

File No. 250538

Committee Item No. 2

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation

Date: June 30, 2025

Board of Supervisors Meeting:

Date: _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
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OTHER

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Planning Commission Transmittal – June 27, 2025</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Small Business Commission Response – June 24, 2025</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>CEQA Determination – June 4, 2025</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Referrals CEQA, PC, SBC, FYI – May 28, 2025</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Mayor's Introduction Memo – May 20, 2025</u> |
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Prepared by: John Carroll

Date: June 27, 2025

Prepared by: _____

Date: _____

Prepared by: _____

Date: _____

[Planning Code - Priority Processing for Certain Commercial Uses]

Ordinance amending the Planning Code to update eligibility requirements for the priority processing program for certain commercial uses, including enabling eligible uses in the North Beach Neighborhood Commercial District, the North Beach Special Use District, the Calle 24 Special Use District, and Formula Retail uses with fewer than 20 establishments to participate in the program, and updating scheduling and extension requirements for the priority processing program; reaffirming 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. 250538 and is incorporated herein by reference. The Board affirms this determination.

(b) On June 26, 2025, the Planning Commission, in Resolution No. 21762, adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the City's General Plan and eight priority policies of Planning Code Section 101.1. The Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the Board of Supervisors in File No. 250538, and is incorporated herein by reference.

(c) Pursuant to Planning Code Section 302, this Board finds that these Planning Code amendments will serve the public necessity, convenience, and welfare for the reasons set forth in Planning Commission Resolution No. 21762, and the Board incorporates such reasons herein by reference. A copy of said resolution is on file with the Clerk of the Board of Supervisors in File No. 250538.

Section 2. Background and General Findings.

(a) Fast, predictable, and transparent permitting processes will create new jobs, businesses, and homes, as well as facilitate the City's economic recovery from the COVID-19 pandemic. Commonly referred to as "PermitSF," the City's effort to reform permitting consists of improving the customer experience by streamlining approval processes; promoting government accountability to provide certainty about the delivery of government services; and centralizing technology to create a single point of permitting access.

(b) This ordinance enhances the customer experience and promotes government accountability by increasing the certainty and transparency of the regulatory process for small businesses. Streamlining the conditional use authorization process will create a clearer pathway to open new businesses and will help drive the city's economic recovery.

1 Section 3. Article 3 of the Planning Code is hereby amended by revising Section
2 303.2, to read as follows:

3 **SEC. 303.2. PRIORITY PROCESSING FOR CERTAIN USES IN COMMERCIAL**
4 **SPACE: EXPEDITED CONDITIONAL USE REVIEW AND APPROVAL PROCESS AND**
5 **REDUCED APPLICATION FEE.**

6 (a) **Findings.**

7 (1) In April 2013, the Planning Commission adopted the Small Business Priority
8 Processing Pilot Program. The stated goal of the pilot program was to accelerate the review of
9 certain small business applications without compromising the review times of other
10 applications.

11 (2) Building on the success of the pilot program, Planning Department staff in
12 consultation with staff from the Office of Small Business proposed expanding the program to
13 additional types of applications. The expanded program was adopted by the Planning
14 Commission in February 2015 and renamed the Community Business Priority Processing
15 Program. As expressed in the Commission's adoption *of* Resolution No. 19323, the intent
16 was to support the business community – especially small and mid-sized businesses – and to
17 increase efficiencies in the way the Commission and Department handle related applications.

18 (3) By enacting this Section 303.2, the Board of Supervisors underscores the
19 importance of small and mid-sized businesses to the economic vitality of San Francisco's
20 neighborhoods and to the City as a whole, its residents, and visitors. The intent of this
21 Section 303.2 is to expedite the review and hearing process for these vital small and mid-
22 sized businesses without compromising public notice and input or the review times of other
23 applications, and to build upon the success of the Community Business Priority Process
24 Program by expanding the scope of eligible projects and ensuring that all eligible projects are
25

1 considered accordingly, while preserving critical opportunities for community input and
2 accountability to the legislative branch of government.

3 (4) On June 26, 2025, the Planning Commission adopted Resolution No. 21761 to
4 consolidate the Community Business Priority Processing Program with the priority processing
5 program under this Section 303.2. As many of the features of these two programs overlap,
6 consolidating the two programs will promote efficiency and reduce confusion.

