

1 [Prohibiting Formula Retail in Commercially Designated Areas Along Mission, Valencia, 16th
2 and 24th Streets]

3 **Ordinance to amend the San Francisco Planning Code by adding Section 785,**
4 **establishing the Mission Formula Retail Restricted Use Subdistrict; amending Planning**
5 **Code Section 703.3 to prohibit formula retail uses in the Mission Formula Retail**
6 **Restricted Use Subdistrict; amending Sectional Maps SU 07 and SU 11 of the Zoning**
7 **Map of the City and County of San Francisco to establish the boundaries of the Mission**
8 **Formula Retail Restricted Use Subdistrict; adopting findings, including environmental**
9 **findings and findings of consistency with the priority policies of Planning Code Section**
10 **101.1 and the General Plan.**

11 Note: Additions are *single-underline italics Times New Roman*;
12 deletions are *strikethrough italics Times New Roman*.
13 Board amendment additions are double underlined.
14 Board amendment deletions are ~~strikethrough normal~~.

14 Be it ordained by the People of the City and County of San Francisco:
15 Section 1. Findings. The Board of Supervisors of the City and County of San
16 Francisco hereby find and determine that:

17 (a) Pursuant to Planning Code Section 302, the Board of Supervisors finds that this
18 ordinance will serve the public necessity, convenience and welfare, for the reasons set forth in
19 Planning Commission Resolution No. _____, and incorporates such reasons by this
20 reference thereto. A copy of said resolution is on file with the Clerk of the Board of
21 Supervisors in File No. _____.

22 (b) Pursuant to Planning Code Section 101.1, the Board of Supervisors finds that the
23 ordinance is consistent with the Priority Policies of Section 101.1(b) of the Planning Code and
24 with the General Plan and hereby incorporates a report containing those findings as if fully set
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1 forth herein. A copy of said report is on file with the Clerk of the Board of Supervisors in File
2 No. _____.

3 (c) The Planning Department concluded environmental review of this ordinance
4 pursuant to the California Environmental Quality Act, Public Resources Code Section 2100 et
5 seq. Documentation of that review is on file with the Clerk of the Board of Supervisors in File
6 No. _____.

7 Section 2. The San Francisco Planning Code is hereby amended by adding Section
8 785, to read as follows:

9 Sec. 785. Mission Formula Retail Restricted Use Subdistrict.

10 In order to preserve the vibrant small businesses that characterize the Mission and prevent the
11 elimination of these businesses by formula retail establishments, as defined in Section 703.3 of this
12 Code, which is hereby incorporated by reference, there shall be a Mission Formula Retail Restricted
13 Use Subdistrict, applicable to areas designated as Neighborhood Commercial, on Mission Street,
14 generally bounded by 13th Street to the North and Cesar Chavez Street to the South; Valencia Street,
15 generally bounded by Duboce Avenue to the North and Cesar Chavez Street to the South; 16th Street,
16 generally bounded by South Van Ness Avenue to the East and Guerrero Street to the West; and 24th
17 Street, generally bounded by Potrero Avenue to the East and Bartlett Street to the West. Establishment
18 of a formula retail use in the Mission Formula Retail Restricted Use Subdistrict shall be prohibited, as
19 set forth in Section 703.3(e).

20 Section 3. The San Francisco Planning Code is hereby amended by amending Section
21 703.3, to read as follows:

22 Sec. 703.3. Formula Retail Uses.

23 (a) Findings.

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1 (1) San Francisco is a city of diverse and distinct neighborhoods identified in large
2 part by the character of their commercial areas.

3 (2) San Francisco needs to protect its vibrant small business sector and create a
4 supportive environment for new small business innovations. One of the eight Priority Policies
5 of the City's General Plan resolves that "existing neighborhood-serving retail uses be
6 preserved and enhanced and future opportunities for resident employment in and ownership
7 of such businesses enhanced."

8 (3) Retail uses are the land uses most critical to the success of the City's commercial
9 districts.

10 (4) Formula retail businesses are increasing in number in San Francisco, as they are
11 in cities and towns across the country.

12 (5) Money earned by independent businesses is more likely to circulate within the
13 local neighborhood and City economy than the money earned by formula retail businesses
14 which often have corporate offices and vendors located outside of San Francisco.

15 (6) Formula retail businesses can have a competitive advantage over independent
16 operators because they are typically better capitalized and can absorb larger startup costs,
17 pay more for lease space, and commit to longer lease contracts. This can put pressure on
18 existing businesses and potentially price out new startup independent businesses.

19 (7) San Francisco is one of a very few major urban centers in the State in which
20 housing, shops, work places, schools, parks and civic facilities intimately co-exist to create
21 strong identifiable neighborhoods. The neighborhood streets invite walking and bicycling and
22 the City's mix of architecture contributes to a strong sense of neighborhood community within
23 the larger City community.

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1 (8) Notwithstanding the marketability of a retailer's goods or services or the visual
2 attractiveness of the storefront, the standardized architecture, color schemes, decor and
3 signage of many formula retail businesses can detract from the distinctive character of certain
4 Neighborhood Commercial Districts.

5 (9) The increase of formula retail businesses in the City's neighborhood commercial
6 areas, if not monitored and regulated, will hamper the City's goal of a diverse retail base with
7 distinct neighborhood retailing personalities comprised of a mix of businesses. Specifically,
8 the unregulated and unmonitored establishment of additional formula retail uses may unduly
9 limit or eliminate business establishment opportunities for smaller or medium-sized
10 businesses, many of which tend to be non-traditional or unique, and unduly skew the mix of
11 businesses towards national retailers in lieu of local or regional retailers, thereby decreasing
12 the diversity of merchandise available to residents and visitors and the diversity of purveyors
13 of merchandise.

14 (10) If, in the future, neighborhoods determine that the needs of their Neighborhood
15 Commercial Districts are better served by eliminating the notice requirements for proposed
16 formula retail uses, by converting formula retail uses into conditional uses in their district, or
17 by prohibiting formula retail uses in their district, they can propose legislation to do so.

18 (b) Formula Retail Use. Formula retail use is hereby defined as a type of retail sales
19 activity or retail sales establishment which, along with eleven or more other retail sales
20 establishments located in the United States, maintains two or more of the following features: a
21 standardized array of merchandise, a standardized facade, a standardized decor and color
22 scheme, a uniform apparel, standardized signage, a trademark or a servicemark.

23 (1) Standardized array of merchandise shall be defined as 50% or more of in-stock
24 merchandise from a single distributor bearing uniform markings.

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1 (2) Trademark shall be defined as a word, phrase, symbol or design, or a combination
2 of words, phrases, symbols or designs that identifies and distinguishes the source of the
3 goods from one party from those of others.

4 (3) Servicemark shall be defined as word, phrase, symbol or design, or a combination
5 of words, phrases, symbols or designs that identifies and distinguishes the source of a service
6 from one party from those of others.

7 (4) Decor shall be defined as the style of interior finishings, which may include but is
8 not limited to, style of furniture, wallcoverings or permanent fixtures.

9 (5) Color Scheme shall be defined as selection of colors used throughout, such as on
10 the furnishings, permanent fixtures, and wallcoverings, or as used on the facade.

11 (6) Facade shall be defined as the face or front of a building, including awnings,
12 looking onto a street or an open space.

13 (7) Uniform Apparel shall be defined as standardized items of clothing including but
14 not limited to standardized aprons, pants, shirts, smocks or dresses, hat, and pins (other than
15 name tags) as well as standardized colors of clothing.

16 (8) Signage shall be defined as business sign pursuant to Section 602.3 of the
17 Planning Code.

18 (c) "Retail sales activity or retail sales establishment" shall include the following uses,
19 as defined in Article 7 of this Code: "bar," "drive-up facility," "eating and drinking use," "liquor
20 store," "restaurant, large fast-food," "restaurant, small self-service," "restaurant, full-service,"
21 "sales and service, other retail," "sales and service, retail," "movie theatre," "video store,"
22 "amusement and game arcade," and "take-out food."

23 (d) Formula Retail Uses Permitted. Any use permitted in a Neighborhood Commercial
24 District, which is all a "formula retail use" as defined in this Section, is hereby permitted.

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1 (e) Formula Retail Use Prohibited. Notwithstanding subsection (d), any use permitted
2 in the Hayes-Gough Neighborhood Commercial District, *in the Mission Formula Retail Restricted*
3 *Use District*, or the North Beach Neighborhood Commercial District, which is also a "formula
4 retail use" as defined in this Section, is hereby prohibited.

