

BOARD of SUPERVISORS



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MEMORANDUM

Date: December 15, 2023
To: Planning Department
From: Brent Jalipa, Clerk of the Budget and Finance Committee
Subject: Board of Supervisors Legislation Referral - File No. 231272
Business and Tax Regulations Code - Streamlined Permitting Review in C-3 Districts

- ☒ California Environmental Quality Act (CEQA) Determination
(*California Public Resources Code, Sections 21000 et seq.*)
 - ☒ Ordinance / Resolution
 - ☐ Ballot Measure
- ☐ Amendment to the Planning Code, including the following Findings:
(*Planning Code, Section 302(b): 90 days for Planning Commission review*)
 - ☐ General Plan ☐ Planning Code, Section 101.1 ☒ Planning Code, Section 302
- ☐ Amendment to the Administrative Code, involving Land Use/Planning
(*Board Rule 3.23: 30 days for possible Planning Department review*)
- ☐ General Plan Referral for Non-Planning Code Amendments
(*Charter, Section 4.105, and Administrative Code, Section 2A.53*)
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)
- ☐ Historic Preservation Commission
 - ☐ Landmark (*Planning Code, Section 1004.3*)
 - ☐ Cultural Districts (*Charter, Section 4.135 & Board Rule 3.23*)
 - ☐ Mills Act Contract (*Government Code, Section 50280*)
 - ☐ Designation for Significant/Contributory Buildings (*Planning Code, Article 11*)

Please send the Planning Department/Commission recommendation/determination to Brent Jalipa at Brent.Jalipa@sfgov.org.

[Business and Tax Regulations Code - Streamlined Permitting Review in C-3 Districts]

Ordinance amending the Business and Tax Regulations Code to expand streamlined permitting review of principally permitted commercial uses to upper floors in C-3 (Downtown Commercial) Districts; and affirming the Planning Department's determination under the California Environmental Quality Act.

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

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

Section 1. Findings.

(a) The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. ____ and is incorporated herein by reference. The Board affirms this determination.

(b) Downtown Commercial (C-3) Districts contain a variety of commercial uses, including retail, entertainment, clubs and institutions, many of which are principally permitted uses. Existing streamlined permitting programs apply to the establishment, modification, and operation of ground floor principally permitted uses. In C-3 Districts, however, commercial uses are often located on the upper floors of a building. These upper-floor commercial uses cannot avail themselves of the existing streamlined review process. Active commercial uses,

1 regardless of their location in a building, contribute to the vibrancy of Downtown. Expanding
2 streamlined permitting review to upper-floor principally permitted commercial uses in the C-3
3 Districts serves the public interest and will assist Downtown in its post-pandemic recovery.
4 Additionally, applying streamlined review to principally permitted commercial uses that
5 reconfigure existing interior square footage – including expansions of interior square footage –
6 will facilitate the establishment of a broad array of commercial uses on upper floors.

7
8 Section 2. Article 1 of the Business and Tax Regulations Code is hereby amended by
9 revising Section 32, to read as follows:

10 **SEC. 32. COORDINATED AND STREAMLINED CITY REVIEW OF THE**
11 **ESTABLISHMENT, MODIFICATION, AND/OR OPERATION OF A PRINCIPALLY**
12 **PERMITTED COMMERCIAL USE; EXPEDITED PROCESS AND WAIVER OF ADDITIONAL**
13 **FEES WHERE DEPARTMENT ERROR REQUIRES ADDITIONAL PROCESSING.**

14 (a) **General Requirement.** City departments that are responsible for reviewing permit
15 applications for the establishment, modification, and/or operation of a principally permitted
16 storefront commercial use shall develop a process for the coordinated and streamlined review
17 of those permit applications, with timely responses from applicants, and any inspections
18 required in connection with the applications, in order to (1) ensure that San Francisco's
19 commercial corridors remain thriving, (2) support existing businesses in adapting their
20 business models in a changing economic environment, (3) improve access for business
21 owners from all backgrounds to successfully open their business in San Francisco, and (4)
22 protect the City's tax base.