7 ~~——— (4) The Calle 24 Special Use District is still in its infancy, and due to its unique history~~
8 ~~and special identity the projects within its boundaries require special consideration in order to retain,~~
9 ~~enhance, and support its character. It is, therefore, exempted from the priority processing provisions of~~
10 ~~this Section 303.2.~~

11 ~~The City first recognized the area's unique history and special character in 2014, when in~~
12 ~~Resolution No. 168-14 it established the Calle 24 ("Veinticuatro") Latino Cultural District. The~~
13 ~~Resolution memorialized "a place whose richness of culture, history and entrepreneurship is unrivaled~~
14 ~~in San Francisco." A 2014 report by San Francisco Architectural Heritage found that many of the~~
15 ~~long-standing community-serving businesses within the area were at risk of displacement due to San~~
16 ~~Francisco's volatile economic climate despite continued value and a record of success.~~

17 ~~The special character of the area was further recognized in 2017 when Ordinance No. 85-17~~
18 ~~was enacted to establish the Calle 24 Special Use District. In enacting that ordinance, the Board~~
19 ~~specifically found, among other things, that "[t]he mix of businesses and uses, including Legacy~~
20 ~~Businesses, murals, festivals and architectural neighborhood design and character in the Calle 24~~
21 ~~Special Use District contribute to a strong sense of neighborhood and a unifying identity." This area~~
22 ~~continues to require special consideration in order to retain, enhance, and support its unique history~~
23 ~~and character, including providing economic and workforce opportunities for local residents,~~
24 ~~supporting the production and offering of local or Latino artwork, and making sure that the area offers~~
25

1 ~~a range of goods and services available and accessible to residents, including immigrant and low-~~
2 ~~income and moderate-income households.~~

3 (b) **Priority Processing for Certain Uses.** Applications for Conditional Use
4 authorization that comply with the requirements of subsection (c) are eligible for priority
5 processing and a prorated application fee. Eligibility for priority processing shall not require
6 any application separate from a completed application for Conditional Use authorization.
7 Unless modified by this Section 303.2-, the provisions of Section 303 shall apply.

8 (c) **Eligibility for Priority Processing.** An application for a Conditional Use
9 authorization qualifies for priority processing ("eligible application") pursuant to this
10 Section 303.2 if it is seeking to establish, alter, enlarge, or intensify a commercial use on the
11 first story or below, or on the second story where the commercial use would operate on both
12 the first and second stories, in the subject building and if it complies with all of the following
13 requirements:

- 14 (1) It pertains exclusively to Non-Residential Uses;
- 15 (2) It is limited to changes of use, tenant improvements, or other interior or
16 storefront work and does not involve any new construction or building expansion;
- 17 (3) It does not involve the removal of any Dwelling Units or Unauthorized Units;
- 18 (4) It does not involve a Formula Retail use, unless the Formula Retail use in
19 question has fewer than 20 other establishments;
- 20 (5) It does not propose or require the consolidation of multiple storefronts;
- 21 (6) It does not seek to provide off-street parking in a quantity beyond that
22 allowed as of right; and
- 23 (7) It does not seek to establish or expand any of the following uses:
 - 24 (A) Adult Entertainment_;
 - 25 (B) Drive-up Facility_;

(C) Fringe Financial Service;

(D) ~~Medical Cannabis Dispensary Retail;~~

(E) Tobacco Paraphernalia Establishment; or

(F) Wireless Communication Facility; ~~and~~

~~—— (8) Is not within the Calle 24 Special Use District, as described and set forth in Section 249.59 of this Code.~~

~~—— (9) It is not within the North Beach Neighborhood Commercial District, as described and set forth in Section 722, or the North Beach Special Use District, as described and set forth in Section 780.3.~~

~~If the application qualifies for priority processing, the Department shall notify the applicant of the date of acceptance of the complete application and of the applicant's eligibility for priority processing. The application fee shall be prorated pursuant to subsection (f).~~

