



SAN FRANCISCO PLANNING DEPARTMENT

December 2, 2016

Ms. Angela Calvillo, Clerk of the Board of Supervisors
Honorable Supervisor Farrell
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

**Re: Transmittal of Planning Department Case Number 2016-007705PCA
Medical Service Use in Sacramento Neighborhood Commercial District
Board File No. 160656
Planning Commission Recommendation: Approval**

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Dear Ms. Calvillo and Supervisor Farrell:

On November 17, 2016 the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance that would amend Planning Code Sections 703.2, and 724, introduced by Supervisor Farrell. At the hearing the Planning Commission recommended approval of the ordinance.

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c) (2) and 15378 because they do not result in a physical change in the environment.

Please find attached documents relating to the actions of the Commission. If you have any questions or require further information please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Aaron D. Starr".

Aaron D. Starr
Manager of Legislative Affairs

cc:

Judy Boyajian, Deputy City Attorney
Kanishka Karunaratne, Aide to Supervisor Farrell
Alisa Somera, Legislative Deputy Director

Attachments :

Planning Commission Resolution
Planning Department Executive Summary



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 19777

HEARING DATE: NOVEMBER 17, 2016

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Project Name: Amendments relating to the Sacramento NCD:
Medical Service Uses
Case Number: 2016-007705PCA [Board File No. 160656]
Initiated by: Supervisor Farrell / Introduced May 31, 2016 and June 21, 2016
Staff Contact: Menaka Mohan, Legislative Affairs
menaka.mohan@sfgov.org, 415-575-9141
Reviewed by: Aaron D Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 415-558-6362

RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT A PROPOSED ORDINANCE AMENDING THE PLANNING CODE TO PROVIDE THAT IN THE SACRAMENTO STREET NEIGHBORHOOD COMMERCIAL DISTRICT A MEDICAL SERVICE USE, WHETHER PRINCIPAL OR ACCESSORY, REQUIRES A CONDITIONAL USE AUTHORIZATION ON THE GROUND STORY AND IS PERMITTED ABOVE THE GROUND STORY; AFFIRMING THE PLANNING DEPARTMENT'S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE SECTION 101.1, AND FINDINGS OF PUBLIC NECESSITY, CONVENIENCE, AND WELFARE UNDER PLANNING CODE SECTION 302.

WHEREAS, on November 8, 2016 Supervisor Farrell introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 160656, which amend the Planning Code to provide that in the Sacramento Street Neighborhood Commercial District a Medical Service use, whether Principal or Accessory, requires a Conditional Use authorization on the ground story and is permitted above the ground story; and,

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on November 17, 2016; and,

WHEREAS, the proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c)(2) and 15378 because they do not result in a physical change in the environment; and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

MOVED, that the Planning Commission hereby recommends that the Board of Supervisors **approve** the proposed ordinance.

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The closing of a large medical institution (California Pacific Medical Center or CPMC) near the Sacramento Neighborhood Commercial District could provide opportunities along the corridor for future Medical Services.
2. Requiring a Conditional Use authorization on the first floor for Medical Services while at the same time permitting the Medical Services on the second and above story provides a compromise of encouraging active uses on the ground floor and potentially more space for Medical Services above the first story.
3. The proposed ordinance closes a significant loophole and ineffective land use control in the Sacramento Street NCD created by the 2013 legislation, which allowed Business or Professional Service to convert to a Medical Service use.
4. **General Plan Compliance.** The proposed Ordinance and the Commission's recommended modifications are consistent with the following Objectives and Policies of the General Plan:

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 1

IMPROVE THE VIABILITY OF EXISTING INDUSTRY IN THE CITY AND THE ATTRACTIVENESS OF THE CITY AS A LOCATION FOR NEW INDUSTRY.

Policy 4.2

Promote and attract those economic activities with potential benefit to the City.

The proposed ordinance provides an avenue to attract new Medical Services to the Sacramento NCD.

OBJECTIVE 7

ENHANCE SAN FRANCISCO'S POSITION AS A NATIONAL AND REGIONAL CENTER FOR GOVERNMENTAL, HEALTH, AND EDUCATIONAL SERVICES.

Policy 7.2

Encourage the extension of needed health and educational services, but manage expansion to avoid or minimize disruption of adjacent residential areas.

The proposed ordinance provides an avenue to attract new Medical Services to the Sacramento NCD while adding additional scrutiny in the form of a Conditional Use authorization for proposed Medical Services on the ground floor.

