

File No. 260506

Committee Item No. 2

Board Item No. 8

# COMMITTEE/BOARD OF SUPERVISORS

## AGENDA PACKET CONTENTS LIST

Committee: Rules Committee

Date June 1, 2026

Board of Supervisors Meeting

Date June 16, 2026

### Cmte Board

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- Introduction Form
- Department/Agency Cover Letter and/or Report
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### OTHER (Use back side if additional space is needed)

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Completed by: Victor Young Date May 28, 2026

Completed by: \_\_\_\_\_ Date \_\_\_\_\_

1 [Administrative Code - Downtown Hospitality Zone]

2

3 **Ordinance amending the Administrative Code to create the Downtown Hospitality Zone,**  
4 **in the area bounded by 5th Street, from Folsom Street to Market Street; Cyril Magnin**  
5 **Street from Market Street to Eddy Street; Eddy Street from Cyril Magnin Street to**  
6 **Mason Street; Mason Street from Eddy Street to Ellis Street; Ellis Street from Mason**  
7 **Street to Taylor Street; Taylor Street from Ellis Street to Post Street; Post Street from**  
8 **Taylor Street to Mason Street; Mason Street from Post Street to Bush Street; Bush**  
9 **Street from Mason Street to Kearny Street; Kearny Street from Bush Street to Market**  
10 **Street; Market Street from 3rd Street to 2nd Street; 2nd Street from Market Street to**  
11 **Folsom Street; and Folsom Street from 2nd Street to 5th Street; and affirming the**  
12 **Planning Department’s determination under the California Environmental Quality Act.**

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

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

19

20 Section 1.

21 The Planning Department has determined that the actions contemplated in this  
22 ordinance comply with the California Environmental Quality Act (California Public Resources  
23 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of  
24 Supervisors in File No. 260506 and is incorporated herein by reference. The Board affirms  
25 this determination.

1  
2 Section 2. The Administrative Code is hereby amended by adding Chapter 94C,  
3 consisting of Sections 94C.1 and 94C.2, to read as follows:

4 **CHAPTER 94C: DOWNTOWN HOSPITALITY ZONE**

5 **SECTION 94C.1. FINDINGS.**

6 *(a) Pursuant to Section 23826.22 of the California Business and Professions Code, the City*  
7 *may designate an area that contains at least 1,000,000 square feet of retail shopping space open to the*  
8 *public as a hospitality zone, within which the California Department of Alcoholic Beverage Control*  
9 *may issue up to 20 additional new original on-sale general licenses for bona fide public eating places.*

10 *(b) The Board of Supervisors (“Board”) hereby finds that the creation of a hospitality zone*  
11 *within the boundaries specified in Section 94C.2 of this Chapter 94C, and the issuance by the*  
12 *California Department of Alcoholic Beverage Control of up to ~~2015~~12 additional new original on-sale*  
13 *general licenses for bona fide public eating places within that hospitality zone, would serve the public*  
14 *convenience and necessity.*

15 *(c) The Board hereby finds that the area within the boundaries specified in Section 94C.2 of*  
16 *this Chapter 94C contains at least 1,000,000 square feet of retail shopping space open to the public*  
17 *and otherwise meets the definition of “hospitality zone” in Section 23826.22 of the California Business*  
18 *and Professions Code.*

19  
20 **SECTION 94C.2. ESTABLISHMENT OF ZONE.**

21 *The area bounded by 5th Street, from Folsom Street to Market Street; Cyril Magnin Street from*  
22 *Market Street to Eddy Street; Eddy Street from Cyril Magnin Street to Mason Street; Mason Street from*  
23 *Eddy Street to Ellis Street; Ellis Street from Mason Street to Taylor Street; Taylor Street from Ellis*  
24 *Street to Post Street; Post Street from Taylor Street to Mason Street; Mason Street from Post Street to*  
25 *Bush Street; Bush Street from Mason Street to Kearny Street; Kearny Street from Bush Street to Market*

1 Street; Market Street from 3rd Street to 2nd Street; 2nd Street from Market Street to Folsom Street; and  
2 Folsom Street from 2nd Street to 5th Street, including both sides of the streets at the boundaries of this  
3 area, shall be designated as the Downtown Hospitality Zone.

