

BOARD of SUPERVISORS



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MEMORANDUM

Date: November 7, 2025
To: Planning Department/Planning Commission
From: John Carroll, Assistant Clerk, Land Use and Transportation Committee
Subject: Board of Supervisors Legislation Referral - File No. 251081
Planning Code - Expansion of Limited Commercial Uses

- ☒ 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 John Carroll at john.carroll@sfgov.org.

[Planning Code - Expansion of Limited Commercial Uses]

Ordinance amending the Planning Code to allow Limited Commercial Uses to expand, provided the expansion does not result in conversion or demolition of residential uses, and allowing the Zoning Administrator to approve Limited Commercial Use expansions into the rear yard; 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.

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 ~~strikethrough 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. Environmental and Land Use 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) On _____, the Planning Commission, in Resolution No. _____, adopted findings that the actions contemplated in this ordinance are consistent, on balance,

1 with the City's General Plan and eight priority policies of Planning Code Section 101.1. The
2 Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of
3 the Board of Supervisors in File No. _____, and is incorporated herein by reference.

4 (c) Pursuant to Planning Code Section 302, this Board finds that this ordinance will
5 serve the public necessity, convenience, and welfare for the reasons set forth in Planning
6 Commission Resolution No. _____, and incorporates such reasons by this reference
7 thereto. A copy of said resolution is on file with the Clerk of the Board of Supervisors in File
8 No. _____.

9
10 Section 2. Articles 1, 1.7, and 3 of the Planning Code are hereby amended by revising
11 Sections 102, 186, and 307, to read as follows:

12
13 **SEC. 102. DEFINITIONS.**

14 * * * *

15 **Limited Commercial Use (LCU).** *A nonconforming use of a commercial or industrial character*
16 *located in specified Residential Districts, as described in Section 186.*

17 **Limited Live Performance.** An Accessory Use as defined in Section 1060 of the
18 Police Code.

19 * * * *

20
21 **SEC. 186. EXEMPTION OF LIMITED COMMERCIAL AND INDUSTRIAL**
22 **NONCONFORMING USES IN RH, RM, RTO, AND RED DISTRICTS.**

23 The purpose of this Section 186 is to provide for the further continuance in RH, RM,
24 RTO, and RED Districts of nonconforming uses of a limited commercial and industrial
25 character, as herein described, which are beneficial to, or can be accommodated within, the

1 residential areas in which they are located. It is hereby found and declared that, despite the
2 general incompatibility of nonconforming uses with the purposes of this Code, and with other
3 nearby uses, these limited commercial uses may be tolerated in residential areas, and tend to
4 provide convenience goods and services on a retail basis to meet the frequent and recurring
5 needs of neighborhood residents within a short distance of their homes or, within the South of
6 Market RED Districts, tend to provide jobs and continuation of small-scale service and light
7 industrial activities. These uses tend to be small in scale, to serve primarily a walk-in trade,
8 and cause a minimum of interference with nearby streets and properties. Accordingly, this
9 Section recognizes the public advantages of these uses and establishes conditions for their
10 continued operation.

11 (a) **Exemption from Termination Provisions.** The following ~~nonconforming uses in R~~
12 ~~Districts~~ Limited Commercial Uses shall be exempt from the termination provisions of Section
13 185, provided such uses comply with all the conditions specified in subsection (b) below:

14 * * * *

15 (4) In the RED Districts, any nonconforming use that is Arts Activities, Business
16 Service, Catering, Design Professional, Light Manufacturing, Personal Service, Trade Office,
17 Trade Shop, Wholesale Sales, or Wholesale Storage, use.

18 (b) **Conditions on Limited ~~Nonconforming~~ Commercial Uses.** The ~~L~~limited
19 ~~nonconforming~~ Commercial ~~U~~ses described in subsection (a) above shall meet the following
20 conditions:

21 * * * *

22 (g) **Reactivation.** Limited ~~e~~Commercial ~~U~~ses in RH, RM, RTO, and RED Districts
23 that have been discontinued or abandoned, as defined in Section 183, may be reactivated if
24 the Zoning Administrator finds that:

25 * * * *

1 (h) **Expansion, Intensification, and Alteration.** A Limited Commercial Use may expand,
2 resulting in an increase in Use Size, notwithstanding Section 181, provided the expansion does not
3 include any Residential Conversion or Residential Demolition as defined in Section 317. The provisions
4 and limitations in Section 181 regarding enlargement, intensification, extension, relocation, and
5 alteration shall not apply to Limited Commercial Uses.