Policy 2.3

Maintain a favorable social and cultural climate in the city in order to enhance its attractiveness as a firm location.

The proposed Ordinance allows new commercial activity in districts where it once was largely prohibited. This added commercial activity will help maintain a favorable social and cultural climate in San Francisco as it adds to the number of recreational activities available to employees. This enhances San Francisco as a location for firms.

5. **Planning Code Section 101 Findings.** The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The proposed Ordinance would not have a negative effect on housing or neighborhood character.

3. That the City's supply of affordable housing be preserved and enhanced;

The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The proposed Ordinance would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake.

7. That the landmarks and historic buildings be preserved;

The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings.

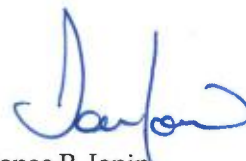
8. That our parks and open space and their access to sunlight and vistas be protected from development;

The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas.

6. **Planning Code Section 302 Findings.** The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby recommends that the Board ADOPT the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on November 17, 2016



Jonas P. Ionin
Commission Secretary

AYES: Fong, Hillis, Koppel, Melgar, Moore, Richards

NOES: None

ABSENT: Johnson

ADOPTED: November 17, 2016



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Planning Code Text & Zoning Map Amendment

HEARING DATE: NOVEMBER 17, 2016
EXPIRATION DATE: FEBRUARY 6, 2017

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Project Name: **Medical Service Use - Sacramento Street Neighborhood Commercial District**

Case Number: 2016-007705PCA [Board File No. 160656]

Initiated by: Supervisor Farrell / Introduced 5/31/16, Reintroduced 11/7/16

Staff Contact: Menaka Mohan, Legislative Affairs
menaka.mohan@sfgov.org, 415-575-9141

Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 415-558-6362

Recommendation: **Recommend Approval**

PLANNING CODE AMENDMENT

The proposed Ordinance would amend the Planning Code to provide that in the Sacramento Street Neighborhood Commercial District a Medical Service use, whether Principal or Accessory, requires Conditional Use (CU) authorization on the ground story and is principally permitted above the ground story;

The Way It Is Now:

1. Within the Sacramento NCD, new Medical Service¹ uses are prohibited at all stories except that a Business or Professional Service use may convert to a Medical Service use on the first story or below if no residential use or active street frontage is lost.
2. Medical Service is permitted as an Accessory Use within all Neighborhood Commercial Districts (NCDs).

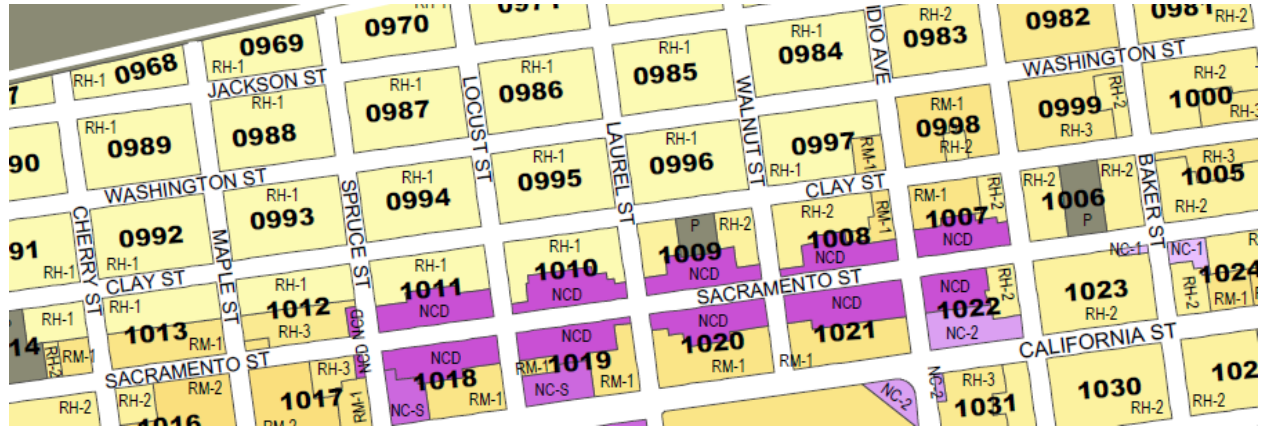
The Way It Would Be:

1. Medical Services on the ground floor and below would now require a CU authorization, and would be principally permitted on the second and above floors.
2. Medical Service as an Accessory Use would require a Conditional Use Authorization on the ground floor or below.