(d) **Expedited Commission Hearing.** An eligible application shall be scheduled for a public hearing on the Planning Commission's ~~consent~~ calendar within 90 days from the date that the application has been deemed complete, unless the hearing date is extended pursuant to subsection (e). An application is deemed complete when the application and filing fee have been accepted by the Department. ~~The Planning Commission shall develop rules and regulations to ensure that eligible applications are heard and determined within 90 days without compromising the review times of other applications.~~

(e) **Extension of Commission Hearing Date.** The Planning Commission may at any time adopt a one-time extension of not more than 60 days of the hearing date for an eligible application beyond 90 days if:

~~(1) the Planning Director or the Director's designee requests in writing that the item be removed from the Commission's consent calendar; or~~

1 ~~(2) any member of the Planning Commission requests that the item be removed from the~~
2 ~~Commission's consent calendar; or~~

3 ~~(3) any neighborhood organization maintained on a list by the Planning Department~~
4 ~~pursuant to subsection 311(d)(4) submits within 60 days of the submission of a complete~~
5 ~~Conditional Use authorization application, or at any point prior to the Planning Commission's~~
6 ~~scheduled hearing, a letter of opposition or written request for a continuance that the item be~~
7 ~~removed from the Commission's consent calendar at least one day before the hearing.~~

8 ~~(g) **Report to the Board of Supervisors.** One year from the effective date of this Section 303.2~~
9 ~~and for three years thereafter on an annual basis, the Planning Department shall submit to the Board~~
10 ~~of Supervisors a report showing the number and percentage of eligible applications that are considered~~
11 ~~within 90 days of the date the Department has deemed the application complete and the reason or~~
12 ~~reasons why eligible applications were not heard within 90 days, if any.~~

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

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

1 APPROVED AS TO FORM:
2 DAVID CHIU, City Attorney

3 By: /s/ Giulia Gualco-Nelson
4 GIULIA GUALCO-NELSON
 Deputy City Attorney

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LEGISLATIVE DIGEST

[Planning Code - Priority Processing for Certain Commercial Uses]

Ordinance amending the Planning Code to update eligibility requirements for the priority processing program for certain commercial uses, including enabling eligible uses in the North Beach Neighborhood Commercial District, the North Beach Special Use District, the Calle 24 Special Use District, and Formula Retail uses with fewer than 20 establishments to participate in the program, and updating scheduling and extension requirements for the priority processing program; reaffirming 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

In 2015 the Planning Commission adopted Resolution No. 19323 to create the Community Business Priority Processing Program ("CB3P"). The intent of CB3P is to support the business community – especially small and mid-sized businesses – and to increase efficiencies in the way the Planning Commission and Planning Department handle related applications.

In 2020 the City enacted Planning Code Section 303.2 to create an expedited conditional use review process for certain commercial uses. Applicants must satisfy a number of eligibility criteria, including that the use not involve a Formula Retail use and not be located in the Calle 24 Special Use District (Section 249.59), the North Beach Neighborhood Commercial District (Section 722), or the North Beach Special Use District (Section 780.3). An eligible application must be scheduled for a public hearing on the Planning Commission's consent calendar within 90 days from the date that the application has been deemed complete, unless the hearing date is extended at the request of the Planning Director, the Planning Commission, or a neighborhood organization.

Amendments to Current Law

This ordinance amends Section 303.2 to clarify that the Planning Commission has ended the CB3P. The ordinance updates the eligibility requirements to align with the former CB3P, including:

- permitting formula retail uses with fewer than 20 locations to participate in the priority processing program;

- allowing uses in the Calle 24 Special Use District, the North Beach Neighborhood Commercial District, and the North Beach Special Use District to obtain priority processing; and
- disallowing Cannabis Retail uses from priority processing.

The ordinance also removes references to placing the applications on the Planning Commission's consent calendar and provides that an extension of the 90 days is available if a neighborhood organization requests a continuance of the application in writing. The ordinance also removes references to annual reporting requirement that has expired.

Background Information

This ordinance contains findings detailing the need for a fast, predictable, and transparent permitting process, which will create new jobs, businesses, and homes, as well as facilitate the City's economic recovery from the COVID-19 pandemic.

