

**REVISED LEGISLATIVE DIGEST**

(Amended in Board, 10/30/2018)

[Planning Code - Mission Alcoholic Beverage Special Use District and Mission Street Neighborhood Commercial Transit District]

**Ordinance amending the Planning Code to require Conditional Use Authorization for Restaurants and prohibit new ABC License Type-75 establishments within a subarea of the Mission Alcoholic Beverage Special Use District; to establish limits on the number of eating and drinking establishments, require Conditional Use Authorization for replacing Legacy Businesses and new bars, prohibit mergers of commercial space resulting in greater than 1,500 gross square feet, require ground-floor non-residential tenant space for large projects, and expand Philanthropic Service and Light Manufacturing uses in the Mission Street Neighborhood Commercial Transit District; 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.**

Existing Law

Mission Alcoholic Beverage Special Use District

The Mission Alcoholic Beverage Special Use District (“SUD”) does not require Conditional Use authorization for Restaurants. The SUD does not have any controls for new establishments with ABC License Type 75—places that brew a limited amount of beer and serve food, wine, beer, and distilled spirits—or relocation of such establishments within the SUD.

On January 9, 2018, the Board of Supervisors adopted Resolution No. 6-18, which extended interim controls requiring Conditional Use authorization for proposed new Restaurant uses within a subarea of the SUD (the interim control’s subarea boundaries are 13th, Duboce, and Division Streets to the north, Mission Street to the west, Cesar Chavez Street to the south, and Potrero Avenue to the east).

Mission Street Neighborhood Commercial Transit District

The Mission Street Neighborhood Commercial Transit District (“Mission NCT”) does not contain any restrictions on ground floor commercial mergers or replacement of Legacy Businesses. Light Manufacturing Uses and Philanthropic Administrative Services are not permitted in the Mission NCT. There is no cap on the total number of eating and drinking uses (Restaurants, Limited Restaurants, and Bars) in the Mission NCT. Bars are permitted on the first and second floors within the Mission NCT.

### Amendments to Current Law

#### Mission Alcoholic Beverage Special Use District

The Proposed Legislation would create a subarea within the SUD encompassing all parcels east of the western boundary of the Mission NCT and north of Cesar Chavez Street. Within this subarea, new Restaurants are required to get a Conditional Use authorization from the Planning Commission. The Proposed Legislation also prohibits new ABC License Type 75 establishments from opening within the subarea. Existing ABC License Type 75 establishments—those already in the SUD prior to the Effective Date of the legislation—may relocate within the SUD.

#### Mission Street Neighborhood Commercial Transit District

The Proposed Legislation would prohibit commercial mergers on ground floor spaces that would result in greater than 1,500 gross square feet of merged space. The prohibition does not apply to mergers where the merged space will serve a Legacy Business, Arts Activities Use, or Institutional Use.

The Proposed Legislation would create a new requirement for projects larger than 10,000 square feet. These large projects shall be required to provide space, up to 1,500 gross square feet, for non-residential tenant use on the ground floor with immediate access to the street.

The Proposed Legislation would require a Conditional Use authorization to replace a Legacy Business within the Mission NCT. The Proposed Legislation mandates that the Planning Commission, in granting a Conditional Use, must find that the use supports at least three of the four purposes of the Mission NCT.

The Proposed Legislation updates the District Zoning Controls Table to: (a) allow Light Manufacturing on all floors throughout the Mission NCT; (b) cap the total number of eating and drinking uses at 167 establishments within the Mission NCT; (c) pursuant to the changes in the SUD, require that Restaurants receive a Conditional Use authorization; (d) new Bars on the first or second story require Conditional Use authorization; and (e) allow Philanthropic Administrative Services on the third floor and above throughout the Mission NCT (subject to a limit of 2,500 square feet per use).

### Background Information

The Proposed Legislation implements key objectives of the Mission Action Plan 2020 (“MAP2020”). MAP2020 is a community-initiated effort that began in 2015 as a collaborative process between community advocates. The MAP2020 effort recognizes the Mission District’s array of nonprofit service providers, cultural institutions, and small legacy

businesses, and the unintended consequences of a rebounding economy causing displacement of many long-time residents and businesses. The Proposed Legislation is aimed at addressing MAP2020's objectives to protect and promote: (1) small neighborhood-serving retail by limiting large commercial mergers, requiring space for non-residential tenant use, and requiring Conditional Use authorizations for replacing Legacy Businesses; (2) light-industrial businesses by allowing Light Manufacturing within the Mission NCT; and (3) a suitable number of alcohol-serving establishments in the Mission District by capping the number of eating and drinking establishments within the Mission NCT, requiring Conditional Use authorization for new Restaurants and Bars and prohibiting new ABC License Type 75 establishments within a subarea of the SUD.

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