¹Medical Service is defined in Section 790.114 as "A retail use which provides medical and allied health services to the individual by physicians, surgeons, dentists, podiatrists, psychologists, psychiatrists, acupuncturists, chiropractors, or any other health-care professionals when licensed by a State-sanctioned Board overseeing the provision of medically oriented services. It includes a clinic, primarily providing outpatient care in medical, psychiatric or other health services, and not part of a hospital or medical center."

BACKGROUND

Sacramento NCD



The Sacramento Street NCD runs about five linear blocks along Sacramento Street from Spruce Street east to Lyon Street. It includes lots located on blocks 1007-1012 and blocks 1017-1022.

Established in 1987, the Sacramento Street Neighborhood Commercial District (NCD) is intended to promote growth that is compatible with a low-density residential neighborhood. While most new commercial uses are promoted at the ground floor and below, special controls are in place to preserve existing neighborhood serving retail uses and existing residential uses are protected on all stories. In fact existing residential uses are protected by Planning Code section 317 which requires a hearing for the removal of any residential unit including unauthorized units.

In 2013 legislation was introduced on Sacramento Street NCD that allowed a change of use from a Business or Professional Service to Medical Services use on the first floor or below to allow an existing legally permitted Business Professional Service use to change to a Medical Service. The current ordinance would require Medical Services apply for a CU authorization for the first floor and below, but permit Medical Services on the second and above-if the existing use is not residential. It will also require a Conditional Use Authorization for the Medical Services as Accessory Use on the ground floor or below.

ISSUES AND CONSIDERATIONS

Changes Since Introduction

When it was first introduced in May of this year, this legislation put back in place to the originally NCD controls- not permitting Medical Services on any story; however, after conversations between Supervisor Farrell's Office and local merchant leaders the ordinance was amended to reflect changes and future growth opportunities for the District. For example, California Pacific Medical Center (CPMC) is closing its California Campus, which is directly south of the Sacramento Street NCD. The closing of this large institution could provide opportunities along the corridor for future Medical Services. Requiring CU authorization on the first floor for Medical Services, while at the same time permitting the Medical Services on the second and above story provides a compromise of encouraging active uses on the ground floor and potentially more space for Medical Services above the first story. In general, the Department prefers CU authorization over out-right bans because it allows the Planning Commission to evaluate whether or not a business is necessary or desirable on a case-by-case basis. Furthermore, Medical Services

do not comprise a large number- currently only four percent- of the current uses along the corridor, so an outright ban doesn't seem to make sense.

Note, that although not included in this ordinance, the Planning Department did discuss with the project sponsor the possibility of removing the CUA for Restaurants on the ground floor in the corridor to attract more eating establishments and potentially changing the controls for Business and Personal services.

Existing Business Make-up

A survey conducted by Planning Department staff on August 25, 2016 from Lyon Street to Spruce Street. A planner conducted a walking survey of ground floor business-note that the names were not recorded².

Table 2: Sacramento Street NCD-Business Mix as of August 25, 2016

Business Type	Total	as %	Planning Code Section	Planning Code Definition
Clothing, Accessories	19	17%	790.102	Sales and Service-Other Retail
Personal Service	13	12%	790.116	Service, Personal
Vacant*	12	11%	-	-
Appliance, Home Furnishings	10	9%	790.102	Sales and Service-Other Retail
Business or Professional Service	10	9%	790.108	Service, Business or Professional
Jewelry	6	5%	790.102	Sales and Service-Other Retail
Antiques Shop	5	4%	791.102	Sales and Service-Other Retail
Dry Cleaners, Laundry	5	4%	792.102	Sales and Service-Other Retail
Galleries, Framing	5	4%	793.102	Sales and Service-Other Retail
Medical Service	4	4%	790.114	Service, Medical
Fast Food / Limited Restaurant	3	3%	790.90	Limited Restaurant
Restaurant, Full Service	3	3%	790.91	Restaurant
Fitness / Gym	2	2%	790.116	Service, Personal
Florist	2	2%	790.102	Sales and Service-Other Retail
Mailing Services	2	2%	791.102	Sales and Service-Other Retail
Trade Shop (with Retail Component)	2	2%	792.102	Sales and Service-Other Retail
Variety, Discount	2	2%	793.102	Sales and Service-Other Retail
Auto Repair	1	1%	790.16	Automotive Service
Gifts	1	1%	790.102	Sales and Service-Other Retail
Instructional Services	1	1%	790.116	Service, Personal
Liquor Store	1	1%	790.55	Liquor Store
Other Retail**	2	2%	790.102	Sales and Service-Other Retail

²This is a point in time survey; businesses may have changed since the date of the survey. Only the perceived land use is recorded to align with Planning Code definitions.

