


BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Nelly Gordon, Inspector, Police Department

FROM:  Erica Major, Assistant Clerk
Land Use and Transportation Committee

DATE: August 3, 2018

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Tang on July 31, 2018:

File No. 180806

Ordinance amending the Planning Code to create a new Use allowing flexible, multi-use retail; making Flexible Retail principally permitted in Supervisorial District Four; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.

If you have 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 or by email at: erica.major@sfgov.org.

c: Dave Falzon, Police Department

1 [Planning Code - Flexible Retail Use]

2
3 **Ordinance amending the Planning Code to create a new Use allowing flexible, multi-use**
4 **retail; making Flexible Retail principally permitted in Supervisorial District Four;**
5 **affirming the Planning Department’s determination under the California Environmental**
6 **Quality Act; making findings of consistency with the General Plan, and the eight**
7 **priority policies of Planning Code, Section 101.1; and making findings of public**
8 **necessity, convenience, and welfare pursuant to Planning Code, Section 302.**

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

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

17 Section 1. Findings.

18 (a) In February 2018, the Office of Economic and Workforce Development
19 published a report entitled “State of the Retail Sector: Challenges and Opportunities for San
20 Francisco’s Neighborhood Commercial Districts” (“Report”). Prepared by Strategic
21 Economics, the Report analyzed the national restructuring of the retail, restaurant, and
22 personal services industries; identified factors required to support successful San Francisco
23 retail districts; catalogued opportunities, costs, and challenges for retail, restaurant, and
24 personal services businesses in San Francisco; and documented adaptations that businesses
25 are making in response to changing conditions.

(b) The Report’s key findings include:

- 1 • Between the first and third quarters of 2017, chain retailers nationwide
2 announced 3,044 store openings, and 6,752 store closings. While overall retail
3 sales were in decline, retail sales growth was concentrated in several
4 categories, including: food and beverage stores; e-commerce; building materials
5 and home furnishings; and health and personal care stores. Food services
6 sales also experienced growth.
- 7 • Consistent with national trends, after many years of growth, San Francisco's
8 retail sector appears to be slowing. Growth in retail employment and sales tax
9 revenues slowed between 2015 and 2016, and vacancy rates in some
10 neighborhood commercial districts are increasing. Retail business owners also
11 reported seeing increased competition with online sales for a rapidly expanding
12 range of products.
- 13 • While retail demand is slowing, there is a national trend towards increased
14 consumer spending on dining, services, and other ways to engage retail
15 customers. There is a corresponding increased demand in storefront space for
16 restaurant, entertainment, and personal services in San Francisco
17 neighborhoods. Restaurants and personal services are a key component of the
18 experience provided by neighborhood shopping districts, drawing foot traffic to
19 other businesses and providing spaces to linger and gather as a community.
20 Continued growth in these activities could mitigate some of the effects on
21 vacancy rates caused by local contraction in the retail industry.
- 22 • Based on increased consumer demand for experiences and increased
23 competition from online sales, many retailers are developing new strategies to
24 attract customers, including: expanding opportunities for customers to interact
25 with products before making a purchase; integrating eating, drinking, and

1 wellness into traditional retail stores; and offering community-building activities
2 such as classes, workshops, readings, lectures, or concerts. Incorporating
3 multiple uses or creatively co-locating other uses may help retail businesses
4 diversify their revenue streams.

- 5 • Land use and permitting requirements can present challenges to new
6 businesses in San Francisco. New businesses must often invest significant time
7 and money into completing the permitting and construction processes. These
8 costs frequently place business owners in substantial debt, jeopardizing the
9 viability of their enterprises before they are even able to open their doors and
10 can dissuade aspiring entrepreneurs from opening their own businesses.
- 11 • Existing land use and permitting requirements may make it challenging for
12 businesses to incorporate food, drink, events, and other elements that create
13 attractive experiences for customers. Existing land use and permitting
14 requirements also limit a business' ability to incorporate multiple uses, or co-
15 locate multiple businesses, within a single storefront.

16 (c) More flexibility within land use controls would support small businesses by
17 enabling them to creatively experiment with integrating food, beverage, retail and professional
18 services uses within the same space. The creation of flexible, multi-use space could enable
19 small-scale entrepreneurs to launch brick-and-mortar operations, on a temporary or
20 permanent basis, within larger storefronts.