23 * * * *

24 (g) **Requirements for C-3 Districts.** In all C-3 Districts, this Section 32 shall apply to all
25 principally permitted commercial uses, not only principally permitted storefront commercial uses but

1 also principally permitted commercial uses on all floors of a building. In all C-3 districts, the
2 provisions of this Section 32 shall also apply to expansions of the interior square footage of the
3 commercial use. No later than 30 days from the effective date of the ordinance in Board File
4 No. 231272 adding this subsection (g), the subject City departments shall apply the coordinated and
5 simplified process in this Section 32 to the review of all applications for principally permitted
6 commercial uses in C-3 Districts, as set forth in this subsection (g), and shall periodically review and
7 update the process.

8
9 Section 4. Effective Date. This ordinance shall become effective 30 days after
10 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
11 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
12 of Supervisors overrides the Mayor's veto of the ordinance.

13
14 Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
15 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
16 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
17 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
18 additions, and Board amendment deletions in accordance with the "Note" that appears under
19 the official title of the ordinance.

20
21 APPROVED AS TO FORM:
22 DAVID CHIU, City Attorney

23 By: /s/ Giulia Gualco-Nelson
24 GIULIA GUALCO-NELSON
Deputy City Attorney

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LEGISLATIVE DIGEST

[Business and Tax Regulations Code - Streamlined Permitting Review in C-3 Districts]

Ordinance amending the Business and Tax Regulations Code to expand streamlined permitting review of principally permitted commercial uses to upper floors in C-3 (Downtown Commercial) Districts; and affirming the Planning Department's determination under the California Environmental Quality Act.

Existing Law

Business and Tax Regulations Code Section 32 creates a coordinated and streamlined permitting review process for the establishment, modification, and/or operation of a principally permitted storefront use.

Downtown Commercial (C-3) Districts contain a variety of commercial uses, including retail, entertainment, clubs and institutions, many of which are principally permitted uses on all floors of a building.

Amendments to Current Law

This ordinance would amend Business and Tax Regulations Code Section 32 to enable principally permitted commercial uses in C-3 Districts on all floors of a building to qualify for coordinated and streamlined permitting review. This ordinance provides that expansions of the interior square footage of a principally permitted commercial use in a C-3 District also qualify for coordinated and streamlined review.

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Introduction Form

(by a Member of the Board of Supervisors or the Mayor)

I hereby submit the following item for introduction (select only one):

- ☒ 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- ☐ 2. Request for next printed agenda (For Adoption Without Committee Reference)
(Routine, non-controversial and/or commendatory matters only)
- ☐ 3. Request for Hearing on a subject matter at Committee
- ☐ 4. Request for Letter beginning with "Supervisor [] inquires..."
- ☐ 5. City Attorney Request
- ☐ 6. Call File No. [] from Committee.
- ☐ 7. Budget and Legislative Analyst Request (attached written Motion)
- ☐ 8. Substitute Legislation File No. []
- ☐ 9. Reactivate File No. []
- ☐ 10. Topic submitted for Mayoral Appearance before the Board on []

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- ☒ Small Business Commission ☐ Youth Commission ☐ Ethics Commission
- ☐ Planning Commission ☐ Building Inspection Commission ☐ Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- ☐ Yes ☐ No

(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)

Sponsor(s):

Supervisor Peskin

Subject:

[Business and Tax Regulations Code - Streamlined Permitting Review in C-3 Districts]

Long Title or text listed:

Ordinance amending the Business and Tax Regulations Code to expand streamlined permitting review of principally permitted commercial uses to upper floors in C-3 (Downtown Commercial) Districts; and affirming the Planning Department's determination under the California Environmental Quality Act.

Signature of Sponsoring Supervisor: [//AP//]