



# SAN FRANCISCO PLANNING DEPARTMENT

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July 13, 2018

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

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

Reception:  
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Planning  
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**Re: Transmittal of Planning Department Case Number 2018-007346PCA:  
Permit Review Procedures and Zoning Controls – Neighborhood Commercial  
Districts in Supervisorial Districts 4 and 11  
Board File No. 180482  
Planning Commission Recommendation: Approval with Modification**

Dear Ms. Calvillo and Supervisors Tang and Safai,

On July 12, 2018, the Planning Commission conducted duly noticed public hearing at regularly scheduled meetings to consider the proposed Ordinance, introduced by Supervisors Tang and Safai that would create a two-year pilot program removing public notice and Planning Commission review for certain uses in Neighborhood Commercial Districts in Supervisorial Districts 4 and 11 as well as modify zoning controls for certain uses in those Supervisorial Districts. At the hearing the Planning Commission recommended approval with modification.

The Commission's proposed modifications were as follows:

- Principally permit the following Institutional Uses within the Excelsior Outer Mission Street NCD at all stories:
  - Community facility
  - Job Training
  - Philanthropic Facility
  - Private Community Facility
  - Religious Institution
  - Social Service
- Principally permit Arts Activities uses at the first story and require Conditional Use authorization at the second story and above in the named Neighborhood Commercial Districts completely within Supervisorial District 4 (Irving Street Neighborhood Commercial District, Judah Street Neighborhood Commercial District, Noriega Street Neighborhood Commercial District, Taraval Street Neighborhood Commercial District).
- Include a reporting requirement to track the changes of use to the use types excepted from notification and from Planning Commission review request within Supervisorial Districts 4 and 11.
- Reconcile this Ordinance (BF 180482) with the Streamlining Ordinance (BF 180423).

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.

Supervisors, please advise the City Attorney at your earliest convenience if you wish to incorporate the changes recommended by the Commission.

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,



Aaron D. Starr  
Manager of Legislative Affairs

cc:

Austin M. Yang, Deputy City Attorney  
Menaka Mohan, Aide to Supervisor Tang  
Suhagey Sandoval, Aide to Supervisor Safai  
Erica Major, Office of the Clerk of the Board

Attachments:

Planning Commission Resolution  
Planning Department Executive Summary



# SAN FRANCISCO PLANNING DEPARTMENT

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## Planning Commission Resolution No. 20230 HEARING DATE JULY 12, 2018

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*Project Name:* Permit Review Procedures and Zoning Controls – Neighborhood Commercial Districts in Supervisorial Districts 4 and 11  
*Case Number:* 2018-007346PCA [Board File No. 180482]  
*Initiated by:* Supervisor Tang / Introduced May 8, 2018  
*Staff Contact:* Diego R Sánchez, Legislative Affairs  
diego.sanchez@sfgov.org, 415-575-9082  
*Reviewed by:* Aaron Starr, Manager of Legislative Affairs  
aaron.starr@sfgov.org, 415-558-6362

**RESOLUTION APPROVING A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO CREATE A TWO-YEAR PILOT PROGRAM REMOVING PUBLIC NOTICE AND PLANNING COMMISSION REVIEW FOR CERTAIN USES IN NEIGHBORHOOD COMMERCIAL DISTRICTS IN SUPERVISORIAL DISTRICTS 4 AND 11; MODIFYING ZONING CONTROLS FOR CERTAIN USES IN SUPERVISORIAL DISTRICTS 4 AND 11; AFFIRMING 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.**

WHEREAS, on May 8, 2018 Supervisor Tang introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 180482, which would amend the Planning Code to create a two-year pilot program removing public notice and Planning Commission review for certain uses in Neighborhood Commercial Districts in Supervisorial Districts 4 and 11; and modifying zoning controls for certain uses in Supervisorial Districts 4 and 11;

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on July 12, 2018; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15060(c) and 15378; 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

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed amendment; and

MOVED, that the Planning Commission hereby **approves with modifications** the proposed ordinance. The modifications include:

Principally permit the following Institutional Uses within the Excelsior Outer Mission Street NCD at all stories:

- a. Community Facility
- b. Job Training
- c. Philanthropic Facility
- d. Private Community Facility
- e. Religious Institution
- f. Social Service

Principally permit Arts Activities uses at the first story and require Conditional Use authorization at the second story and above in the named Neighborhood Commercial Districts completely within Supervisorial District 4 (Irving Street Neighborhood Commercial District, Judah Street Neighborhood Commercial District, Noriega Street Neighborhood Commercial District, Taraval Street Neighborhood Commercial District).

