



EXECUTIVE SUMMARY

PLANNING CODE TEXT AMENDMENT

HEARING DATE: DECEMBER 6, 2023

90-Day Deadline: January 2, 2024

Project Name: Permits to Install Business Signs to Historic Buildings or Buildings in Conservation Districts in the C-3 (Downtown) Area

Case Number: 2023-006996PCA [Board File No. 230834]

Initiated by: Supervisor Peskin / Introduced July 18, 2023/Substituted XXX

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Environmental Review: Not a Project Under CEQA

Recommendation: Approval with Modifications

Planning Code Amendment

Ordinance amending the Planning Code to require compliance with the procedures of Planning Code, Article 10 for certain work involving a business sign on a designated landmark site or in a designated historic district, and to require a hearing before the Historic Preservation Commission rather than an administrative review by Planning Department staff of applications for a permit to install business signs to a Significant or Contributory building or a building in a Conservation District in the C-3 (Downtown) area, provided that the permit is for a Major Alteration.

Permits to Install Business Signs to Historic Buildings or Buildings in Conservation Districts in the C-3 (Downtown) Area

The Way It Is Now:	The Way It Would Be:
All new business signs in Article 11 Conservation Districts downtown (C-3) are eligible for Over-the-Counter (same day) permits.	All new business signs in Article 11 Conservation Districts downtown (C-3) would require a Major Permit to Alter application and a hearing before the Historic Preservation Commission (HPC). ¹
<p>The following scopes of work are eligible for Over-the-Counter permits in Article 11 Conservation Districts downtown (C-3):</p> <ul style="list-style-type: none">• Improvements to provide an accessible entry to a building;• Installation of non-visible rooftop appurtenances on a building; and,• Installation of an awning on a building.	<p>Preservation staff would have to prepare written findings affirming that the following scopes of work eligible for Over-the-Counter permits in Article 11 Conservation Districts downtown (C-3) meet the preservation guidelines and requirements of Planning Code Section 1111.6:</p> <ul style="list-style-type: none">• Improvements to provide an accessible entry to a building;• Installation of non-visible rooftop appurtenances on a building; and,• Installation of an awning on a building.
All new business signs on Article 10 buildings are eligible for Over-the-Counter permits.	All new business signs on Article 10 buildings would require a Certificate of Appropriateness application and a hearing before the Historic Preservation Commission (HPC). ²

Background

Since the late 1960s, the San Francisco Planning Department has designated thousands of buildings throughout the city as Article 10 and 11 historic resources. The intent of landmark designation under Articles 10 and 11 of the Planning Code is to “protect, preserve, enhance and encourage continued utilization, rehabilitation and, where necessary, adaptive use of significant cultural resources.”³

¹ HPC has delegated review of sign permits to Planning Department preservation staff as a Minor Permit to Alter without a hearing before HPC, per [M-0468](#).

² HPC has delegated review of sign permits to Planning Department preservation staff as a Minor Permit to Alter without a hearing before HPC, per [M-0468](#).

³ San Francisco Planning Department, “Preservation,” <https://sfplanning.org/preservation>.

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Article 10

Article 10 of the Planning Code was adopted in 1967 to give the Planning Department the ability to identify, designate, and protect landmarks from inappropriate alterations. San Francisco Preservation Bulletin No. 5 gives further explanation of the purpose of Article 10 designation:

The purposes of all aspects of Article 10 of the Planning Code is to promote the health, safety and general welfare of the public through a variety of means including the protection, enhancement, perpetuation and use of structures, sites and areas that are reminders of past eras, events and persons, significant examples of architectural styles, or that provide examples of the physical surroundings in which past generations lived. The landmarks and historic districts are unique and irreplaceable assets to the City and its neighborhoods and provide examples of the physical surroundings in which past generations lived.

As of September 2023, the City has adopted 310 landmark sites and 14 historic districts under Article 10. Designated properties include residential, industrial, commercial, and institutional building types and are distributed throughout the city.

Article 11

Article 11 of the Planning Code has its origins in the mid-1970s, when San Francisco Architectural Heritage conducted a survey of properties in the City's downtown area. Properties designated under Article 11 as individually significant properties or within Conservation Districts, are located exclusively in San Francisco's downtown core.⁴ Conservation Districts seek to designate and protect buildings based on architectural quality and contribution to the character of downtown. Buildings within the Conservation Districts are designated as significant or contributory and categorized as I, II, III, IV, V buildings, with Category I being the most architecturally significant. These downtown districts contain concentrations of buildings that together create geographic areas of unique quality and thus facilitate preservation of the quality and character of the area.

Article 10 and 11 Permit Review Process

Article 10 and 11 stipulate that proposed alterations to properties protected under those sections of the Planning Code shall comply with the Secretary of the Interior's Standards for the Treatment of Historic Properties (Standards). These standards allow for changes at a historic building to occur if they avoid removing or obscuring significant character-defining features of a property and are compatible with the historic features of the property. Department Preservation staff rely upon Article 10 and Article 11 of the Planning Code, the Secretary of the Interior's Standards for the Treatment of Historic Properties (Standards), and past guidance from the HPC to review projects associated with our important historic landmarks and conservation districts.