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October 24, 2014

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

Re: **Transmittal of Planning Department Case Numbers 2025-004733PCA, 2025-004734PCA, 2025-004737PCA and 2025-004740PCA: Permit SF Planning Code Amendments**
Board File Nos. 250542, 250540, 250539 and 250538

Planning Commission Recommendation:	250542: Approval with Modification 250540: Approval 250539: Approval 250538: Approval with Modification
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Dear Ms. Calvillo and Mayor Lurie,

On June 26, 2025, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider four proposed Ordinance, introduced by Mayor Lurie, that would amend the Planning Code, and are associated with the mayor's Permit SF effort. At the hearing, the Planning Commission adopted a recommendation for approval for all four ordinances, with recommended amendments for two of the ordinances, as noted above.

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.

Mayor Lurie, please advise the City Attorney at your earliest convenience if you wish to incorporate the changes recommended by the 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,

A handwritten signature in black ink, appearing to read "Aaron D. Starr", with a long horizontal flourish extending to the right.

Aaron D. Starr
Manager of Legislative Affairs

cc: Austin Yang, Deputy City Attorney
Guilia Gualco-Nelson, Deputy City Attorney
Robb Kapla, Deputy City Attorney
Katy Tang, Office of Small Business
John Carroll, Office of the Clerk of the Board

ATTACHMENTS :

Planning Commission Resolution
Planning Department Executive Summary



PLANNING COMMISSION RESOLUTION NO. 21762

HEARING DATE: June 26, 2028

Project Name: Priority Processing for Certain Commercial Uses
Case Number: 2025-004740PCA [Board File No. 250538]
Initiated by: Mayor Lurie/ Introduced May 20, 2025
Staff Contact: aaron starr, Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533

RESOLUTION ADOPTING A RECOMMENDATION FOR APPROVAL WITH MODIFICATIONS OF A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO UPDATE ELIGIBILITY REQUIREMENTS FOR THE PRIORITY PROCESSING PROGRAM FOR CERTAIN COMMERCIAL USES, INCLUDING ENABLING ELIGIBLE USES IN THE NORTH BEACH NEIGHBORHOOD COMMERCIAL DISTRICT, THE NORTH BEACH SPECIAL USE DISTRICT, THE CALLE 24 SPECIAL USE DISTRICT, AND FORMULA RETAIL USES WITH FEWER THAN 20 ESTABLISHMENTS TO PARTICIPATE IN THE PROGRAM, AND UPDATING SCHEDULING AND EXTENSION REQUIREMENTS FOR THE PRIORITY PROCESSING PROGRAM; 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 UNDER PLANNING CODE, SECTION 302.

WHEREAS, on May 20, 2025, Mayor Lurie introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 250538, which would amending the Planning Code to update eligibility requirements for the priority processing program for certain commercial uses, including enabling eligible uses in the North Beach Neighborhood Commercial District, the North Beach Special Use District, the Calle 24 Special Use District, and Formula Retail uses with fewer than 20 establishments to participate in the program, and updating scheduling and extension requirements for the priority processing program.

WHEREAS, the Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on June 26, 2025, and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15378 and 15060(c); 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 49 South Van Ness Avenue, Suite 1400, San Francisco; and

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

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare requires the proposed amendment; and

MOVED, that the Planning Commission hereby adopts a **recommendation for approval** with modifications of the proposed ordinance. The Commission's recommended modification is as follows:

- Remove the Calle 24 Cultural District, North Beach SUD, and North Beach NCD from the Priority Processing Program.

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:

The Commission finds that the proposed ordinance is supportable because it consolidates and modernizes overlapping permitting programs. This creates a more streamlined and transparent pathway for small and mid-sized businesses seeking Conditional Use authorization.

The ordinance resolves the long-standing redundancy between the Commission's 2015 Community Business Priority Processing Program and Planning Code Section 303.2 by unifying them under a single, codified framework. It also expands eligibility to include historically excluded districts—such as Calle 24 and North Beach—and small-scale Formula Retail, addressing past inequities in access to expedited review.

These changes support economic recovery, reinforce the goals of PermitSF, and advance the City's broader objectives related to racial equity, neighborhood vitality, and small business retention.

The ordinance improves operational clarity and better serves the public interest.