Include a reporting requirement to track the changes of use to the use types excepted from notification and from Planning Commission review request within Supervisorial Districts 4 and 11.

Reconcile this Ordinance (BF 180482) with the Streamlining Ordinance (BF 180423).

## 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. Reducing permit review times for uses that are principally permitted or are identified as drivers of economic growth is beneficial to the City's retail corridors.
2. Further, individually tailoring the land use controls for specific neighborhoods helps the NCDs respond to the needs of adjacent residents.
3. The Commission believes that Institutional uses have an integral role in the health of the City's residents and retail corridors. Facilitating their entry into the City's NCDs, and especially at the

street level, is paramount. Land use controls on Institutional uses be most permissive at the first story.

- 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 6**

MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.

**Policy 6.1**

Ensure and encourage the retention and provision of neighborhood-serving goods and services in the city’s neighborhood commercial districts, while recognizing and encouraging diversity among the districts.

**Policy 6.2**

Promote economically vital neighborhood commercial districts which foster small business enterprises and entrepreneurship and which are responsive to economic and technological innovation in the marketplace and society.

*The proposed Ordinance would help attract neighborhood serving uses, like eating and drinking uses, to the NCDs in Supervisorial District 4 and Supervisorial District 11 by reducing permit review timelines. These uses are often small businesses responding to the latest changes in the marketplace.*

**COMMUNITY FACILITIES ELEMENT**

**OBJECTIVE 3**

ASSURE THAT NEIGHBORHOOD RESIDENTS HAVE ACCESS TO NEEDED SERVICES AND A FOCUS FOR NEIGHBORHOOD FOR NEIGHBORHOOD ACTIVITIES.

**Policy 3.1**

Provide neighborhood centers in areas lacking adequate community facilities.

**Policy 3.3**

Develop centers to serve an identifiable neighborhood.

**Policy 3.4**

Locate neighborhood centers so they are easily accessible and near the natural center of activity.

*The proposed Ordinance would amend land use controls on institutional uses to assure that compatible neighborhood centers are allowed within the Excelsior Outer Mission NCD.*

**BALBOA PARK STATION AREA PLAN**

**OBJECTIVE 1.3**

ESTABLISH AN ACTIVE, MIXED-USE NEIGHBORHOOD AROUND THE TRANSIT STATION.



**Policy 1.3.2**

Encourage centers for cultural enrichment in the Transit Station Neighborhood.

*The proposed Ordinance would facilitate the entry of Arts Activity uses to the Balboa Park Station Area Plan by reducing permit review time lines for these uses in the Small Scale Neighbor Hood Commercial Transit District (NCT-2) zoning districts*

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 will benefit neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail because the Ordinance proposes to relax land use controls on neighborhood serving retail uses.*

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 and will improve neighborhood character because it proposes land use controls that will benefit both.*

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 because the proposed Ordinance concerns itself with retail land use controls.*

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 because the Ordinance amends regulations on retail land uses.*

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

*The proposed Ordinance will not have an adverse effect on City's preparedness against injury and loss of life in an earthquake because the Ordinance proposes to amend land use controls on retail uses.*

7. That the landmarks and historic buildings be preserved;

*Because the Ordinance proposes only to amend controls land use controls on retail uses within specific NCDs, the Ordinance will 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 because the Ordinance proposes changes to land use controls regulating retail uses in specific NCDs.*

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 APPROVES WITH MODIFICATIONS the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on July 12, 2018.



Jonas P. Ionin  
Commission Secretary

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

NOES: None

ABSENT: Fong

ADOPTED: July 12, 2018



# SAN FRANCISCO PLANNING DEPARTMENT

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## Executive Summary Planning Code Text Amendment

HEARING DATE: JULY 12, 2018

90-DAY DEADLINE: AUGUST 14, 2018

1650 Mission St.  
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San Francisco,  
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*Project Name:* **Permit Review Procedures and Zoning Controls – Neighborhood Commercial Districts in Supervisorial Districts 4 and 11**

*Case Number:* **2018-007346PCA** [Board File No. 180482]

*Initiated by:* Supervisor Tang / Introduced May 8, 2018

*Staff Contact:* Diego R Sánchez, Legislative Affairs  
diego.sanchez@sfgov.org, 415-575-9082

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

*Recommendation:* **Approval with Modifications**

### PLANNING CODE AMENDMENT

The proposed Ordinance would amend the Planning Code to create a two-year pilot program removing public notice and Planning Commission review for certain uses in Neighborhood Commercial Districts in Supervisorial Districts 4 and 11. The Ordinance would also modify zoning controls for certain uses in Supervisorial Districts 4 and 11.

#### The Way It Is Now:

1. In Supervisorial Districts 4 and 11 the following uses are subject to notification and requests for Planning Commission review to exercise its Discretionary Review powers pursuant to Planning Code Section 312: Adult Business, Bar, Cannabis Retail, General Entertainment, Group Housing, Limited Restaurant, Liquor Store, Massage Establishment, Medical Cannabis Dispensary, Nighttime Entertainment, Outdoor Activity Area, Post-Secondary Educational Institution, Private Community Facility, Public Community Facility, Religious Institution, Restaurant, Residential Care Facility, School, Tobacco Paraphernalia Establishment, Trade School
2. In the Neighborhood Commercial Cluster (NC-1) Districts Arts Activities uses are not permitted at any story; Bar uses are principally permitted at the first story if they are located more than one-fourth mile from any NC District or Restricted Use Subdistrict with more restrictive controls; and Liquor Store uses are principally permitted at the first story. *(See Exhibit B for Summary Chart)*
3. In the Small-Scale Neighborhood Commercial (NC-2) Districts Arts Activities uses are not permitted at any story; Bar uses are principally permitted at the first story; Liquor Store uses are principally permitted at the first story; and Foot/Chair Massage uses are principally permitted at the first story. *(See Exhibit B for Summary Chart)*
4. In the Excelsior Outer Mission Street Neighborhood Commercial District, Arts Activities are prohibited at all stories; Passive Outdoor Recreation uses requires Conditional Use authorization at all stories; Community Facility uses, Job Training uses, Philanthropic Facility uses, Private Community Facility uses, Religious Institution uses, and Social Service uses are principally permitted



at all stories; Animal Hospital uses are allowed at the first and second stories with Conditional Use authorization and prohibited at the third story; Foot/Chair Massage uses are principally permitted at the first story, allowed with Conditional Use authorization at the second story and prohibited at the third story and above; Restaurant uses are prohibited at the third story and above; Limited Financial Services are principally permitted at the first and second stories and prohibited at the third story and above; and Personal Service uses operating as a salon and/or providing cosmetic services are principally permitted at all stories. *(See Exhibit B for Summary Chart)*

5. In the Noriega Street, Irving Street, Taraval Street, and Judah Street Neighborhood Commercial Districts Foot/Chair Massage is principally permitted at the first story.

### The Way It Would Be:

1. In Supervisorial Districts 4 and 11 the following uses would be exempted from notification and requests for Planning Commission review to exercise its Discretionary Review powers pursuant to Planning Code Section 312 for a period of 24 months after the effective date of the Ordinance: Bar, General Entertainment Limited Restaurant, Liquor Store, Massage Establishment, Nighttime Entertainment, Outdoor Activity Area, Private Community Facility, Public Community Facility, Restaurant, Tobacco Paraphernalia Establishments
2. In the Neighborhood Commercial Cluster (NC-1) Districts in Supervisorial District 4, Arts Activities uses would be principally permitted at the first story and require Conditional Use authorization at the second story and above; Bar uses would require Conditional Use authorization at the first story; and Liquor Store uses would require Conditional Use authorization at the first story. *(See Exhibit B for Summary Chart)*
3. In the Small-Scale Neighborhood Commercial (NC-2) Districts in Supervisorial District 4, Arts Activities would be principally permitted at the first story and require Conditional Use authorization at the second story and above; Bars would require Conditional Use authorization at the first story; Liquor Store uses would require Conditional Use authorization at the first story; and Foot/Chair Massage uses would require Conditional Use authorization at the first story. *(See Exhibit B for Summary Chart)*
4. In the Excelsior Outer Mission Street Neighborhood Commercial District, Arts Activities and Passive Outdoor Recreation uses would be principally permitted at all stories; Community Facility uses, Private Community Facility uses and Religious Institution uses would require Conditional Use authorization at all stories; Job Training uses, Philanthropic Facility uses and Social Service uses would be prohibited at the first story and principally permitted at the second story and above; Animal Hospital uses would be principally permitted at the first and second stories; Foot/Chair Massage would be allowed with Conditional Use authorization at all stories; Restaurant uses would be principally permitted at all stories; Limited Financial Services would be allowed with Conditional Use authorization at all stories; and Personal Service uses operating as a salon and/or providing cosmetic services would require Conditional Use authorization at all stories. *(See Exhibit B for Summary Chart)*
5. In the Noriega Street, Irving Street, Taraval Street, and Judah Street Neighborhood Commercial Districts Foot/Chair Massage would require Conditional Use authorization at the first story

## ISSUES AND CONSIDERATIONS

### Planning Code Section 312

#### Purpose and Procedures

The purpose of Planning Code Section 312 is to establish procedures for reviewing building permit applications (BPAs) in the City's Neighborhood Commercial Districts (NCDs). These procedures help determine compliance of proposed uses with Planning Code development standards. They also serve to provide written notice of the proposal. Written notice is sent to property owners and occupants within 150 feet of the project site as well as to interested neighborhood organizations.<sup>1</sup>

BPAs subject to Section 312 cannot be approved over the counter. These BPAs require Planning Department staff (Staff) review and coordination with Planning Department administrative staff to conduct the required notice. This process, given existing Staff workload and the 30 day notice period, often takes 90 to 120 days to complete. While this is shorter than the typical Conditional Use authorization (CU) process, it seems lengthy for applicants especially for uses identified in the Planning Code as principally permitted. The required permit review period can also be extended if a request for Discretionary Review (DR) is filed. Given the required Staff analysis and Planning Commission hearing, a DR can add another 90 days to the permit review period for a principally permitted use.

#### Uses Subject to Planning Code Section 312

When first enacted, neighborhood notice was required for all BPAs proposing a change of use in the NCDs.<sup>2</sup> Shortly after, these requirements were circumscribed to subject only twelve uses to Section 312 notice.<sup>3</sup> Today the 20 uses listed below require notification within the NCDs. It is relevant to note that the number of uses subject to Section 312 has changed over time, according to the needs of the day.

- Adult Business
- Bar
- Cannabis Retail
- General Entertainment
- Group Housing
- Limited Restaurant
- Liquor Store

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<sup>1</sup> Board File 180423, which proposes changes to the Planning Code notification procedures and which will be before the Mayor for signature, maintains the notification to property owners and occupants within 150 feet of the project site as well as to relevant neighborhood organizations for permit review in the City's NCDs.

<https://sfgov.legistar.com/View.ashx?M=F&ID=6333993&GUID=F0EE1B72-41D5-4192-A268-A63EEBB24DD0>

<sup>2</sup> Ordinance No. 279-00

<https://sfgov.legistar.com/View.ashx?M=F&ID=2581135&GUID=B71B45D5-4601-46E7-A984-686A2676DCDD>

<sup>3</sup> Ordinance No. 258-04

<https://sfgov.legistar.com/View.ashx?M=F&ID=2579122&GUID=1279D410-9687-4FB3-8F28-21463DD731FD>

- Massage Establishment
- Medical Cannabis Dispensary
- Nighttime Entertainment
- Outdoor Activity Area
- Post-Secondary Educational Institution
- Private Community Facility
- Public Community Facility
- Religious Institution
- Residential Care Facility
- Restaurant
- School
- Tobacco Paraphernalia Establishment
- Trade School

### Single and Dual Notification

In certain zoning districts, uses subject to Section 312 also require CU. This means that property owners within 300 feet of the project site will also be noticed, in accordance with the CU notice requirements.<sup>4</sup> This is in addition to, and concurrent with, providing written notice in accordance with Section 312.

It is important to note that some uses requiring CU may either not be subject to or are exempted from the Section 312 notice requirements. In these cases the proposed project will still have to undergo the CU required neighborhood notification process and the mandatory Planning Commission hearing.

### **The Intent and Amendment of Neighborhood Commercial Districts**

#### Intent of the Neighborhood Commercial Districts

In 1987 the Planning Code was amended to create the Neighborhood Commercial Districts. The NCDs are intended to manage the health and growth of the City's retail corridors by striking a balance between the different types of uses allowed.<sup>5</sup> To this end, a stated purpose of the NCDs is to allow the application of particular controls to each NCD to address their specific land use issues.<sup>6</sup>

The concern for balance between different types of uses extends beyond the street level to include the building stories above. Story controls, an important innovation of the NCDs, allow the application of zoning controls to particular building floors. These controls help direct specific uses to locations where they make the most sense. For example, uses that depend upon or readily attract foot traffic are appropriate for the street level. Locating these types of uses at the street level can provide benefits to other uses, as patrons to these establishments may easily visit nearby businesses. Other uses that can subsist on an appointment basis may be better suited to commercial spaces above the street.

