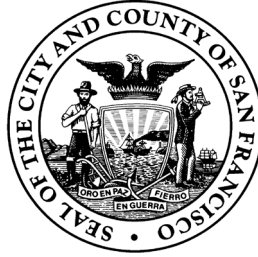


BOARD of SUPERVISORS



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

MEMORANDUM

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

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

DATE: February 5, 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. 250101

Ordinance amending the Planning Code to remove the conditional use authorization for formula retail uses in the Residential-Commercial zoning district along Van Ness Avenue, between Broadway and Redwood Street, for properties fronting Van Ness Avenue; affirming the Planning Department's determination under the California Environmental Quality Act; and making public necessity, convenience, and welfare findings under Planning Code, Section 302, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

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 Supervisor Sherrill
Kerry Birnbach, Senior Policy Analyst/Commission Secretary

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

_____ No Comment
_____ Recommendation Attached

Chairperson, Small Business Commission



City and County of San Francisco

Master Report

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 250101	File Type: Ordinance	Status: 30 Day Rule
<hr/>		
Enacted:	Effective:	
<hr/>		
Version: 1	In Control: Land Use and Transportation Committee	
<hr/>		
File Name: Planning Code - Removing Conditional Use Requirement for Formula Retail Uses on Van Ness Avenue, between Broadway and Redwood Street	Date Introduced: 01/28/2025	
<hr/>		
Requester:	Cost:	Final Action:
<hr/>		
Comment:	Title: Ordinance amending the Planning Code to remove the conditional use authorization for formula retail uses in the Residential-Commercial zoning district along Van Ness Avenue, between Broadway and Redwood Street, for properties fronting Van Ness Avenue; affirming the Planning Department’s determination under the California Environmental Quality Act; and making public necessity, convenience, and welfare findings under Planning Code, Section 302, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.	
<hr/>		
Sponsors: Sherrill; Sauter		

History of Legislative File 250101

Ver	Acting Body	Date	Action	Sent To	Due Date	Result
1	President	01/28/2025	ASSIGNED UNDER 30 DAY RULE	Land Use and Transportation Committee	02/27/2025	

[Planning Code - Removing Conditional Use Requirement for Formula Retail Uses on Van Ness Avenue, between Broadway and Redwood Street]

Ordinance amending the Planning Code to remove the conditional use authorization for formula retail uses in the Residential-Commercial zoning district along Van Ness Avenue, between Broadway and Redwood Street, for properties fronting Van Ness Avenue; affirming the Planning Department's determination under the California Environmental Quality Act; and making public necessity, convenience, and welfare findings under Planning Code, Section 302, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

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

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

Section 1. 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, with the City's General Plan and eight priority policies of Planning Code Section 101.1. The

1 Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of
2 the Board of Supervisors in File No. _____, and is incorporated herein by reference.

3 (c) Pursuant to Planning Code Section 302, this Board finds that these Planning Code
4 amendments will serve the public necessity, convenience, and welfare for the reasons set
5 forth in Planning Commission Resolution No. _____, and the Board adopts such
6 reasons as its own. A copy of said resolution is on file with the Clerk of the Board of
7 Supervisors in File No. _____ and is incorporated herein by reference.

8
9 Section 2. General Legislative Findings.

10 (a) The Van Ness Avenue commercial corridor has special historical significance for
11 San Francisco. After serving as a vital natural fire break during the fire that destroyed most of
12 the City following the massive earthquake that struck on April 18, 1906, many major
13 department stores and banks relocated from downtown to the Van Ness commercial corridor.

14 (b) Following the rebuilding of downtown San Francisco after the fire, major retail
15 stores along Van Ness Avenue moved back to downtown, ushering in a new era for the
16 commercial identity of the corridor. Rather than returning to residential uses common before
17 1906, Van Ness Avenue again transformed – this time into a diverse boulevard featuring auto
18 body, commercial, industrial, and institutional uses.

19 (c) Starting in the 1920s, Van Ness Avenue was designated as part of U.S. Highway
20 101, and from the 1920s to the 1970s, and particularly following World War II, the Van Ness
21 corridor rapidly grew as a commercial hub in San Francisco. Automobile showrooms emerged
22 as the most common use on Van Ness between City Hall and Jackson Street, while movie
23 theaters and restaurants also opened alongside these showrooms.

1 (d) However, since the late 1970s, the automobile showrooms have largely relocated
2 elsewhere, leaving their large commercial spaces vacant and often difficult to fill with other
3 retailers.