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 ordinance supports this objective and policy by streamlining the permitting process for small and mid-sized businesses, promoting economic vitality while minimizing potential negative impacts through clear eligibility criteria.

Urban Design Element

OBJECTIVE 1: EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

Policy 1.3:

Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.

By facilitating the reuse of existing commercial spaces and supporting neighborhood-serving businesses, the ordinance contributes to the preservation and enhancement of the city's distinctive urban form and character.

Housing Element

OBJECTIVE 1: IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

Policy 1.8

Promote mixed-use development, and include housing, particularly permanently affordable housing, in new commercial, institutional or other single-use development projects.

While the ordinance focuses on commercial uses, by expediting approvals for neighborhood-serving businesses, it supports the creation of vibrant mixed-use communities that integrate housing and services, aligning with this policy.

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 not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.

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 would not have a negative effect on housing or 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 not have an adverse effect on 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.

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 ADOPTS A RECOMMENDATION FOR APPROVAL the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on June 26, 2025.



Jonas P. Ionin
Commission Secretary

Jonas P Ionin

Digitally signed by Jonas P Ionin
Date: 2025.06.27 09:27:00 -07'00'

AYES:	Campbell, Williams, Braun, Imperial, Moore and So
NOES:	None
ABSENT:	McGarry
ADOPTED:	June 26, 2025



PLANNING COMMISSION RESOLUTION NO. 21761

HEARING DATE: June 26, 2025

Project Name: Rescinding the Planning Commission’s Community Business Priority Processing Program
Case Number: 2025-004740CRV
Staff Contact: aaron starr, Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533

RESOLUTION RESCINDING THE COMMUNITY BUSINESS PRIORITY PROCESSING PROGRAM (“CB3P”) IN ORDER TO PROMOTE PROCESS EFFICIENCIES AND REDUCE CONFUSION WITH THE PLANNING CODE PRIORITY PROCESSING PROGRAM

WHEREAS, On February 12, 2015, the Planning Commission (“Commission”) unanimously adopted Resolution Number 19323, which created the Community Business Priority Processing Program (“CB3P”); and

WHEREAS, The intent of the CB3P was to support the business community—especially small and mid-sized businesses—and to increase efficiencies in the way the Commission and Planning Department (“Department”) handle Conditional Use Authorization applications. To this end the CB3P allowed qualified uses to obtain pre-application assistance with Conditional Use application requirements and required the Department and Commission to endeavor to expedite the review and approval process for these uses; and

WHEREAS, In 2020, the Board of Supervisors enacted Ordinance Number 139-20, which amended the Planning Code to expedite the review and hearing process for small and mid-sized businesses without compromising public notice and input or the review times of other applications (“Priority Processing Ordinance”); and

WHEREAS, The intent of the Priority Processing Ordinance was to build upon the success of the CB3P by expanding the scope of eligible projects; and

WHEREAS, The CB3P and Priority Processing Ordinance overlap in types of uses that are eligible for the programs and provide similar benefits, such as expedited hearings; however, some of the features of the two programs differ. Consolidating the two programs will promote efficiency and reduce confusion; and

WHEREAS, An ordinance in Board File 250538 is currently pending a recommendation before the Commission. The ordinance in Board File 250538 would consolidate the CB3P into the Priority Processing Ordinance and make accompanying updates to the Priority Processing Ordinance to promote process efficiencies and reduce confusion in the administration of these two programs.

NOW THEREFORE BE IT RESOLVED that the Commission hereby rescinds the CB3P established under Resolution Number 19323.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on June 26, 2025



Jonas P. Ionin
Commission Secretary

Jonas P Ionin

Digitally signed by Jonas P Ionin
Date: 2025.06.27 09:26:26 -07'00'

AYES:	Campbell, Williams, Braun, Imperial, Moore, and So
NOES:	None
ABSENT:	McGarry
ADOPTED:	June 26, 2025



EXECUTIVE SUMMARY

PLANNING CODE TEXT AMENDMENT

HEARING DATE: June 26, 2025

90-Day Deadline: August 18, 2025

Project Name: Priority Processing for Certain Commercial Uses

Case Number: 2025-004740PCA [Board File No. 250538]

Initiated by: Mayor Lurie / Introduced May 20, 2025

Staff Contact: aaron starr, Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533

Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org,

Environmental

Review Not a Project Under CEQA

RECOMMENDATION: Adopt of Recommendation for Approval

Planning Code Amendment

The proposed Ordinance would amend the Planning Code to update eligibility requirements for the priority processing program for certain commercial uses, including enabling eligible uses in the North Beach Neighborhood Commercial District, the North Beach Special Use District, the Calle 24 Special Use District, and Formula Retail uses with fewer than 20 establishments to participate in the program, and updating scheduling and extension requirements for the priority processing program.