5 (f) Conditional Uses. Notwithstanding subsections (d) or (e), any use permitted in the
6 Haight Street Neighborhood Commercial District, the Japantown Special Use District as
7 defined in Section 249.31, or in the Small-Scale Neighborhood Commercial District along
8 Divisadero Street, bounded by Haight Street to the south and Turk Street to the north (Block
9 1128, Lot 20, Block 1129, Lots 93--106, Block 1153, Lots 1--4, 6, and 21--22 Block 1154, Lots
10 13--17B and 35--40, Block 1155, Lots 16--21, Lots 23, 24, and 36--38, Block 1156, Lots 4--6,
11 8, 38 and 40--41, Block 1179, Lots 1--1C, 27, and 28, Block 1180, Lots 12--17, Block 1181,
12 Lots 14--9, Block 1182, Lots 2--6, 8, 22--23, 30--60, Block 1201, Lots 1--4, 8--10, 39--54 and
13 57--61, Block 1202, Lots 2A, 2B, 2J and 7, Block 1203, Lots 17--22, 24 and 37, Block 1204,
14 Lots 1--11A, Block 1215, Lots 8--16, Block 1216, Lots 5, 1 and 17--18, Block 1217, Lots 20--
15 29, Block 1218, Lots 1--8, 29, 32, and 50, Block 1237, Lots 1--7, Block 1238, Lots 21--27,
16 Block 1239, Lot 27, Block 1240, Lot 1), or in the Neighborhood Commercial Cluster Districts
17 located at Cole and Carl Streets (Block 1267, Lot 9, Block 1268, Lots 26, 27, 28 and 29, Block
18 1271, Lots 24, 24A, 24B, 25 and 26, Block 1272, Lots 1, 2, 3, 4, and 5, Block 1278, Lot 22),
19 and at Parnassus and Stanyan Streets (Block 1276, Lot 21), which is also a "formula retail
20 use" as defined in this Section, is hereby permitted only as a conditional use. Additional
21 criteria to be used by the Planning Commission when considering granting conditional use
22 permits to formula retail uses in these districts are listed in Section 303(i).

23 (g) Neighborhood Commercial Notification and Design Review. After the effective date
24 of this Ordinance, any building permit application for a use permitted in a Neighborhood
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1 Commercial District which is also a "formula retail use" as defined in this section shall be
2 subject to the Neighborhood Commercial Notification and Design Review Procedures of
3 Section 312 of this Code.

4 (h) Discretionary Review Guidelines. The Planning Commission shall develop and
5 adopt guidelines which it shall employ when considering any request for discretionary review
6 made pursuant to this Section. These guidelines shall include but are not limited to
7 consideration of the following factors:

8 (1) Existing concentrations of formula retail uses within the Neighborhood Commercial
9 District.

10 (2) Availability of other similar retail uses within the Neighborhood Commercial
11 District.

12 (3) Compatibility of the proposed formula retail use with the existing architectural and
13 aesthetic character of the Neighborhood Commercial District.

14 (4) Existing retail vacancy rates within the Neighborhood Commercial District.

15 (5) Existing mix of Citywide-serving retail uses and neighborhood-serving retail uses
16 within the Neighborhood Commercial District.

17 (i) Determination of Formula Retail Use. After the effective date of this Ordinance, in
18 those areas in which "formula retail uses" are prohibited, any building permit application
19 determined by the City to be for a "formula retail use" that does not identify the use as a
20 "formula retail use" is incomplete and cannot be processed until the omission is corrected.
21 Any building permit approved after the effective date of this Ordinance that is determined by
22 the City to have been, at the time of application, for a "formula retail use" that did not identify
23 the use as a "formula retail use" is subject to revocation at any time.

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1 After the effective date of this Ordinance, in those areas in which "formula retail uses"
2 are subject to the Neighborhood Commercial Notification and Design Review provisions of
3 subsection (e), any building permit application determined by the City to be for a "formula
4 retail use" that does not identify the use as a "formula retail use" is incomplete and cannot be
5 processed until the omission is corrected. After the effective date of this Ordinance, any
6 building permit approved that is determined by the City to be for a "formula retail use" that
7 does not identify the use as a "formula retail use" must complete the Neighborhood
8 Commercial Notification and Design Review required in subsection (e).

9 If the City determines that a building permit application or building permit subject to this
10 Section of the Code is for a "formula retail use," the building permit applicant or holder bears
11 the burden of proving to the City that the proposed or existing use is not a "formula retail use."

12 Section 4. In accordance with Planning Code Section 106 and 302, the following
13 change is hereby adopted as an amendment to Sectional Maps SU 7 and SU 11 of the Zoning
14 Map of the City and County of San Francisco:

15 Description of Property

16 Blocks and Lots:

17 Block 3352, lots 074-087; block 3546, lots 001, 031-36; block 3547, lots 002-003, 005-
18 010, 013, 016-022, 027, 033-041; block 3548, lots 032-033, 035-38, 042; block 3590, lots
19 019-027; block 3696, lots 082-083, 087-092, 097-103, 109-114; block 3615, lots 016-016,
20 018-028; block 3553, lots 021-023, 025-026; block 3589, lots 092, 095-99, 108-109; block
21 3608, lots 096-099; block 3609, lots 001-007, 014-018, 022-023, 025-029, 031-39, 041-042,
22 044-046; block 3553, lots 052, 063-087; block 3554, lots 001-003A, 005-008, 010, 012, 016,
23 018-020, 025, 027, 029, 053, 056-075; block 3555, lots 001-002, 004, 009, 015-018, 021-029,
24 025