21 (d) The purpose of this ordinance is to reduce storefront vacancies, support a
22 diverse mix of businesses, enable retail businesses to engage in creative strategies to attract
23 customers and diversify revenues, and otherwise support healthy and vibrant commercial
24 corridors in San Francisco.

1 Section 2. Environmental and Land Use Findings.

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

7 (b) On _____, the Planning Commission, in Resolution No. _____,
8 adopted findings that the actions contemplated in this ordinance are consistent, on balance,
9 with the City's General Plan and eight priority policies of Planning Code Section 101.1. The
10 Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of
11 the Board of Supervisors in File No. _____, and is incorporated herein by reference.

12 (c) Pursuant to Planning Code Section 302, the Board finds that this Planning Code
13 amendment will serve the public necessity, convenience, and welfare for the reasons set forth
14 in Planning Commission Resolution No. _____, and the Board incorporates such reasons
15 herein by reference.

16
17 Section 3. The Planning Code is hereby amended by revising Section 102 to read as
18 follows, with the definition of "Flexible Retail" placed after the definition of "Family" and before
19 the definition of "Floor Area, Gross":

20 **SEC. 102. DEFINITIONS.**

21 * * * *

22 **Arts Activities.** A Retail Entertainment, Arts and Recreation Use that includes performance,
23 exhibition (except exhibition of films), rehearsal, production, post-production, and some
24 schools of any of the following: *D*dance; music; dramatic art; film; video; graphic art;
25 painting; drawing; sculpture; small-scale glassworks; ceramics; textiles; woodworking;

1 photography; custom-made jewelry or apparel; and other visual, performance, and sound
2 arts and craft. It shall exclude accredited Schools and Post-Secondary Educational
3 Institutions. It shall include commercial arts and art-related business service uses including,
4 but not limited to: recording and editing services; small-scale film and video developing and
5 printing; titling; video and film libraries; special effects production; fashion and photo stylists;
6 production, sale, and rental of theatrical wardrobes; and studio property production and rental
7 companies. Arts spaces shall include studios, workshops, archives, and theaters, and other
8 similar spaces customarily used principally for arts activities, exclusive of a Movie Theater,
9 General Entertainment Amusement Enterprise, Adult Business Entertainment, and any other
10 establishment where liquor is customarily served during performances.

11 * * * *

12
13 **Flexible Retail.** A Retail Sales and Service Use in Neighborhood Commercial Districts that can
14 include any combination of the following use categories and characteristics within a space and can be
15 operated by one or more business operators:

- 16 (1) Arts Activities;
17 (2) Restaurant, Limited;
18 (3) Retail Sales and Services, General;
19 (4) Service, Personal;
20 (5) Service, Retail Professional; and
21 (6) Trade Shop.

22 * * * *

23
24 **Restaurant, Limited.** A Retail Sales and Service Use that serves ready-to-eat foods and/or
25 drinks to customers for consumption on or off the premises, that may or may not have seating.

1 It may include wholesaling, manufacturing, or processing of foods, goods, or commodities on
2 the premises as an Accessory Use as set forth in Sections 204.3 or 703.2 depending on the
3 zoning district in which it is located. It includes, but is not limited to, foods provided by
4 sandwich shops, coffee houses, pizzerias, ice cream shops, bakeries, delicatessens, and
5 confectioneries meeting the above characteristics, but is distinct from a Specialty Grocery,
6 Restaurant, and Bar. Within the North Beach SUD, it is also distinct from Specialty Food
7 Manufacturing, as defined in Section 780.3(b). It shall not provide on-site beer and/or wine
8 sales for consumption on the premises, but may ~~sell provide off-site~~ beer and/or wine sales for
9 consumption off the premises with a California Alcoholic Beverage Control Board License type
10 20 (off-sale beer and wine), if all areas devoted to the display and sale of alcoholic beverages
11 occupy less than 15% of the Occupied Floor Area of the establishment ~~(including all areas~~
12 ~~devoted to the display and sale of alcoholic beverages)~~. Such businesses shall operate with the
13 specified conditions in Section 202.2(a)(1).