The Way It Is Now	The Way It Would Be
1 Formula Retail cannot take advantage of the Planning Code’s Priority Processing Program.	Formula Retail , with fewer than 20 locations, could take advantage of the Planning Code’s Priority Processing Program.
2 Projects within the Calle 24 Cultural District, Noth Beach NCD, and North Beach SUD cannot take advantage of the Planning Code’s Priority Processing Program.	Projects within these districts would be able to take advantage of the Planning Code’s Priority Processing Program.
3 Recognized Neighborhood Groups can send a letter of opposition to ask that an item be taken off consent at any point prior to the Planning Commission’s scheduled hearing.	Recognized Neighborhood Groups could send a letter of opposition or ask that an item be continued at least one day before the hearing
4 The Planning Code’s Priority Processing Program required that eligible projects be placed on consent .	This requirement would be removed. Project would likely still be placed on consent unless doing so conflicts with existing Planning Commission policy or direction.
5 Planning Code Section 303.2 included a reporting requirement to the Board “showing the number and percentage of eligible applications that are considered within 90 days of the date the Department has deemed the application complete and the reason or reasons why eligible applications were not heard within 90 days, if any.”	This reporting requirement would be removed.
6 Planning Code Section 303.2 included language requiring the Department to notify the applicant of the date of acceptance of the complete application and of the applicant’s eligibility for priority processing.	This language would be removed. While uncodified, the Planning Department would continue to notify applicants of their eligibility .

Background

The proposed ordinance updates and expands San Francisco’s priority processing program for commercial uses, building on more than a decade of planning reform efforts. The Planning Commission launched the Small Business Priority Processing Pilot Program in 2013 to accelerate review for small businesses without delaying other applications. In 2015, the program was expanded and renamed the Community Business Priority Processing Program, extending eligibility to more use types and streamlining administrative review (See Exhibit C).

In 2020, the Board of Supervisors codified a separate program in Planning Code Section 303.2 *Priority Processing For Certain Uses in Commercial Spaces*. While the commission policy and the codified program overlap, they are not identical. The current ordinance consolidates both programs into a single framework, while expanding eligibility to include additional districts and Formula Retail uses with fewer than 20 locations. It also strengthens program transparency, standardizes hearing timelines, and aligns with PermitSF goals to modernize permitting, improve service delivery, and support economic recovery.

Issues and Considerations

Planning Commission’s Community Business Priority Processing Program

The proposed ordinance assumes that the Planning Commission will adopt a resolution rescinding their 2015 Community Business Priority Processing Program. A draft resolution is included on this commission calendar with to achieve just that. Without that resolution, two separate and overlapping programs would continue to exist. Below is a comparison between the proposed ordinance and how it compares with the Planning Commission’s 2015 policy. An “X” indicates that the control or requirement exists in the program.

	CB3P	Proposed Ordinance
Commission hearing within 90 days of completed application	X	X
Requirement that the item be placed on consent	X	
Abbreviated case report and resolution required/codified	X	
The application pertains to a project subject to a CU	X	X
The application pertains exclusively to a Non-Residential Use	X	X
Limited to interior or store-front work such as changes of use or tenant improvements and does not involve any new construction or building expansion.	X	X
Limited to Formula Retail with fewer than 20 locations	X	X
Proposal does not involve the consolidation of storefronts	X	X
Proposal does not seek to provide parking beyond what is allowed as accessory	X	X
Proposal does not remove dwelling units	X	X
Proposal is not seeking hours of operation beyond what is principally permitted	X	
Proposal is not seeking to sell alcohol for on or off-site consumption	X	
Does not seek to establish or expand any of the following uses:		
Tobacco Paraphernalia Establishment	X	X
Adult Entertainment	X	X
Cannabis Retail (formally Medical Cannabis Dispensary)	X	X
Wireless Telecommunication Facility	X	X
Drive-up Facility	X	X
Fringe Financial Service	X	X
Massage Establishment	X	