4  
5 Section 3. Effective Date. This ordinance shall become effective at ~~12:00 a.m.~~ on the  
6 31st day after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor  
7 returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it,  
8 or the Board of Supervisors overrides the Mayor’s veto of the ordinance.

9  
10 APPROVED AS TO FORM:  
11 DAVID CHIU, City Attorney

12 By: /s/ Victoria Wong  
13 VICTORIA WONG  
14 Deputy City Attorney

15 4913-6094-8889, v. 3

**LEGISLATIVE DIGEST**  
(Revised 6/1/2026)

[Administrative Code - Downtown Hospitality Zone]

**Ordinance amending the Administrative Code to create the Downtown Hospitality Zone, in the area bounded by 5th Street, from Folsom Street to Market Street; Cyril Magnin Street from Market Street to Eddy Street; Eddy Street from Cyril Magnin Street to Mason Street; Mason Street from Eddy Street to Ellis Street; Ellis Street from Mason Street to Taylor Street; Taylor Street from Ellis Street to Post Street; Post Street from Taylor Street to Mason Street; Mason Street from Post Street to Bush Street; Bush Street from Mason Street to Kearny Street; Kearny Street from Bush Street to Market Street; Market Street from 3rd Street to 2nd Street; 2nd Street from Market Street to Folsom Street; and Folsom Street from 2nd Street to 5th Street; and affirming the Planning Department's determination under the California Environmental Quality Act.**

Existing Law

Pursuant to Section 23826.22 of the California Business and Professions Code, the City may designate an area that contains at least 1,000,000 square feet of retail shopping space open to the public as a hospitality zone, within which the California Department of Alcoholic Beverage Control may issue up to 12 additional new original on-sale general licenses for bona fide public eating places.

Amendments to Current Law

This ordinance would add Administrative Code Chapter 94C, consisting of Sections 94C.1 and 94C.2, to create the Downtown Hospitality Zone, in the area bounded by 5th Street, from Folsom Street to Market Street; Cyril Magnin Street from Market Street to Eddy Street; Eddy Street from Cyril Magnin Street to Mason Street; Mason Street from Eddy Street to Ellis Street; Ellis Street from Mason Street to Taylor Street; Taylor Street from Ellis Street to Post Street; Post Street from Taylor Street to Mason Street; Mason Street from Post Street to Bush Street; Bush Street from Mason Street to Kearny Street; Kearny Street from Bush Street to Market Street; Market Street from 3rd Street to 2nd Street; 2nd Street from Market Street to Folsom Street; and Folsom Street from 2nd Street to 5th Street.

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

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## MEMORANDUM

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Date: April 13, 2026  
To: Planning Department / Commission  
From: Victor Young, Clerk of the Rules Committee  
Subject: Board of Supervisors Legislation Referral - File No. 260296  
Administrative Code - Downtown Hospitality Zone

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- 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 reasonably foreseeable indirect physical change in the environment.

4/23/2026 *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 Victor Young at [Victor.Young@sfgov.org](mailto:Victor.Young@sfgov.org).

BOARD of SUPERVISORS



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## MEMORANDUM

TO: Derrick Lew, Police Chief, Police Department

FROM: Victor Young, Assistant Clerk *Victor Young*

DATE: April 13, 2026

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Rules Committee received the following proposed Ordinance:

File No. 260296

Ordinance amending the Administrative Code to create the Downtown Hospitality Zone, in the area bounded by 5th Street from Folsom Street to Market Street; Cyril Magnin Street from Market Street to Eddy Street; Eddy Street from Cyril Magnin Street to Mason Street; Mason Street from Eddy Street to Ellis Street; Ellis Street from Mason Street to Taylor Street; Taylor Street from Ellis Street to Post Street; Post Street from Taylor Street to Mason Street; Mason Street from Post Street to Bush Street; Bush Street from Mason Street to Kearny Street; Kearny Street from Bush Street to Market Street; Market Street from 3rd Street to 2nd Street; 2nd Street from Market Street to Folsom Street; and Folsom Street from 2nd Street to 5th Street; and affirming the Planning Department's determination under the California Environmental Quality Act.