4 (e) Compounding these economic trends along Van Ness Avenue, commercial and
5 retail vacancies have remained persistently high in San Francisco following the COVID-19
6 pandemic, so that the City, which had one of the nation's lowest retail vacancy rates pre-
7 pandemic, now has one of the highest in the post-pandemic period.

8 (f) Still part of U.S. Highway 101, the Van Ness commercial corridor serves as a vital
9 north-south arterial in San Francisco, relied upon by both visitors and residents for travel
10 within and through the City. Due to its high traffic volume, vacancies along Van Ness Avenue
11 negatively and disproportionately impact public perception of the City's economic health.

12 (g) In November 2006, San Francisco voters passed Proposition G, which created
13 formula retail controls across all Neighborhood Commercial Districts. However, these
14 restrictions were not applied to Residential-Commercial Districts – the zoning district controls
15 that govern the Van Ness corridor.

16 (h) Given Van Ness's long standing commercial identity, its history of hosting brand-
17 name retailers classified as formula retail, and the need to revitalize downtown corridors,
18 allowing formula retail uses along Van Ness Avenue would stimulate the local economy by
19 easing restrictions that contribute to retail vacancies. This approach would align with the
20 historical character of the Van Ness commercial corridor and promote the public interest
21 without compromising the historical legacy of the corridor.
22

23 Section 3. Articles 2 and 3 of the Planning Code are hereby amended by revising
24 Sections 209.3 and 303.1, to read as follows:
25

SEC. 209.3. RC (RESIDENTIAL-COMMERCIAL) DISTRICTS.

* * * *

Table 209.3

ZONING CONTROL TABLE FOR RESIDENTIAL-COMMERCIAL DISTRICTS

Zoning Category	§ References	RC-3	RC-4
* * * *			
NON-RESIDENTIAL STANDARDS AND USES			
* * * *			
Use Characteristics			
* * * *			
Formula Retail	§§ 102, 303.1	C	C <u>(13)</u>

* * * *

(13) P on properties in the RC-4 Zoning District that front on Van Ness Avenue, from Broadway to Redwood Street.

SEC. 303.1. FORMULA RETAIL USES.

* * * *

(e) Conditional Use Authorization Required. A Conditional Use Authorization shall be required for a Formula Retail use in the following zoning districts unless explicitly exempted:

- (1) All Neighborhood Commercial Districts in Article 7;
- (2) All Mixed Use-General Districts in Section 840;
- (3) All Urban Mixed Use Districts in Section 843;

1 (4) All Residential-Commercial Districts as defined in Section 209.3, except for
2 properties in the RC-4 Zoning District that front on Van Ness Avenue, from Broadway to Redwood
3 Street;

4 * * * *

5
6 Section 4. Effective Date. This ordinance shall become effective 30 days after
7 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
8 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
9 of Supervisors overrides the Mayor's veto of the ordinance.

10
11 Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
12 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
13 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
14 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
15 additions, and Board amendment deletions in accordance with the "Note" that appears under
16 the official title of the ordinance.

17
18 APPROVED AS TO FORM:
19 DAVID CHIU, City Attorney

20 By: /s/ Andrea Ruiz-Esquide
21 ANDREA RUIZ-ESQUIDE
22 Deputy City Attorney

23 n:\legana\as2024\2500080\01815346.docx
24
25

LEGISLATIVE DIGEST

[Planning Code - Removing Conditional Use Requirement for Formula Retail Uses on Van Ness Avenue, between Broadway and Redwood Street]

Ordinance amending the Planning Code to remove the conditional use authorization for formula retail uses in the Residential-Commercial zoning district along Van Ness Avenue, between Broadway and Redwood Street, for properties fronting Van Ness Avenue; affirming the Planning Department's determination under the California Environmental Quality Act; and making public necessity, convenience, and welfare findings under Planning Code, Section 302, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

Existing Law

The Residential Commercial (RC) zoning districts along Van Ness Avenue begin at Chestnut Street and end at Redwood Street. Within these RC districts, formula retail uses require a conditional use authorization. (Planning Code sections 209.3 and 303.1.)

Amendments to Current Law

This ordinance would make formula retail principally permitted in the RC-4 district that fronts Van Ness Avenue from Broadway to Redwood Street.

Background Information

This ordinance contains findings about the history of commercial activity along Van Ness Avenue, the economic trends that have resulted in retail vacancies along the corridor, and the need to stimulate the local economy by easing restrictions that contribute to these retail vacancies.

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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: