properties within the survey area are now age-eligible (45 years or older) to be considered potential historic resources until a definitive analysis is made on whether the property qualifies as a known historic resource.

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<sup>1</sup> General Plan, Urban Design Element, Objective 4 Improvement of the Neighborhood Environment to Increase Personal Safety, Comfort, Pride and Opportunity, Policy 4.4 Design Walkways and Parking Facilities to Minimize Danger to Pedestrians and Policy 4.13 Improve Pedestrian Areas by Providing Human Scale and Interest.

<sup>2</sup> General Plan, Housing Element, Objective 2 Retain Existing Housing Units, and Promote Safety and Maintenance Standards without Jeopardizing Affordability, Policy 2.3 Prevent the Removal or Reduction of Housing for Parking.

<sup>3</sup> Planning Code Section 155(t)

Historic Preservation staff currently reviews alterations and new construction affecting properties designated as City Landmarks pursuant to Article 10 of the Planning Code. The Historic Preservation Commission has delegated to staff a number of minor scopes of work that it deems routine and should not require a hearing. Larger scopes of work, such as additions and new construction do require a full hearing before the Historic Preservation Commission. Pursuant to Article 10, all projects involving a city landmark must conform to the Secretary of the Interior's Standards, as well as any other city guidelines and policies. The Historic Preservation Commission is not involved in the review or approval of projects affecting known or potential historic resources that are not designated in the Code. Review of these building permit applications (BPA) is the responsibility of Department Preservation staff and the Planning Commission when an entitlement, such as a Conditional Use Authorization is required.

The proposed Ordinance states that either the Historic Preservation Commission or Department staff must make a finding of conformance with the Secretary of the Interior's Standards for all known and potential historic resources within the North Beach Survey area. If the areas of the North Beach SUD that meet Article 10 criteria for designation were designated as a City Landmark, this existing process would offer the Department and the Historic Preservation Commission oversight to the same effect as the proposed amendments.

Without Article 10 designation the Department currently applies an uncodified process and checklist to facilitate historic review to satisfy conformance with Secretary of Interior (SOI) standards pursuant to its requirements under the California Environmental Quality Act (CEQA) only. The checklist defines various scopes of work that can qualify for a Class 1 or Class 3 Categorical Exemption. Conformance with the SOI qualifies for a categorical exemption on the checklist. All discretionary review must receive CEQA clearance before the approval of the BPA. The checklist serves as a tool to assure adequate review and as a record of that review. It also allows non-preservation staff to review properties known to not be historic but in potentially eligible historic districts for some limited scopes of work. When a member of the public believes the Department has erred in its review, they may appeal the checklist determination to the Board of Supervisors.

As proposed the Ordinance would duplicate earlier work conducted to determine which properties require historic preservation staff review and the associated analysis. An analysis under Article 10 of the Planning Code requires a sometimes lengthy documentation of how a project does or does not conform to the SOI. Conversely, using the CEQA checklist requires only a short description or list of which of the ten Standards apply to the project. However an appellant or appellate body may expect a different, lengthier document, such as a Historic Resources Evaluation Report (HRER), from the Department as evidence of adequate review. Staff would be required to produce broader documentation to reiterate its determination even for properties known to not be of historic import. Because only historic preservation staff can draft an HRER, scarce preservation staff time will be diverted away from its core functions. This would significantly impact review and processing time for BPAs and entitlements within the North Beach SUD as preservation staff are the only members of the Department with the specialized skill set to review these projects. This would be a poor use of the Department's resources or require hiring of a substantial number of staff to maintain current review and processing times.

As currently drafted the language will cause delay and confusion in determining a clear process for the staff, decision-makers, and the public as the amendments may be interpreted as confusing to anticipate the Historic Preservation Commission to be involved in the review or appeal process. The language

could distort the current process further if a project also requires Planning Commission review. The Department has no concern if the intent of the amendments is to codify the current process; however, the language could benefit from further refinement to provide a clear expectation for the content and format for the administrative documentation desired and better reflect the current process. While the Department has no concern to codify the current process, as it primarily relates to CEQA review, the City Attorney's Office should be consulted. If the process were to change or be refined in the future additional Code amendments would likely be required. To this effect, it may be more efficient and provide the same effect to provide a separate public policy document that outlines the process rather than inclusion in the Planning Code.

### **Conditional Use Authorization Findings**

The Conditional Use Authorization (CU) process influences neighborhood character by requiring applications to be reviewed against a standard set of findings. Findings are intended to help guide the Commission in their decisions on granting CU. Standard findings include necessity, desirability and compatibility with the proposed project's surroundings.<sup>4</sup> Certain uses are also reviewed against findings specific to that use. For example, CU specific findings for Massage Establishments require façade transparency and openness, pedestrian oriented lighting and a general orientation to facilitate public access.