14 * * * *

15
16 **Retail Sales and Service, General.** A Retail Sales and Service Use that provides goods
17 and/or services to the general public and that is not listed as a separate Retail Sales and
18 Service Use in this Section ~~of the Code~~ 102. This use includes, but is not limited to the sale or
19 provision of the following goods and services:

- 20 (a) Personal items such as tobacco and magazines;
- 21 (b) Self-service laundromats and dry cleaning, where no portion of a building
22 occupied by such use shall have any opening other than fixed windows and exits required by
23 law within 50 feet of any R District;
- 24 (c) Household goods and service (including paint, fixtures, and hardware, but
25 excluding other building materials);

- 1 (d) Variety merchandise, pet supply stores, and pet grooming services;
- 2 (e) Florists and plant stores;
- 3 (f) Apparel and accessories;
- 4 (g) Antiques, art galleries, art supplies, and framing service;
- 5 (h) Home furnishings, furniture, and appliances;
- 6 (i) Books, stationery, greeting cards, office supplies, copying service, music, and
- 7 sporting goods; and
- 8 (j) Toys, gifts, and photographic goods and services.

9 * * * *

10
11 **Service, Personal.** A Retail Sales and Services Use that provides grooming services to the
12 individual, including salons, cosmetic services, tattoo parlors, and health spas, bathhouses,
13 and steam rooms. Personal Service does not include Massage Establishments or Gym, which
14 are defined separately in this Section 102.

15 * * * *

16
17 **Service, Retail Professional.** A Retail Sales and Service Use that provides to the general
18 public, general business, or professional services including, but not limited to, management,
19 clerical, accounting, legal, consulting, insurance, real estate brokerage, and travel services. It
20 may provide services to the business community, provided that it also provides services to the
21 general public. Otherwise, it shall be considered a Non-Retail Professional Service Use as
22 defined in this Section *of the Planning Code* 102.

23 This use does not include research service of an industrial or scientific nature in a
24 commercial or medical laboratory, other than routine medical testing and analysis by a health-
25 care professional or hospital.

1 * * * *

2
3 **Trade Shop.** A Retail Sales and Service Use that provides custom-crafted goods and/or
4 services for sale directly to the consumer, reserving some storefront space for display and
5 retail service, subject to the conditions in Section 202.2. A trade shop includes, but is not
6 limited to:

7 (a) Repair of personal apparel, accessories, household goods, appliances, furniture,
8 and similar items, but excluding repair of motor vehicles and structures;

9 (b) Upholstery services;

10 (c) Carpentry;

11 (d) Printing of a minor processing nature, including multi-copy and blueprinting
12 services and printing of pamphlets, brochures, resumes, and small reports, but excluding
13 printing of books, magazines, or newspapers;

14 (e) Tailoring; and

15 (f) Other artisan craft uses, including fine arts uses. Arts Activities and Light
16 Manufacturing shall be considered distinct from Trade Shops.

17 * * * *

18
19 Section 4. The Planning Code is hereby amended by revising Sections 710, 711, 712,
20 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 728, 729, 730, 750,
21 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, and 764, to read as follows:
22

23 **SEC. 710. NC-1 – NEIGHBORHOOD COMMERCIAL CLUSTER DISTRICT.**

24 * * * *

25 **Table 710. NEIGHBORHOOD COMMERCIAL CLUSTER DISTRICT NC-1**

ZONING CONTROL TABLE

Zoning Category	§ References	Controls		
NON-RESIDENTIAL USES		Controls by Story		
		1st	2nd	3rd+

Sales and Service Use Category				
Retail Sales and Service Uses*	§ 102	P(2)	NP	NP

Cannabis Retail	§§ 102, 202.2(a)	NP(6)	NP(6)	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP(3)</u>	<u>NP</u>	<u>NP</u>

* Not listed below

(1) Additional five feet for NC-1 parcels with a Commercial use on the ground floor within the following areas:

(a) Within the boundaries of Sargent Street to Orizaba Avenue to Lobos Street to Plymouth Avenue to Farellones Street to San Jose Avenue to Alemany Boulevard to 19th Avenue to Randolph Street to Monticello Street and back to Sargent Street.

(b) On Noriega, Irving, Taraval, and Judah Streets west of 19th Avenue.

(2) P if located more than 1/4 one-fourth mile from any NC District or Restricted Use Subdistrict with more restrictive controls; otherwise, same as more restrictive control.

(3) ~~Note deleted.~~ P in Supervisorial District 4.

(4) C required for 7 or more persons.

(5) C if a Macro WTS Facility; P if a Micro WTS Facility.

(6) C in Supervisorial District 4.

SEC. 711. NC-2 – SMALL-SCALE NEIGHBORHOOD COMMERCIAL DISTRICT.