If you have comments or reports to be included with the file, please forward them to Victor Young at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: [victor.young@sfgov.org](mailto:victor.young@sfgov.org).

(attachment)

- c. Steven Lopez, Police Dept.  
Sgt Stacy Youngblood, Police Dept.  
Carl Nicita, Police Dept.  
Gianniana Miranda, Police Dept.

OFFICE OF THE MAYOR  
SAN FRANCISCO



DANIEL LURIE  
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: Dexter Darmali, Legislative & Ethics Secretary  
RE: Administrative Code - Downtown Hospitality Zone  
DATE: March 24, 2026

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Ordinance amending the Administrative Code to create the Downtown Hospitality Zone, in the area bounded by 5th Street, from Folsom Street to Market Street; Cyril Magnin Street from Market Street to Eddy Street; Eddy Street from Cyril Magnin Street to Mason Street; Mason Street from Eddy Street to Ellis Street; Ellis Street from Mason Street to Taylor Street; Taylor Street from Ellis Street to Post Street; Post Street from Taylor Street to Mason Street; Mason Street from Post Street to Bush Street; Bush Street from Mason Street to Kearny Street; Kearny Street from Bush Street to Market Street; Market Street from 3rd Street to 2nd Street; 2nd Street from Market Street to Folsom Street; and Folsom Street from 2nd Street to 5th Street; and affirming the Planning Department's determination under the California Environmental Quality Act.

Should you have any questions, please contact Adam Thongsavat at [adam.thongsavat@sfgov.org](mailto:adam.thongsavat@sfgov.org)

# Hospitality Zone Liquor Licenses (File No. 260296)

## Rules Committee

Ben Van Houten  
Director of Nightlife Initiatives  
Office of Economic and Workforce Development

# Introduction

- File No. 260296 is an ordinance sponsored by Mayor Lurie to implement SB 395, state legislation to support the creation of new restaurants in the downtown hospitality zone
- We are requesting an amendment to this ordinance today

# California Liquor License Rules

- Number of full liquor licenses available in each county dictated by state law (1 license per 2,000 residents)
- San Francisco has exceeded this limit since it was adopted roughly 80 years ago
- Full liquor licenses for SF restaurants and bars are only available on the secondary market at prices well beyond the ABC application fee

# Downtown Revitalization

- Nightlife is critical to downtown's continued revitalization
- New restaurants, alongside downtown's great existing nightlife, can attract tourists and locals, diversify offerings, and help transform the area into a 24/7 neighborhood
- A suite of programs and policies have been launched to support business attraction downtown, including loan and grant programs, Vacant to Vibrant, and others

# Senate Bill 395

- In 2025, Mayor Lurie sponsored SB 395 (Wiener), to enable San Francisco to establish a “hospitality zone”
- Within the hospitality zone, the Department of Alcoholic Beverage Control would be authorized to issue up to 20 new nontransferable restaurant liquor licenses
- Licenses would be issued in phases over three years (10 available the first year, 5 each subsequent year)