CU findings also help steer projects toward meeting larger policy goals. These range from promoting alternative transportation modes, to improving the built environment to supporting a vibrant retail sector. For example, CU findings can assure that the new use contributes to the character of the neighborhood commercial district (NCD) through appropriate physical improvements or through the provision of neighborhood serving goods or services.<sup>5</sup> The CU findings can also incentivize the new use to provide opportunities for patrons to arrive at the site using mass transit or bicycles.<sup>6</sup> Overall, customized findings can assist decision makers determine if a replacement use is appropriate for a specific location.

The Planning Code also has area specific findings embedded in several Special Use Districts (SUD). The Japantown SUD and the Calle 24 SUD are two examples. In the Japantown SUD, a use requiring CU must be found to support two of five SUD specific findings.<sup>7</sup> In the Calle 24 SUD, a use must be found to support four of six SUD specific findings.<sup>8</sup> The findings in these SUDs focus on whether a new use is compatible with the character of the area and whether the new use will contribute to the vitality of the local economy. The SUDs are structured so that a proposed use can meet relevant findings and disregard

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<sup>4</sup> Planning Code Section 303

<sup>5</sup> General Plan, Commerce and Industry Element, Objective 6 Maintain and Strengthen Viable Neighborhood Commercial Areas Easily Accessible to City Residents, Policy 6.7 Promote High Quality Urban Design on Commercial Streets

<sup>6</sup> General Plan, Commerce and Industry Element, Objective 6 Maintain and Strengthen Viable Neighborhood Commercial Areas Easily Accessible to City Residents, Policy 6.1 Ensure and Encourage the Retention and Provision of Neighborhood-Serving Goods and Services in the City's Neighborhood Commercial Districts, While Recognizing and Encouraging Diversity Among the Districts, Guidelines for All Uses

<sup>7</sup> Planning Code Section 249.31

<sup>8</sup> Planning Code Section 249.59

those that do not apply to the use. This assures that new uses may actively locate in the SUD and bring new business concepts and energy.

The proposed ordinance requires CU authorization for the replacement of a Legacy Business; however it does not provide specific findings for the Commission to consider when reviewing the CU applications. Requiring CU authorization for a replacement use may help deter the eviction of a legacy business and also help ensure that the proposed new use is desirable for the neighborhood. In order for the CU process to be effective, useful findings that help Staff and the Commission come to their recommendation are necessary.

### **Vacancy Concerns**

Land use controls that overly restrict or complicate the entrance of new uses risk prolonging vacancies. Exempting a CU requirement is sometimes appropriate when vacancy is a concern. In the case of Legacy Business controls, the Calle 24 SUD exempts replacement uses from the CU requirement when the storefronts have sat vacant for at least three years. This balances the need to create a disincentive for sudden lease rate escalations with the need to fill vacant storefronts and avoid accompanying blight. NCDs adopting similar Legacy Business controls should be attentive to this balance between competing goals.

In a similar vein, prohibiting a significant number of retail uses at the first story, for example, can also prolong vacancies. NCDs that allow a wide variety of uses, either as of right or through CU, cast a wider net of possible replacement tenants. These include uses that help residents satisfy their basic personal needs, such as groceries, personal toiletries and health services. As the General Plan notes, NCDs that have a diverse retail base and can continue to attract a variety of uses are also prosperous ones.<sup>9</sup> Should overconcentration concerns arise, the CU process is one method to evaluate its necessity for and desirability in an NCD.

### **Formula Retail Controls**

The last major change to the Planning Code Formula Retail controls occurred in 2014.<sup>10</sup> The changes were a result of a multi-month process including focus group meetings, an Office of the Controller's Economic Impact Report, and a Planning Department commissioned consultant study.<sup>11</sup> A key finding of the consultant study was that expanding the application of Formula Retail controls to more land use types could prolong existing vacancies. This is because the required CU process can serve as a deterrent for retailers to pursue sites with Formula Retail controls. In NCDs with vacancy rates higher than the citywide average this can be concerning.

Uses such as a veterinary office or kennel, an insurance brokerage office or a medical office can often fill a vacancy in an underserved corridor. These may fill a gap in retail offerings for the adjacent

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<sup>9</sup> General Plan, Commerce and Industry Element, Objective 6 Maintain and Strengthen Viable Neighborhood Commercial Areas Easily Accessible to City Residents: *The successful district provides a variety of goods and services in an atmosphere of safety, convenience, and attractiveness.*

<sup>10</sup> Ordinance 235-14:

<http://www.sfbos.org/ftp/uploadedfiles/bdsupvrs/ordinances14/o0235-14.pdf>

<sup>11</sup> San Francisco Formula Retail Economic Analysis. Strategic Economics. June 2014

[http://208.121.200.84/ftp/files/legislative\\_changes/form\\_retail/Final\\_Formula\\_Retail\\_Report\\_06-06-14.pdf](http://208.121.200.84/ftp/files/legislative_changes/form_retail/Final_Formula_Retail_Report_06-06-14.pdf)

neighborhood residents, add to the variety of goods and services in an NCD and deter the blight associated with a vacant building or storefront. In addition, some of these uses tend to be franchises with standard décor, color schemes or signage, making them subject to Formula Retail regulations. Avoiding additional process associated with Formula Retail controls can facilitate the entry of these uses where needed. The underlying zoning controls, such as standard neighborhood notice, can still provide a venue for community review. This arrangement, then, strikes a balance between corridor reinvestment and neighborhood compatibility. In other instances, such as with Hotel uses, the underlying zoning district control requires CU. Adding a second CU entitlement for Formula Retail may prove unnecessarily redundant in certain NCDs.

### **North Beach NCD and North Beach SUD**

The North Beach NCD and the North Beach SUD are nearly contiguous. The boundaries of the North Beach SUD follow those of the North Beach NCD with the exception of seven properties. Four of these are near the intersection of Lombard and Mason Streets, one is Powell Street between Green and Vallejo Streets, one is on Bannan Place between Union and Green Streets and one is on Stockton Street between Vallejo and Broadway. These boundaries create a situation where the regulations in the North Beach SUD practically apply to all properties in the North Beach NCD.

Ordinance 129-17<sup>12</sup>, the Article Seven Reorganization, proposed a number of changes to the North Beach NCD. For example, the Article Seven Reorganization prohibited Planned Unit Development authorizations in the North Beach NCD. Because of nearly coterminous boundaries, this change to the North Beach NCD applies to properties in the North Beach SUD.

## **RECOMMENDATION**

The Department recommends that the Commission recommend *approval with modifications* of the proposed Ordinance and adopt the attached Draft Resolution to that effect. The Department's proposed recommendations are as follows:

1. For building permit application proposing garage installations in the North Beach NCD, Telegraph Hill- North Beach SUD and Chinatown Mixed Use Districts:
  - a. Clarify that these controls apply to existing buildings seeking to add a garage and not proposed buildings;
  - b. Clarify that the milestone for the proposed 10 year eviction period is the date of acceptance of a complete building permit application;
2. Maintain the existing Historic Preservation review procedures for buildings in the North Beach SUD and the Broadway NCD.

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<sup>12</sup> Ordinance 129-17:

<https://sfgov.legistar.com/View.ashx?M=F&ID=5293271&GUID=2BDC1E7C-0072-4F30-9B8A-C27771947423>

3. Require Conditional Use authorization for Health Service uses on the first story in the North Beach SUD.
4. For the proposed Legacy Business controls in the North Beach SUD:
  - a. Exempt properties that have been vacant or otherwise removed from the Legacy Business Registry from the Conditional Use authorization requirement for uses occupying a space formerly occupied by a Legacy Business;
  - b. Add Conditional Use findings for the Planning Commission to consider when reviewing an application proposing to occupy a space formerly occupied by a Legacy Business.
5. Clarify that the Planning Commission is to determine whether or not a proposed use supports the purposes of the North Beach SUD applicable to the proposed use and not each purpose.
6. Amend the Formula Retail controls so that Animal Hospital, Hotel, Kennel, Health Services and Retail Professional Services uses are exempt from the Formula Retail controls.

## **BASIS FOR RECOMMENDATION**

The Department supports the Ordinance's intentions of promoting and improving the small scale and pedestrian friendly nature of the North Beach area. However, the Department believes that the proposed amendments can be modified to improve Department review and implementation practices as well as to further policy goals.

### **Recommendations:**

1. **For building permit application proposing garage installations in the North Beach NCD, Telegraph Hill- North Beach SUD and Chinatown Mixed Use Districts:**
  - a. **Clarify that these controls apply to existing buildings seeking to add a garage and not proposed buildings.**

The aim of the garage installation controls is to assure that the addition of a garage does not adversely affect existing residential or retail uses or the pedestrian environment. Determining whether this occurs for proposed buildings is impossible since a proposed building does not have any existing residential or retail uses to preserve.
  - b. **Clarify that the milestone for the proposed 10 year eviction period is the date of acceptance of a complete building permit application.**

In order to determine if an eviction has occurred within the last ten years in a building proposing a garage installation, a starting point for those 10 years is needed. Setting that 10 year period at the acceptance date of a complete building permit application is a milestone clear to the project sponsor, any past tenants, the concerned public and the Department staff. This clarity eases implementation of this requirement as well.
2. **Maintain the existing Historic Preservation review procedures for buildings in the North Beach SUD and the Broadway NCD.**

The Department's Historic Preservation staff has surveyed the North Beach and Broadway areas and has identified buildings that are known or potential historical resources and buildings which are not. The Department also has a functioning review procedure and appeals process, adequate for SOI considerations under CEQA and known to the appellate body. The proposed



amendments would duplicate earlier work conducted to determine which properties require historic preservation staff review and which do not.