Articles 10 and 11 allows for three tiers of review and approval for alterations to historic properties, depending on the scope of work proposed:

1. Over-the-Counter review and approval of a few select scopes of work.
2. Planning Staff review and approval of scopes of work determined by the HPC to be minor alterations via a preservation entitlement (an Administrative Certificate of Appropriateness for Article 10 properties or a Minor Permit to Alter for Article 11 properties). Approvals are sent to the HPC Commissioners for a 20-day

⁴ [Article 11 Conservation Districts](#)

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review period but do not require an HPC hearing.

3. Historic Preservation Commission review and approval of scopes of work determined by the Commission to be major alterations. Review occurs at a public hearing via a preservation entitlement (Certificate of Appropriateness or a Major Permit to Alter).

2018 Process Improvements

Prior to 2018, all sign permits for Article 10 buildings required an Administrative Certificate of Appropriateness and all sign permits for Article 11 buildings required a Minor Permit to Alter (as delegated by HPC). In 2018, the Board of Supervisors approved several streamlining improvements to a number of Planning Code section and processes, including review of signage at Article 10 and Article 11 buildings.⁵ Following the passage of the Ordinance, staff could approve over-the counter all business sign permits at Article 10 or 11 properties if the business signs met the Secretary of the Interior Standards and all Planning Code requirements..

As noted in the 2018 Staff report:

The proposed amendments to Section 1005 and 1111 to allow for permits for minor and routine scopes of work that currently require a Certificate of Appropriateness or Permit to Alter under Section 1005 and 1111 of the Planning Code to be approved administratively by Planning Department staff at the Planning Information Center counter, provided the projects confirm to the relevant guidelines and standards in Planning Code sections 1006.6 and 1111.6 is estimated to reduce the permit review case load for Preservation planners by roughly one-third on an annual basis, allowing staff to focus more time on priority housing projects and other Preservation planning work. In addition, the project approval timeframe for these minor and routine scopes of work would be reduced from three to four months on average to a same-day approval.

Save Our Small Businesses Initiative (Prop H/SBRA 2020)

Approved by voters in the November 2020 election and now in place, the initiative ordinance shifts the approval action for many small businesses from a Conditional Use authorization granted by the Planning Commission at a public hearing to an over-the-counter administrative approval. In addition, the initiative eliminates neighborhood notification for most storefront land use changes and provides existing businesses with greater flexibility to adapt their operations in response to the COVID-19 pandemic and shifting retail landscape. The initiative also calls upon the City to streamline the review and approval processes for most small business permits to 30-days. The Initiative is intended to not only assist with their recovery in the wake of the COVID-19 pandemic, but also simplify the process to start a new business in San Francisco.

Downtown Economic Revitalization

On February 9th Mayor London Breed released the Roadmap to Downtown San Francisco's Future which outlines five key priorities, nine strategies and fifty initiatives that respond to economic trends and challenges and will help the City advance a new vision for downtown. Building on this Roadmap, the Planning Department and the Office of Economic and Workforce Development (OEWD) are working together, along with external organizations on a Future of Downtown effort to address downtown recovery in both the near- and long-term.

⁵ Mayor's Process Improvements Ordinance, Case No. 2018-004633PCA, [Ord. 179-18](#)

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In April of 2023, Mayor Breed and Board of Supervisors' President Peskin introduced the Commercial to Residential Adaptive Reuse and Downtown Economic Revitalization Ordinance. This ordinance contained numerous findings about the importance of Downtown to San Francisco's economic vitality, and the negative impacts the COVID-19 pandemic have had on Downtown. It describes how San Francisco is faced with a crisis of housing affordability at the same time commercial vacancy rates have increased. It describes how the shift to hybrid work, with its consequent reduction in office workers and foot traffic, has adversely impacted Downtown and other sectors of the City's economy, including retail and small business, and more broadly has impacted use and activation of public space, transportation, and public safety. To help remedy these problems, this ordinance would include improvements to support streamlined permit review to better support existing businesses and attract new businesses Downtown.

Issues and Considerations

A proposed sign must not detract, alter, or damage the special architectural, historical, or aesthetic significance of the subject building or district. When reviewing signs, preservation staff take into consideration all code requirements listed in Article 6 and Article 10 or 11 of the planning code. Specifically, staff reviews the proposed location, materials, typeset, size of lettering, means of illumination, method of replacement, or the attachment of a proposed sign. These requirements are further stipulated under Planning Code Section 1111. 2, which limits the size, location, illumination, and materials of business signs in Article 11 districts. Preservation staff also receive regular training on appropriate materials, methods of attachment, and illumination that meet both the Standards and Article 6 of the Planning Code.

