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REVISED LEGISLATIVE DIGEST
(Amended in Committee – June 30, 2025)

[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 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; 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.

This ordinance incorporates amendments made at the June 30, 2025 meeting of the Land Use and Transportation Committee. As introduced, the ordinance would have permitted 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 under Section 303.2. The June 30 amendments make uses in those areas ineligible for priority processing under Section 303.2.

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