#### Amending the NCDs

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<sup>4</sup> Planning Code Section 306.3, Notice of Hearings

<sup>5</sup> Ordinance 69-87

<sup>6</sup> Planning Code Section 701.1(c)

San Francisco's neighborhoods are generally served by one or more NCD. Because neighborhood residents depend on these retail corridors for goods and services, it makes sense to periodically amend the NCD land use controls. Amendments should reflect the adjacent resident's changing needs and assure the corridor's on-going health. For example, if an overconcentration of one particular use type emerges, amending the land use controls to require CU for the use can help achieve a balance between competing uses. Conversely, when a retail corridor is lacking a particular use it makes sense to relax land use controls and help facilitate the entry of that use. Since the concentration of uses within NCDs is typically unique, and because the needs of adjacent residents can also be distinct, the specific amendments are also often distinct.

### **Trends in the Retail Sector**

In 2018, the San Francisco Office of Economic and Workforce Development (OEWD) released the State of the Retail Sector: Challenges and Opportunities for San Francisco's Neighborhood Commercial Districts report (Report).<sup>7</sup> Very broadly, the Report looked at changing national retail trends and their effect upon the City's NCDs. It provided an in-depth look at three topics: the restructuring of the retail sector; the factors required to support successful retail corridors in San Francisco; and the opportunities and challenges facing San Francisco retail establishments and the possible adaptations.

With respect to the factors required to support a successful retail corridor the Report found five factors that support success. These factors are: Trade Area Characteristics, Anchors and Mix of Uses, Physical Form and Built Environment, Transportation and Access, and District Management and Capacity.

The Report highlights the importance of anchors and mixes of retail and non-retail uses because they generate foot traffic. An anchor is a use, retail or non-retail, which attracts foot traffic to the retail corridor. Anchors include grocery stores, a cluster of related retail stores or eating and drinking uses, or a civic, cultural, entertainment or institutional use. Regarding a mix of uses, the Report recommends a retail corridor include goods and services that serve daily needs as well as for comparison shopping; personal services, eating and drinking uses, and entertainment uses; independent and Formula Retail uses; ground floor uses that reflect community character; affordable neighborhood-serving goods, services, and experiences; and some amount of office and housing uses. This mix is recommended because businesses rely on each other and other uses to generate foot traffic. For example, an individual may come to a retail corridor to buy groceries or attend a cultural event, but also stay to shop at other corridor businesses. It is important that a retail corridor capture this synergy between establishments, be they anchors or otherwise.

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<sup>7</sup> State of the Retail Sector: Challenges and Opportunities for San Francisco's Neighborhood Commercial Districts Strategic Economics

Executive Summary, January 2018

[http://oewd.org/sites/default/files/Invest%20In%20Neighborhoods/State%20of%20the%20Retail%20Sector%20-%20Executive%20Summary\\_0.pdf](http://oewd.org/sites/default/files/Invest%20In%20Neighborhoods/State%20of%20the%20Retail%20Sector%20-%20Executive%20Summary_0.pdf)

Final Report, February 15, 2018

<http://oewd.org/sites/default/files/Invest%20In%20Neighborhoods/State%20of%20the%20Retail%20Sector%20-%20Final%20Report.pdf>

Modifying a retail corridor's land use controls to facilitate the entry of anchor tenants and to create a healthy mix of uses can help assure its success. This would include judiciously applying the CU requirement on retail and institutional uses since they serve to attract patrons to the retail corridor. It also can include exempting these uses from Section 312 neighborhood notice or from prohibitions. This is especially true for land use controls on street level uses, since they are most visible and accessible to foot traffic.

### **Institutional Uses**

Under the Planning Code the following uses are included as Institutional Uses:<sup>8</sup>

- Community Facility
- Private Community Facility
- Job Training
- Religious Institution
- Social Service or Philanthropic Facility

These uses provide health, occupational/educational, cultural, social, or recreational services. These uses can become important pillars to a community and can serve as a focus of community activity and social interaction. They are also generators of foot traffic, which benefits other retail or commercial uses in their vicinity.