	Outdoor Activity Area	X	
	Bar	X	
	Liquor Store	X	
	Nighttime/General Entertainment	X	
	Ground floor office that is closed to the general public.	X	

General Plan Compliance

The proposed ordinance aligns with the San Francisco General Plan by advancing key objectives in the Commerce and Industry, Urban Design, and Housing Elements. It supports economic diversity and job creation by streamlining permitting for small and mid-sized businesses (Commerce and Industry Objective 1, Policy 1.1). It aligns with Urban Design Objective 1 by promoting the reuse of existing storefronts in a way that reinforces the visual and functional coherence of neighborhoods. Although focused on commercial activity, the ordinance also supports Housing Element policies by fostering vibrant, mixed-use communities where housing and services can co-exist. Overall, the ordinance furthers the General Plan's goals of equitable economic development and a well-designed, livable urban environment.

Racial and Social Equity Analysis

The proposed ordinance advances racial and social equity by streamlining the permitting process for small and mid-sized businesses. Many of these businesses are owned by BIPOC, immigrant, and low-income entrepreneurs who have historically faced structural barriers to opening or sustaining businesses in San Francisco. Lengthy timelines, complex requirements, and high permitting costs have disproportionately impacted these communities, making it difficult to access commercial space and maintain stable operations. By removing exclusions for the Calle 24 Special Use District and the North Beach Neighborhood Commercial District, the ordinance expands expedited permitting to culturally significant neighborhoods with longstanding community-serving businesses. Prioritizing small-scale commercial activity in these areas helps preserve cultural identity, supports local employment, and promotes equitable access to economic opportunity.

At the same time, equity impacts depend on implementation. Without targeted outreach, language access, and technical assistance, more privileged applicants may be better positioned to take advantage of streamlined processes. Care must also be taken to ensure that acceleration of approvals does not inadvertently undermine community-serving review or result in uses that displace or outcompete legacy businesses.

In sum, the ordinance represents a meaningful step toward equitable economic recovery by addressing longstanding permitting inequities, but its success will depend on ensuring that access to the program is inclusive, intentional, and community-informed.

Implementation

The Department has determined that this Ordinance will impact our current implementation procedures; however, the proposed changes can be implemented without increasing permit costs or review time.

Recommendation

The Department recommends that the Commission ***adopt a recommendation for approval*** of the proposed Ordinance and adopt the attached Draft Resolution to that effect.

Basis for Recommendation

The Department recommends approval of the proposed ordinance because it consolidates and modernizes overlapping permitting programs. This creates a more streamlined and transparent pathway for small and mid-sized businesses seeking Conditional Use authorization. As discussed above, the ordinance resolves the long-standing redundancy between the Commission’s 2015 Community Business Priority Processing Program and Planning Code Section 303.2 by unifying them under a single, codified framework. It also expands eligibility to include historically excluded districts—such as Calle 24 and North Beach—and small-scale Formula Retail, addressing past inequities in access to expedited review. These changes support economic recovery, reinforce the goals of PermitSF, and advance the City’s broader objectives related to racial equity, neighborhood vitality, and small business retention. The Department believes the ordinance is consistent with the General Plan, improves operational clarity, and better serves the public interest.

Required Commission Action

The proposed Ordinance is before the Commission so that it may adopt a recommendation of approval, disapproval, or approval with modifications.

Environmental Review

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.

Public Comment

As of the date of this report, the Planning Department has not received any public comment regarding the proposed Ordinance.

ATTACHMENTS:

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: Board of Supervisors File No. 250538
- Exhibit C: Planning Commission CP3P Resolution



CITY AND COUNTY OF SAN FRANCISCO
DANIEL L. LURIE, MAYOR

OFFICE OF SMALL BUSINESS
DIRECTOR KATY TANG

June 24, 2025

Ms. Angela Calvillo, Clerk of the Board
City Hall Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

RE: BOS File No. 250538 – Priority Permit Processing for Commercial Permits - Support

Dear Ms. Calvillo,

On June 23, 2025, the Small Business Commission (the Commission) heard BOS File No. 250538 – Priority Permit Processing for Commercial Permits. The legislation would consolidate two similar priority permit processing programs under the Planning Commission and Planning Department. The proposed legislation would allow businesses within the North Beach NCD, North Beach SUD, and Calle 24 SUD to benefit from that process.