School	1	1%	790.50	Institutions, Other Large
Sporting Goods	1	1%	790.102	Sales and Service-Other Retail
TOTALS	113	100 %	-	-

**Vacant spaces include those currently undergoing tenant improvement construction **Pet supply store and stroller store*

Proposed Accessory Use Controls

The ordinance also proposes to require CU authorization for accessory Medical Service uses in the Sacramento Street NCD. The district is seeing some Medical Service uses come in as accessory uses to an existing or new retail establishment. With these businesses, the accessory use meets limits prescribed in the Code; however, the main focus of the business is not the primary use, but the accessory use. For example, a salon, which is a defined in the Code and a Personal Service use, will add a Botox station. Botox is considered a Medical Service use. Since Botox takes up a small footprint and is related to the primary use, it meets the accessory use controls in the Planning Code. Yet in actuality, the Botox use is the main focus of the store, likely bring in the most customers and revenue. The provision proposed in this Ordinance will close what is a potential loophole around the proposed controls for Medical Services.

Medical Service Uses in Other NCDs

The following table demonstrates how other Neighborhood Commercial Districts govern Medical Services:

Table 1: Medical Services in Neighborhood Commercial Districts

Name	Code Section	Medical Service		
		1 st Story	2 nd Story	3 rd Story
NC-1	710	P	-	-
NC-2	711	P	P	-
NC-3	712	P	P	P
NCS	713	P	P	#
Broadway	714	P	P	-
Castro Street	715	P	P	C
Inner Clement Street	716	P	C	-
Outer Clement Street	717	P	-	-
Upper Fillmore Street	718	P	P	-
Haight Street	719	-	C	-
Hayes-Gough	720	C	P	C
Upper Market Street	721	P	P	C
North Beach	722	P	P	C
Polk Street	723	P	P	-
Sacramento Street	724	#	-	-
Union Street	725	P	P	C
Valencia Street	726	P	C	-
24th Street-Mission	727	P	C	-
24th Street-Noe Valley	728	C	P	-
West Portal Avenue	729	C	P	-
Inner Sunset	730	C	C	-

NCT-3	731	P	P	P
Pacific Avenue	732	C	C	-
Upper Market Street NCT	733	P	P	C
NCT-1	733A	P	-	-
NCT-2	734	P	-	-
SOMA NCT	735	P	P	-
Mission Street NCT	736	P	P	P
Ocean Avenue NCT	737	P	P	-
Glenn Park NCT	738	P	P	-
Noriega Street	739	P	P	-
Irving Street	740	P	P	-
Taraval Street	741	P	P	-
Judah Street	742	P	P	-
Folsom Street	743	P	-	-
Regional Commercial	744	P	-	-
Excelsior Outer Mission Street	745	P	P	P
Divisadero Street NCT	746	P	P	-
Fillmore Street NCT	747	P	P	P
Japan NCD	748	C	P	P

As the table demonstrates, Medical Services are governed differently depending on the NCD- the proposed changes to Medical Services in the Sacramento NCD are not unique or overly prohibitive as compared to other districts.

RECOMMENDATION

The Department recommends that the Commission recommend *approval* the proposed Ordinance and adopt the attached Draft Resolution to that effect.

BASIS FOR RECOMMENDATION

The Department supports the goals of this ordinance because it provides a path for Medical Services that is not overly restrictive and provides enough oversight on the ground floor by requiring CU authorization. Recognizing that the neighborhood is losing a large Institution (CPMC) proving more spaces for Medical Services could be beneficial. Further, the proposed ordinance closes a significant loophole and ineffective land use control in the Sacramento Street NCD created by the 2013 legislation, which allowed Business or Professional Service to convert to a Medical Service use.

REQUIRED COMMISSION ACTION

The proposed Ordinance is before the Commission so that it may recommend adoption, rejection, or adoption with modifications to the Board of Supervisors.

IMPLEMENTATION

The Department determined that this ordinance will not impact our current implementation procedures.

ENVIRONMENTAL REVIEW

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c)(2) 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 spoken to Traci Teraoke who manages the Sacramento Street Merchants website. She provided her own mix of business of the Sacramento NCD which is provided as Exhibit B.

RECOMMENDATION: Recommendation of Approval
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Attachments:

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: Business Mix of Sacramento Street provided by Traci Teraoke
- Exhibit C: Board of Supervisors File No. 160656