1 039-040, 056-057, 062-063; block 3568, lots 001-015, 059, 061-067; block 3569, lots 004-
2 009, 011-018, 022, 028; block 3569, lots 038-051, 075-078, 081, 085-088, 093-133, 136-158;
3 block 3570, lots 016-018, 020, 022-023, 028, 030, 031A, 039, 048-049; block 3575, lots 029-
4 030, 035-038, 044, 048-049, 091-092, 107-116; block 3576, lots 001-004, 006-012, 014-015,
5 018-022, 055, 061-062, 078, 083-084, 086-087A, 090-113, 117-126, 128-152; block 3577,
6 lots 001-002, 004-005, 007, 009-011, 060, 064, 074-075; block 3589, lots 001-002, 004-008,
7 011-016, 018-021, 034-035, 082-085, 088; block 3588, lots 001-012; block 3590, lots 028-
8 035; block 3595, lots 018-021, 024-025, 027-031, 049-055, 069-070; block 3596, lots 001-
9 012, 014-016, 019, 051-054A, 115-120; block 3597, lots 001, 006, 009, 011-012, 071-073;
10 block 3608, lots 002, 005, 007-010, 072-073, 075, 094-095; block 3609, lots 078-083, 114-
11 115, 118-119, 123-131; block 3610, lots 018-029; block 3615, lots 031B, 031C, 070-071;
12 block 3616, lots 001-003, 005, 007-009, 013-020, 022-025, 027-028, 048, 056-059, 061-063;
13 block 3617, lots 001, 003-006, 008-008B, 011-012, 070-079, 085; block 3635, lots 001-005,
14 008-014; block 3636, lots 001-006, 008-009, 011-013, 024-032, 034-036, 048, 050-062; block
15 3637, lots 019C-019D, 020-029, 069; block 3642, lots 024-025, 027-032, 068-069; block
16 3643, lots 002-010, 015-019, 048-049, 052-053; block 3644, lots 002-007, 009, 018-022, 026-
17 027; block 6514, lots 001-010, 030-037; block 6515, lots 015, 020-025, 037; block 6516, lots
18 001A, 001B, 005-007, 009, 026-28; block 6517, lots 018, 021-032, 036-37; block 6569, lots
19 031, 031A, 035-036; block 6570, lots 001-007, 013; block 6572, lots 014-018; block 6528, lots
20 022-029, 032, 032A, 037-053; block 6529, lots 001-003, 005-010, 027-033; block 6530, lots
21 013-018, 021-028; block 6531, lots 001, 004-007, 009-014, 016-017, 029-030; block 6568, lot
22 029; block 6569, lots 001-004, 009B, 013; block 3640, lots 011-014, 016A, 017, 019, 023,
23 066, 070-071, 078-079; block 3641, lots 010C, 014-023, 068-069; block 3642, lots 011A, 013-
24 021, 049; block 3643, lots 010A, 011-013, 050-051; block 4267, lots 030-033; block 4206, lots
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1 015-018, 038-040; block 4207, lots 014B, 015-016, 019-020, 038; block 4208, lots 017-022;
2 block 4209, lots 014, 016-017, 039-040; block 4210, lots 014-020; block 4211, lots 016-017,
3 034-035; block 4266, lots 001, 035-036; block 4267, lot 001; block 4268, lots 001, 031-032,
4 035, 042-051; block 4269, lots 015-017, 021, 023-024; block 4270, lots 001, 033-037; block
5 6516, lots 023-025; block 6517, lot 039; block 6518, lots 001, 027-029; block 6519, lots 001,
6 040-045; block 6520, lots 001, 034-036, 038-040; block 6521, lots 001, 040; block 6522, 001,
7 040-041; block 3554, lots 007, 008, 010, 012, 053, 056; block 3569, lots 022, 075-078, 081;
8 block 3570, lots 30, 31A; block 3569, lot 001; block 3563, 001; block 3554, 013, 015-016;
9 block 3555, lots 016-018, 021-026; block 3568, lots 001, 061-063, 065-067; block 3569, lots
10 049-051; block 3930A, block 002.

11 Special Use District To Be Approved -- Mission Formula Retail Restricted Use District.

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13 APPROVED AS TO FORM:
14 DENNIS J. HERRERA, City Attorney

15 By: _____
16 Andrea Ruiz-Esquide
17 Deputy City Attorney

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