**Table 711. SMALL-SCALE NEIGHBORHOOD COMMERCIAL DISTRICT NC-2
ZONING CONTROL TABLE**

Zoning Category	§ References	Controls		
		Controls by Story		
		1st	2nd	3rd+

Sales and Service Use Category				

Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<i>§ 102</i>	<i>NP(2)</i>	<i>NP</i>	<i>NP</i>

* Not listed below

(1) Additional five feet for NC-2 parcels zoned 40' or 50' with an Active Use on the ground floor within the following areas: Balboa Street between 2nd Avenue and 8th Avenue, and between 32nd Avenue and 39th Avenue.

(2) ~~Note deleted.~~ P in Supervisorial District 4.

SEC. 712. NC-3 – MODERATE-SCALE NEIGHBORHOOD COMMERCIAL DISTRICT.

1 **Table 712. MODERATE-SCALE NEIGHBORHOOD COMMERCIAL DISTRICT NC-3**
 2 **ZONING CONTROL TABLE**

3 * * * *

Zoning Category	§ References	Controls		
NON-RESIDENTIAL STANDARDS				
* * * *				
Sales and Service Use Category				
* * * *				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<i>§ 102</i>	<i>NP</i>	<i>NP</i>	<i>NP</i>
* * * *				

12 * * * *

13
 14 **SEC. 713. NC-S – NEIGHBORHOOD COMMERCIAL SHOPPING CENTER**
 15 **DISTRICT.**

16 * * * *

17 **Table 713. NEIGHBORHOOD COMMERCIAL SHOPPING CENTER DISTRICT NC-S**
 18 **ZONING CONTROL TABLE**

19 * * * *

Zoning Category	§ References	Controls		
NON-RESIDENTIAL STANDARDS				
* * * *				
Sales and Service Use Category				
* * * *				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP

<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>

SEC. 714. BROADWAY NEIGHBORHOOD COMMERCIAL DISTRICT.

**Table 714. BROADWAY NEIGHBORHOOD COMMERCIAL DISTRICT
ZONING CONTROL TABLE**

Zoning Category	§ References	Controls		
NON-RESIDENTIAL STANDARDS				

Sales and Service Use Category				

Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>

SEC. 715. CASTRO STREET NEIGHBORHOOD COMMERCIAL DISTRICT.

**Table 715. CASTRO STREET NEIGHBORHOOD COMMERCIAL DISTRICT
ZONING CONTROL TABLE**

Zoning Category	§ References	Controls		
-----------------	--------------	----------	--	--

NON-RESIDENTIAL STANDARDS

Sales and Service Use Category

Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
-----------------	------------------	---	---	----

<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
------------------------	--------------	-----------	-----------	-----------

SEC. 716. INNER CLEMENT STREET NEIGHBORHOOD COMMERCIAL DISTRICT.

**Table 716. INNER CLEMENT STREET NEIGHBORHOOD COMMERCIAL DISTRICT
ZONING CONTROL TABLE**

Zoning Category

§ References

Controls

NON-RESIDENTIAL STANDARDS AND USES

Sales and Service Use Category

Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
-----------------	------------------	---	---	----

<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
------------------------	--------------	-----------	-----------	-----------

1	****				
2	Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
3	<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
4	****				

5 ****

6

7 **SEC. 719. HAIGHT STREET NEIGHBORHOOD COMMERCIAL DISTRICT.**

8 ****

9 **Table 719. HAIGHT STREET NEIGHBORHOOD COMMERCIAL DISTRICT**
10 **ZONING CONTROL TABLE**

11 ****

Zoning Category		§ References	Controls		
NON-RESIDENTIAL STANDARDS AND USES					

Sales and Service Use Category					

Cannabis Retail	§§ 102, 202.2(a)	C	C	NP	
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>	

20 ****

21

22 **SEC. 720. EXCELSIOR OUTER MISSION NEIGHBORHOOD COMMERCIAL**
23 **DISTRICT.**

24 ****

1 **Table 720. EXCELSIOR OUTER MISSION STREET NEIGHBORHOOD COMMERCIAL**
 2 **DISTRICT ZONING CONTROL TABLE**

3 * * * *

Zoning Category	§ References	Controls		
NON-RESIDENTIAL STANDARDS AND USES				
* * * *				
Sales and Service Use Category				
* * * *				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
* * * *				

12 * * * *

13
 14 **SEC. 721. JAPANTOWN NEIGHBORHOOD COMMERCIAL DISTRICT.**

15 * * * *

16 **Table 721. JAPANTOWN NEIGHBORHOOD COMMERCIAL DISTRICT ZONING**
 17 **CONTROL TABLE**

18 * * * *

Zoning Category	§ References	Controls		
NON-RESIDENTIAL STANDARDS AND USES				
* * * *				
Sales and Service Use Category				
* * * *				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>

------	--	--	--	--

SEC. 722. NORTH BEACH NEIGHBORHOOD COMMERCIAL DISTRICT.

**Table 722. NORTH BEACH NEIGHBORHOOD COMMERCIAL DISTRICT
ZONING CONTROL TABLE**

Zoning Category	§ References	Controls		
NON-RESIDENTIAL STANDARDS AND USES				

Sales and Service Use Category				

Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<i>§ 102</i>	<i>NP</i>	<i>NP</i>	<i>NP</i>

SEC. 723. POLK STREET NEIGHBORHOOD COMMERCIAL DISTRICT.

**Table 723. POLK STREET NEIGHBORHOOD COMMERCIAL DISTRICT
ZONING CONTROL TABLE**

Zoning Category	§ References	Controls		
NON-RESIDENTIAL STANDARDS AND USES				

1 * * * *

2 **Sales and Service Use Category**

3 * * * *

4 Cannabis Retail §§ 102, 202.2(a) C C NP

5 *Flexible Retail* § 102 NP NP NP

6 * * * *

7 * * * *

8
9 **SEC. 724. SACRAMENTO STREET NEIGHBORHOOD COMMERCIAL DISTRICT.**

10 * * * *

11 **Table 724. SACRAMENTO STREET NEIGHBORHOOD COMMERCIAL DISTRICT**
12 **ZONING CONTROL TABLE**

13 * * * *

14 **Zoning Category § References Controls**
15 **NON-RESIDENTIAL STANDARDS AND USES**

16 * * * *

17 **Sales and Service Use Category**

18 * * * *

19 Cannabis Retail §§ 102, 202.2(a) C C NP

20 *Flexible Retail* § 102 NP NP NP

21 * * * *

22 * * * *

23
24 **SEC. 725. UNION STREET NEIGHBORHOOD COMMERCIAL DISTRICT.**

25 * * * *

1 **Table 725. UNION STREET NEIGHBORHOOD COMMERCIAL DISTRICT**
 2 **ZONING CONTROL TABLE**

3 * * * *

Zoning Category § References Controls				
NON-RESIDENTIAL STANDARDS AND USES				
* * * *				
Sales and Service Use Category				
* * * *				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
* * * *				

12 * * * *

13
 14 **SEC. 726. PACIFIC AVENUE NEIGHBORHOOD COMMERCIAL DISTRICT.**

15 * * * *

16 **Table 726. PACIFIC AVENUE NEIGHBORHOOD COMMERCIAL DISTRICT**
 17 **ZONING CONTROL TABLE**

18 * * * *

Zoning Category § References Controls				
NON-RESIDENTIAL STANDARDS				
* * * *				
Sales and Service Use Category				
* * * *				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>

------	--	--	--	--

SEC. 728. 24TH STREET – NOE VALLEY NEIGHBORHOOD COMMERCIAL DISTRICT.

Table 728. 24TH STREET – NOE VALLEY NEIGHBORHOOD COMMERCIAL DISTRICT ZONING CONTROL TABLE

Zoning Category	§ References	Controls		
NON-RESIDENTIAL STANDARDS AND USES				

Sales and Service Use Category				

Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>

SEC. 729. WEST PORTAL AVENUE NEIGHBORHOOD COMMERCIAL DISTRICT.

Table 729. WEST PORTAL AVENUE NEIGHBORHOOD COMMERCIAL DISTRICT ZONING CONTROL TABLE

Zoning Category	§ References	Controls		
------------------------	---------------------	-----------------	--	--

NON-RESIDENTIAL STANDARDS

Sales and Service Use Category

Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
-----------------	------------------	---	---	----

<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
------------------------	--------------	-----------	-----------	-----------

SEC. 730. INNER SUNSET NEIGHBORHOOD COMMERCIAL DISTRICT.

**Table 730. INNER SUNSET NEIGHBORHOOD COMMERCIAL DISTRICT
ZONING CONTROL TABLE**

Zoning Category

§ References

Controls

NON-RESIDENTIAL STANDARDS

Sales and Service Use Category

Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
-----------------	------------------	---	---	----

<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
------------------------	--------------	-----------	-----------	-----------

Sales and Service Use Category				

Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>

SEC. 752. NCT-3 – MODERATE-SCALE NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.

**Table 752. MODERATE-SCALE NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT
NCT-3 ZONING CONTROL TABLE**

Zoning Category	§ References	Controls		
NON-RESIDENTIAL STANDARDS				

Sales and Service Use Category				

Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>

SEC. 753. SOMA NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.

1 **Table 753. SOMA NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT**
 2 **ZONING CONTROL TABLE**

3 * * * *

Zoning Category		§ References	Controls		
NON-RESIDENTIAL STANDARDS AND USES					
* * * *					
Sales and Service Use Category					
* * * *					
Cannabis Retail		§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>		<i>§ 102</i>	<i>NP</i>	<i>NP</i>	<i>NP</i>
* * * *					

12 * * * *

14 **SEC. 754. MISSION STREET NEIGHBORHOOD COMMERCIAL TRANSIT**
 15 **DISTRICT.**

16 * * * *

17 **Table 754. MISSION STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT**
 18 **ZONING CONTROL TABLE**

19 * * * *

Zoning Category		§ References	Controls		
NON-RESIDENTIAL STANDARDS AND USES					
* * * *					
Sales and Service Use Category					
* * * *					

1	Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
2	<i>Flexible Retail</i>	<u>§ 102</u>	<i>NP</i>	<i>NP</i>	<i>NP</i>
3	****				

4 ****

5
6 **SEC. 755. OCEAN AVENUE NEIGHBORHOOD COMMERCIAL TRANSIT**
7 **DISTRICT.**

8 ****

9 **Table 755. OCEAN AVENUE NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT**
10 **ZONING CONTROL TABLE**

11 ****

Zoning Category		§ References	Controls		
NON-RESIDENTIAL STANDARDS					

Sales and Service Use Category					

17	Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
18	<i>Flexible Retail</i>	<u>§ 102</u>	<i>NP</i>	<i>NP</i>	<i>NP</i>
19	****				

20 ****

21
22 **SEC. 756. GLEN PARK NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.**

23 ****

24 **Table 756. GLEN PARK NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT**
25 **ZONING CONTROL TABLE**

1 * * * *

Zoning Category	§ References	Controls		
NON-RESIDENTIAL STANDARDS AND USES				
* * * *				
Sales and Service Use Category				
* * * *				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
* * * *				

10 * * * *

11

12 **SEC. 757. FOLSOM STREET NEIGHBORHOOD COMMERCIAL TRANSIT**

13 **DISTRICT.**

14 * * * *

15 **Table 757. FOLSOM STREET NEIGHBORHOOD COMMERCIAL TRANSIT**

16 **DISTRICT ZONING CONTROL TABLE**

17 * * * *

Zoning Category	§ References	Controls		
NON-RESIDENTIAL STANDARDS AND USES				
* * * *				
Sales and Service Use Category				
* * * *				
Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>

------	--	--	--	--

SEC. 758. REGIONAL COMMERCIAL DISTRICT.

Table 758. REGIONAL COMMERCIAL DISTRICT ZONING CONTROL TABLE

Zoning Category	§ References	Controls		
NON-RESIDENTIAL STANDARDS AND USES				

Sales and Service Use Category				

Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<i>§ 102</i>	<i>NP</i>	<i>NP</i>	<i>NP</i>

SEC. 759. DIVISADERO STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT.

Table 759. DIVISADERO STREET NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICT ZONING CONTROL TABLE

Zoning Category	§ References	Controls		
NON-RESIDENTIAL STANDARDS AND USES				

1 * * * *

2 **Sales and Service Use Category**

3 * * * *

4 Cannabis Retail §§ 102, 202.2(a) C C NP

5 *Flexible Retail* § 102 NP NP NP

6 * * * *

7 * * * *

8
9 **SEC. 760. FILLMORE STREET NEIGHBORHOOD COMMERCIAL TRANSIT**
10 **DISTRICT.**

11 * * * *

12 **Table 760. FILLMORE STREET NEIGHBORHOOD COMMERCIAL TRANSIT**
13 **DISTRICT ZONING CONTROL TABLE**

14 * * * *

15 **Zoning Category § References Controls**

16 **NON-RESIDENTIAL STANDARDS AND USES**

17 * * * *

18 **Sales and Service Use Category**

19 * * * *

20 Cannabis Retail §§ 102, 202.2(a) C C NP

21 *Flexible Retail* § 102 NP NP NP

22 * * * *

23 * * * *

1	****				
2	Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
3	<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
4	****				