Convenient access to Institutional uses improves quality of life for nearby residents. The City's General Plan recognizes the value of these community serving uses in the Community Facilities Element.<sup>9</sup> The Community Facilities Element assumes that quality of community life is enhanced when services and facilities that meet diverse human needs are readily available. It also assumes that meeting social needs and enriching human life requires the development of adequate and flexible facilities to house needed services.

In this light, it makes sense to tailor land use controls to preserve and enhance existing community serving Institutional uses. It is also important to allow new Institutional uses in a neighborhood's central corridor to help meet unmet needs. The locational criteria in the Community Facilities Element support siting these uses in these areas. Principally permitting these uses in lieu of requiring Conditional Use authorization or prohibiting them can accomplish this. Because the street level is most visible and conveniently accessible, it is especially critical that land use controls are most relaxed at the first story for Institutional uses.

### **General Plan Compliance**

#### Commerce and Industry Element

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<sup>8</sup> Planning Code Section 102

<sup>9</sup> San Francisco General Plan, Community Facilities Element, Objective 3: Assure that neighborhood residents have access to needed services and a focus for neighborhood activities.



**Objective 6:** Maintain and strengthen viable neighborhood commercial areas easily accessible to City residents.

**Policy 6.1:** Ensure and encourage the retention and provision of neighborhood-serving goods and services in the city's neighborhood commercial districts, while recognizing and encouraging diversity among the districts

**Policy 6.2:** Promote economically vital neighborhood commercial districts which foster small business enterprises and entrepreneurship and which are responsive to economic and technological innovation in the marketplace and society

*The proposed Ordinance would help attract neighborhood serving uses, like eating and drinking uses, to the NCDs in Supervisorial District 4 and Supervisorial District 11 by reducing permit review timelines. These uses are often small businesses responding to the latest changes in the marketplace.*

#### Community Facilities Element

**Objective 3:** Assure that neighborhood residents have access to needed services and a focus for neighborhood activities

**Policy 3.1:** Provide neighborhood centers in areas lacking adequate community facilities.

**Policy 3.3:** Develop centers to serve an identifiable neighborhood

**Policy 3.4:** Locate neighborhood centers so they are easily accessible and near the natural center of activity.

*The proposed Ordinance would amend land use controls on institutional uses to assure that compatible neighborhood centers are allowed within the Excelsior Outer Mission NCD*

#### Balboa Park Station Area Plan

**Objective 1.3:** Establish an active, mixed-use neighborhood around the transit station

**Policy 1.3.2:** Encourage centers for cultural enrichment in the Transit Station Neighborhood.

*The proposed Ordinance would facilitate the entry of Arts Activity uses to the Balboa Park Station Area Plan by reducing permit review time lines for these uses in the Small Scale Neighbor Hood Commercial Transit District (NCT-2) zoning districts.*

#### **Implementation**

The Department has determined that the Ordinance will have no adverse effect on our current implementation procedures for non-residential projects.

#### **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. Principally permit the following Institutional Uses within the Excelsior Outer Mission Street NCD at all stories:
  - a. Community Facility
  - b. Job Training
  - c. Philanthropic Facility
  - d. Private Community Facility

- e. Religious Institution
- f. Social Service

## **BASIS FOR RECOMMENDATION**

The Department supports the overall goals of the Ordinance. Reducing permit review times for uses that are principally permitted or are identified as drivers of economic growth is beneficial to the City's retail corridors. Further, individually tailoring the land use controls for specific neighborhoods helps the NCDs respond to the needs of adjacent residents. The Department, however, believes that Institutional uses have an integral role in the health of the City's residents and retail corridors. Facilitating their entry into the City's NCDs, and especially at the street level, is paramount. To this end the Department is making the following recommendation:

**Recommendation 1: Amend Planning Code Section 720 to principally permit certain Institutional Uses in the Excelsior Outer Mission NCD at all stories.** Institutional uses provide valuable services to the City's residents and also serve as gathering places for many communities. As noted in OEWD's report on the retail sector, Institutional uses can serve as retail corridor anchors, improving the prospects for other businesses in an NCD. Further, the City's General Plan also highlights the importance of Institutional uses to the City's residents and encourages their location within a community's center of activity. It is reasonable that given the visibility and convenient access of street level spaces that land use controls on Institutional uses be most permissive at the first story.

## **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: Summary Charts of Existing Land Use Controls and Proposed Changes
- Exhibit C: Board of Supervisors File No. 180482