Between 2018 and 2023, the City of San Francisco has issued approximately:

- 94 permits for Article 10 buildings
- 231 permits for Article 11 buildings⁶

None of the approved business sign permits for Article 11 buildings have been appealed or requested a hearing in front of HPC. In 2023, a group of 8 sign permits for Rincon Building (an Article 10 building) were appealed to the Board of Appeals but the permits were subsequently withdrawn. No other Article 10 business sign permits have been appealed or requested a hearing in front of HPC since 2018.

General Plan Compliance

The proposed Ordinance is consistent with the General Plan's Urban Design Element Objectives and Policies as it relates to the preservation of historic properties. The goal of the ordinance is to provide additional oversight for buildings and districts that are architecturally or culturally significant to the City in order to protect the qualities that are associated with that significance. The proposed ordinance therefore furthers these policies and objectives by maintaining and preserving the character-defining features of the subject property for the future enjoyment and education of San Francisco residents and visitors.

⁶ An Article 11 building can also be individually listed as an Article 10 property; therefore, there may be some overlap when calculating number of permits associated with each designated property type.

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Racial and Social Equity Analysis

Understanding the potential benefits, burdens, and the opportunities to advance racial and social equity that proposed Planning Code amendments provide is part of the Department's Racial and Social Equity Action Plan. This is also consistent with the Mayor's Citywide Strategic Initiatives for equity and accountability, the Planning and Historic Preservation Commissions' 2020 Equity Resolutions, and with the Office of Racial Equity mandates, which requires all Departments to conduct this analysis. Below are some specific issues to consider:

Most locally listed historic resources are located in highest and medium environmental burden areas, concentrated in the central and northeast portions of the City, including Downtown. The Planning Code amendments in the proposed Ordinance may have the effect of increasing permitting costs and wait times for commercial businesses in Article 10 and Article 11 properties, particularly those Downtown. Therefore, there is a potential unintended effect on marginalized groups who may own businesses located in Article 10 or 11 buildings.

Implementation

The Department has determined that this Ordinance will impact our current implementation procedures. Although overall costs and review times can be reduced from the cost and time of a full hearing requirement with HPC's delegation of the review of sign permits preservation staff, the proposed Ordinance will impact staff time and capacity.

The proposed changes to planning code would increase planning department permit costs as follows:

Article 10 Building Sign Permit Fees

The Way It Is Now:	The Way It Would Be:
<i>Sign Permit Fee:</i> \$225	Sign Permit Fee: 225 + Minor Permit to Alter Fee: Time & Materials Estimated Total: \$400-\$600

Article 11 Building Sign Permit Fees

The Way It Is Now:	The Way It Would Be:
<i>Sign Permit Fee:</i> \$225	Sign Permit Fee: 225 + Minor Permit to Alter Fee: Time & Materials Estimated Total: \$400-600

Additionally, the proposed changes to planning code would increase Planning Department review time for Article 10 and 11 business signs:

Article 10 and 11 Permit Review Timelines

The Way It Is Now:	The Way It Would Be:
Over the Counter: Same day review and approval	Administrative Certificate of Appropriateness or Minor Permit to Alter: 2-3 months

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Recommendation

The Department recommends that the Commission approve with modifications the proposed Ordinance and adopt the attached Draft Resolution to that effect. The Department's proposed recommendations are as follows:

1. Modify Section 1111.6(c)(2) to maintain that all new business sign permits for Article 11 properties are eligible for over-the-counter permit review.
2. Remove new language under Section 1111.6(c) requiring Preservation Staff to prepare written findings affirming that the following scopes of work eligible for Over-the-Counter permits in Article 11 Conservation Districts downtown (C-3) meet the preservation guidelines and requirements of Planning Code Section 1111.6.

Basis for Recommendation

The Department supports the overall goals of this Ordinance because it is consistent with the Department's commitment to preservation of the City's historic properties. The proposed Ordinance provides additional oversight for Article 10 Landmark buildings and districts that are architecturally or culturally significant to the City in order to protect the qualities that are associated with that significance. Article 10 landmark buildings represent the finest examples of the city's historical, architectural, and cultural past and the proposed Ordinance will ensure that new business sign permits reviewed administratively are held to a high standard of review and the distinctive qualities of historic properties will be preserved.

Department also finds that proposed modifications to maintain the streamlined review of Article 11 signs is consistent with both the Department's commitment to preservation of the City's historic properties and reduction of review costs and review times for downtown businesses. Streamlined review of business signs on Article 11 properties has allowed for flexibility while ensuring that all proposed work meets the requirements outlined by the HPC, specifically the additional requirements outlined under Planning Code Section 1111.2. Modification of the proposed ordinance to allow the continuance of business sign permits for downtown building through over-the-counter process, will ensure that these permits are held to a high standard of review without impairing the economic vitality of San Francisco's downtown businesses.

Required Commission Action

The proposed Ordinance is before the Commission so that it may approve it, reject it, or approve it 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. 230834