**3. Require Conditional Use authorization for Health Service uses on the first story in the North Beach SUD.**

Prohibiting a significant number of retail uses at the first story can stifle the vibrancy and diversity in uses of an NCD. The CU process works to assure that a new use is necessary, desirable and compatible with its surroundings. It can be relied upon to assure that uses like Health Service uses are appropriate for the NCD.

**4. For the proposed Legacy Business controls in the North Beach SUD:**

**a. Exempt properties that have been vacant or otherwise removed from the Legacy Business Registry from the Conditional Use authorization requirement for uses occupying a space formerly occupied by a Legacy Business;**

Legacy Business controls should balance between the need to create a disincentive for a sudden lease rate spike to long term businesses and the need to fill vacant storefronts and not over burden subsequent tenants. Providing an exemption from the CU requirement for uses proposing to occupy a space formerly occupied by a Legacy Business and vacant for at least three years strikes a balance between those competing needs.

**b. Add Conditional Use findings for the Planning Commission to consider when reviewing an application proposing to occupy a space formerly occupied by a Legacy Business.**

CU findings help direct proposed projects toward neighborhood compatibility, help achieve larger policy goals and help guide the Commission in their decisions on granting Conditional Use authorization. Many use types have specific CU findings for these purposes. Legacy Business controls should also include specific findings and include:

How the new use will continue to contribute to the commercial corridor's character through:

- (a) physical improvements including preservation, repair or addition of architectural features, façade elements or storefronts;
- (b) retail or institutional offerings serving the adjacent neighborhood and providing goods and/or services needed on a daily basis or attracting patrons from a wider trade area

How the use, as independently owned or as a Formula Retail use, will impact the corridor's character:

- (a) within the immediate area, as defined by a 300 foot radius of the subject site;
- (b) beyond the immediate area of the subject site and throughout the entire corridor

How the new use interacts with the public realm, including:

- (a) If locating at the ground story, whether the use contributes to an active retail frontage

(b) If the use provides off-street parking, how it proposes to improve the pedestrian-automobile interface, and how the use provides opportunities for using mass transit or bicycles to arrive at the subject site.

**5. Clarify that the Planning Commission is to determine whether or not a proposed use supports the purposes of the North Beach SUD applicable to the proposed use and not each purpose.**

Findings particular to an SUD should help guide a project proposal and decision makers in their decisions. Because these types of findings seek to address a wide range of concerns particular to the SUD, not all findings will apply to every project. Projects should have to be found supporting only those findings that are relevant to them.

**6. Amend the Formula Retail controls so that Animal Hospital, Hotel, Kennel, Health Services and Retail Professional Services uses are exempt from the Formula Retail controls.**

In NCDs with higher than average vacancy rates, the added process associated with a Formula Retail entitlement can prolong vacancies. Uses like a veterinary office or kennel, an insurance brokerage office or a medical office often fill a retail need of adjacent residents. Their presence may also deter the blighting effects a vacant building or storefront has upon a neighborhood commercial corridor. Some of these uses tend to be subject to the Formula Retail regulations and this can act as a barrier to entry. Relying on a zoning district's existing controls, such as neighborhood notice, can strike that balance between securing corridor investment and assuring community compatibility. For NCDs already requiring CU for those uses, as in the case of a Hotel use, a second CU entitlement is unnecessary.

## REQUIRED COMMISSION ACTION

The proposed Ordinance is before the Commission so that it may recommend adoption, rejection, or adoption with modifications to the Board of Supervisors.

## IMPLEMENTATION

The Department determined that this Ordinance will impact our current implementation procedures. The proposed requirement to review all buildings in districts identified as potentially eligible for the National or California Register, including those buildings and districts listed in the California Historical Resources Information System Inventory, according to the Secretary of the Interior Standards for the Treatment of Historic Properties within the North Beach SUD and the Broadway NCD, would require additional staff to maintain current review times given the expanded review scope.

## 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 received one letter from the public. It is in support of the proposed Ordinance.

<b>RECOMMENDATION:</b>	<b>Recommendation of Approval with Modification</b>
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**Attachments:**

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: Letters of Support/Opposition
- Exhibit C: Board of Supervisors File No. 170419