The Commission noted that currently, businesses in North Beach and Calle 24 that apply for Conditional Use Authorizations are excluded from the priority permitting process. This legislation will ensure that their applications are reviewed at the Planning Commission within 90 days of submittal, which can be financially beneficial to businesses paying rent prior to opening.

The Commission supported the legislation with a 6-0 vote, with one Commissioner absent. Thank you for considering the Commission's recommendations. Please feel free to contact me should you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Katy Tang". The signature is stylized with a large, looped "K" and a cursive "Tang".

Katy Tang
Director, Office of Small Business

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

Date: May 28, 2025
To: Planning Department/Planning Commission
From: John Carroll, Assistant Clerk, Land Use and Transportation Committee
Subject: Board of Supervisors Legislation Referral - File No. 250538
Planning Code - Priority Processing for Certain Commercial Uses

- ☒ California Environmental Quality Act (CEQA) Determination
(*California Public Resources Code, Sections 21000 et seq.*)
- ☒ Ordinance / Resolution
☐ Ballot Measure
- Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.
6/4/2025 *Joy Navarrete*
- ☒ 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.

BOARD of SUPERVISORS



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San Francisco, CA 94102-4689
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MEMORANDUM

TO: Katy Tang, Director
Small Business Commission, City Hall, Room 448

FROM: John Carroll, Assistant Clerk, Land Use and Transportation Committee

DATE: May 28, 2025

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Land Use and Transportation Committee

The Board of Supervisors' Land Use and Transportation Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 250538

Ordinance amending the Planning Code to update eligibility requirements for the priority processing program for certain commercial uses, including enabling eligible uses in the North Beach Neighborhood Commercial District, the North Beach Special Use District, the Calle 24 Special Use District, and Formula Retail uses with fewer than 20 establishments to participate in the program, and updating scheduling and extension requirements for the priority processing program; reaffirming 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.

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c:
Office of Chair Melgar and Mayor Lurie
Kerry Birnbach, Senior Policy Analyst/Commission Secretary

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

_____ No Comment
_____ Recommendation Attached

Chairperson, Small Business Commission

BOARD of SUPERVISORS



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San Francisco, CA 94102-4689
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MEMORANDUM

TO: Sarah Dennis-Phillips, Executive Director, Office of Economic and Workforce Development

FROM: John Carroll, Assistant Clerk, Land Use and Transportation Committee

DATE: May 28, 2025

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Mayor Lurie on May 20, 2025.

File No. 250538

Ordinance amending the Planning Code to update eligibility requirements for the priority processing program for certain commercial uses, including enabling eligible uses in the North Beach Neighborhood Commercial District, the North Beach Special Use District, the Calle 24 Special Use District, and Formula Retail uses with fewer than 20 establishments to participate in the program, and updating scheduling and extension requirements for the priority processing program; reaffirming 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: john.carroll@sfgov.org.

cc:

Offices of Chair Melgar and Mayor Lurie
Anne Taupier, Office of Economic and Workforce Development
Alesandra Lozano, Office of Economic and Workforce Development

OFFICE OF THE MAYOR
SAN FRANCISCO



DANIEL LURIE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Adam Thongsavat, Liaison to the Board of Supervisors
RE: Planning Code - Priority Processing for Certain Commercial Uses
DATE: May 20, 2025

Ordinance amending the Planning Code to update eligibility requirements for the priority processing program for certain commercial uses, including enabling eligible uses in the North Beach Neighborhood Commercial District, the North Beach Special Use District, the Calle 24 Special Use District, and Formula Retail uses with fewer than 20 establishments to participate in the program, and updating scheduling and extension requirements for the priority processing program; reaffirming 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.

Should you have any questions, please contact Adam Thongsavat at adam.thongsavat@sfgov.org