# Senate Bill 395

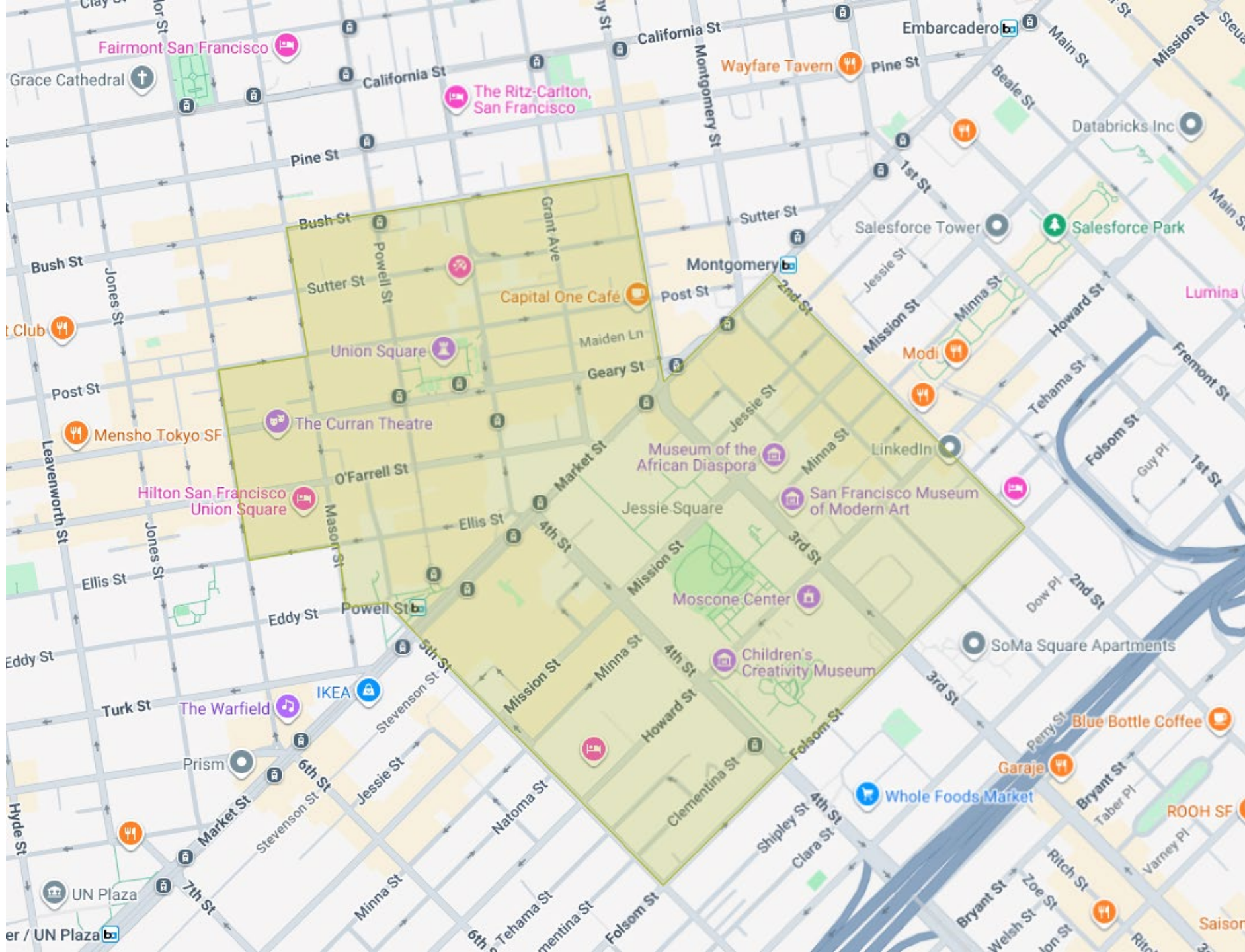
- Licenses would be issued through ABC's annual license drawing process that is used to issue new licenses statewide
- Licenses would be available at ABC's application fee of ~\$20,000, compared to secondary market prices of \$100-150k

# Senate Bill 395

- Licenses would not be transferable to any other person or to any location outside the hospitality zone
- Upon the closure of a business with a hospitality zone license, that license would be cancelled and ABC would be authorized to issue a new hospitality zone license
- Program would sunset in 2033

# This Ordinance

- This ordinance fulfills the requirements of SB 395 to enable ABC to issue new licenses beginning later this year
- The ordinance designates a “hospitality zone” to reflect the boundaries of the SFPD hospitality zone established last year
- As introduced, the ordinance would authorize the issuance of up to 20 licenses (but we are requesting an amendment)



# Requested Amendment

- Following discussion with existing downtown operators concerned about potential impacts, we are proposing to amend this legislation to authorize the issuance of up to 15 licenses (instead of the maximum 20)
- Our intention is to monitor impacts of this program over the next two years before contemplating returning to the Board with legislation to authorize issuance of the remaining 5 licenses
- There is also one minor clerical amendment from the City Attorney

# Thank You