5 ****

6

7 **SEC. 763. 24TH STREET – MISSION NEIGHBORHOOD COMMERCIAL TRANSIT**

8 **DISTRICT.**

9 ****

10 **Table 763. 24TH STREET – MISSION NEIGHBORHOOD COMMERCIAL TRANSIT**

11 **DISTRICT ZONING CONTROL TABLE**

12 ****

Zoning Category		§ References	Controls		
NON-RESIDENTIAL STANDARDS AND USES					

Sales and Service Use Category					

Cannabis Retail	§§ 102, 202.2(a)	C	C	NP	
<i>Flexible Retail</i>	<u>§ 102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>	

21 ****

22

23 **SEC. 764. UPPER MARKET STREET NEIGHBORHOOD COMMERCIAL TRANSIT**

24 **DISTRICT.**

25 ****

**Table 764. UPPER MARKET STREET NEIGHBORHOOD COMMERCIAL TRANSIT
DISTRICT ZONING CONTROL TABLE**

Zoning Category	§ References	Controls		
NON-RESIDENTIAL STANDARDS AND USES				

Sales and Service Use Category				

Cannabis Retail	§§ 102, 202.2(a)	C	C	NP
<i>Flexible Retail</i>	<i>§ 102</i>	<i>NP</i>	<i>NP</i>	<i>NP</i>

Section 5. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor’s veto of the ordinance.

Section 6. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment

///

///

1 additions, and Board amendment deletions in accordance with the "Note" that appears under
2 the official title of the ordinance.

3
4
5 APPROVED AS TO FORM:
6 DENNIS J. HERRERA, City Attorney

7 By: 
8 AUSTIN M. YANG
9 Deputy City Attorney

10 n:\leganas2018\1800718\01293919.docx

LEGISLATIVE DIGEST

[Planning Code - Flexible Retail Use]

Ordinance amending the Planning Code to create a new Use allowing flexible, multi-use retail; making Flexible Retail principally permitted in Supervisorial District Four; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.

Existing Law

The Planning Code considers Arts Activities, Limited Restaurants, General Retail Sales and Services, Personal Services, Retail Professional Services, and Trade Shop as separate uses. Each of these Uses is defined in section 102 of the Planning Code. While there is no Use that permits a retailer to combine multiple Uses in the same space, under certain conditions, the Planning Code permits some Uses to be considered Accessory to Principal Uses. In Neighborhood Commercial Districts ("NCDs") conditions for Accessory Uses are set forth in Planning Code section 703. Generally, Accessory Uses may not occupy more than 30% of the total floor area occupied by such use and the Principal or Conditional use.

Amendments to Current Law

This ordinance creates the Flexible Retail Use. Flexible Retail would be a type of Retail Sales and Service Use located in NCDs. This Use would combine the following existing uses: Arts Activities, Limited Restaurants, General Retail Sales and Services, Personal Services, Retail Professional Services, and Trade Shop. Flexible Retail would also allow these Uses to be operated by one or more businesses within the space. This is different than Accessory Uses because there would be no limitation on the amount space any of the Uses could occupy.

Background Information

In February 2018, the Office of Economic and Workforce Development published a report entitled "State of the Retail Sector: Challenges and Opportunities for San Francisco's Neighborhood Commercial Districts." The report found that based on increased consumer demand for experiences and increased competition from online sales, many retailers are developing new strategies to attract customers, including: expanding opportunities for customers to interact with products before making a purchase; integrating eating, drinking, and wellness into traditional retail stores; and offering community-building activities such as classes, workshops, readings, lectures, or concerts. The report found that incorporating

multiple uses or creatively co-locating other uses may help retail businesses diversify their revenue streams.

The report also found that land use and permitting requirements can present challenges to new businesses in San Francisco. Specifically, that existing land use and permitting requirements may make it challenging for businesses to incorporate food, drink, events, and other elements that create attractive experiences for customers, and that existing land use and permitting requirements also limit a business' ability to incorporate multiple uses, or co-locate multiple businesses, within a single storefront.

n:\legana\as2018\1800718\01293984.docx