6 (h) **Other Applicable Provisions.** The provisions for nonconforming uses contained
7 in Sections 180 through 183 shall continue to apply to all Limited Commercial ~~Uses~~ affected
8 by this Section 186, except as provided in subsection (h) above. ~~that the cost limit for structural~~
9 ~~alterations contained in Section 181(b)(4) shall not be applicable thereto.~~

11 **SEC. 307. OTHER POWERS AND DUTIES OF THE ZONING ADMINISTRATOR.**

12 In addition to those specified in Sections 302 through 306 of this Code, the Zoning
13 Administrator shall have the following powers and duties in administration and enforcement of
14 this Code.

15 * * * *

16 (h) **Exceptions from Certain Specific Code Standards through Administrative**
17 **Review.** The Zoning Administrator may allow complete or partial relief from certain standards
18 specifically identified below, in Section 161, or elsewhere in this Code when modification of
19 the standard would result in a project fulfilling the criteria set forth below and in the applicable
20 section.

21 (1) **Applicability.**

22 * * * *

23 (D) **Conversion of Non-conforming Uses to Residential Uses.** The
24 Zoning Administrator may modify or waive dwelling unit exposure requirements, rear yard
25 requirements, open space requirements for inner courts, and the substitution of off-site

publicly accessible open space for required residential open space, provided that:

(i) the Residential Use, whether Dwelling Units, Group Housing, or SRO units, are Principally Permitted in the district or districts in which the project is located;

(ii) the nonconforming use is eliminated by such conversion, provided further that the structure is not enlarged, extended, or moved to another location; and

(iii) the requirements of the Building Code, the Housing Code, and other applicable portions of the Municipal Code are met.

(E) **Better Roofs; Living Roof Alternative.** For projects subject to Section 149 and 249.78(d)(3), the Zoning Administrator may waive portions of the applicable requirements as provided in Section 149(e) and 249.78(d)(3)(D), respectively.

(F) **Bay Windows.** Bay windows that maintain the same massing as those allowed as a permitted obstruction in ~~Planning Code~~ Section 136, but do not otherwise meet the requirements of Section 136, may be provided complete or partial relief with the advice of the Planning Director that said windows otherwise meet all applicable design guidelines.

~~(F)~~ **Restriction of Lot Mergers in Certain Districts and on Pedestrian-Oriented Streets.** For projects subject to the restrictions on lot mergers in Section 121.7, the Zoning Administrator may approve exceptions from those restrictions as provided in Section 121.7(c).

~~(H)~~ **Expansion of Limited Commercial Uses Into Rear Yard.** For an expansion of a Limited Commercial Use subject to Section 186, the Zoning Administrator may approve exceptions from the rear yard requirements of Section 134.

(2) **Procedures.** The review of a modification requested under this Section 307 shall be conducted as part of, and incorporated into, a related building permit application or

1 other required project authorizations; no additional fee shall be required. Under no
2 circumstances shall such modification provide relief from any fee, including those related to
3 usable open space pursuant to Sections 135(j) and 135.3(d). The provisions of this
4 ~~S~~ubsection (h) shall not preclude such additional conditions as may be deemed necessary by
5 the Zoning Administrator to further the purposes of this Section or other Sections of this Code.
6

7 Section 3. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
8 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
9 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
10 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
11 additions, and Board amendment deletions in accordance with the "Note" that appears under
12 the official title of the ordinance.
13

14 Section 4. Effective Date. This ordinance shall become effective 30 days after
15 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
16 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
17 of Supervisors overrides the Mayor's veto of the ordinance.
18
19

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

22 By: /s/
23 HEATHER GOODMAN
Deputy City Attorney

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25

LEGISLATIVE DIGEST

[Planning Code - Expansion of Limited Commercial Uses]

Ordinance amending the Planning Code to allow Limited Commercial Uses to expand, provided the expansion does not result in conversion or demolition of residential uses, and allowing the Zoning Administrator to approve Limited Commercial Use expansions into the rear yard; 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

Planning Code Section 186 allows certain nonconforming uses of limited commercial and industrial character to continue in RH, RM, RTO, and RED Districts. Section 186 exempts these uses from the termination provisions otherwise applicable to nonconforming uses, provided that the limited commercial use complies with specific conditions, including that the use is not enlarged, intensified, or extended, as described in Section 181.

Amendments to Current Law

This ordinance would amend Planning Code Section 102 to define a Limited Commercial Use as "a nonconforming use of a commercial or industrial character located in specified Residential Districts, as described in Section 186." The ordinance would amend Section 186 to enable a Limited Commercial Use to expand, notwithstanding Section 181, provided that the expansion does not include any Residential Conversion or Residential Demolition, as defined in Section 317. The ordinance would also allow the Zoning Administrator to grant exceptions from rear yard requirements for expansions of Limited Commercial Uses.

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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):

Subject:

Long Title or text listed:

Signature of Sponsoring Supervisor: