

File No. 211093 Committee Item No. 2
 Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS
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Committee: Land Use and Transportation Committee Date January 10, 2022

Board of Supervisors Meeting Date _____

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Completed by: Erica Major Date January 6, 2022
 Completed by: Erica Major Date _____

1 [Planning Code - Castro Street Neighborhood Commercial District]

2

3 **Ordinance amending the Planning Code to conditionally permit Bars in the Castro**
4 **Street Neighborhood Commercial District; affirming the Planning Department’s**
5 **determination under the California Environmental Quality Act; making findings of**
6 **consistency with the General Plan, and the eight priority policies of Planning Code,**
7 **Section 101.1.; and making findings of public necessity, convenience, and welfare**
8 **under Planning Code, Section 302.**

9 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
10 **Additions to Codes** are in *single-underline italics Times New Roman font*.
11 **Deletions to Codes** are in ~~*strikethrough italics Times New Roman font*~~.
12 **Board amendment additions** are in double-underlined Arial font.
13 **Board amendment deletions** are in ~~strikethrough Arial font~~.
14 **Asterisks (* * * *)** indicate the omission of unchanged Code
15 subsections or parts of tables.

13

14 Be it ordained by the People of the City and County of San Francisco:

15

16 Section 1. Environmental and Land Use Findings.

17 (a) The Planning Department has determined that the actions contemplated in this
18 ordinance comply with the California Environmental Quality Act (California Public Resources
19 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of
20 Supervisors in File No. 211093 and is incorporated herein by reference. The Board affirms
21 this determination.

22 (b) On December 16, 2021, the Planning Commission, in Resolution No. 21053,
23 adopted findings that the actions contemplated in this ordinance are consistent, on balance,
24 with the City’s General Plan and eight priority policies of Planning Code Section 101.1. The
25

1 Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of
2 the Board of Supervisors in File No. 211093, and is incorporated herein by reference.

3 (c) Pursuant to Planning Code Section 302, the Board of Supervisors finds that this
4 ordinance will serve the public necessity, convenience, and welfare for the reasons set forth in
5 Planning Commission Resolution No. 21053, and incorporates such reasons by this reference
6 thereto. A copy of said resolution is on file with the Clerk of the Board of Supervisors in File
7 No. 211093.

8

9 Section 2. The Planning Code is hereby amended by revising Section 715, to read as
10 follows:

11 **SEC. 715. CASTRO STREET NEIGHBORHOOD COMMERCIAL DISTRICT.**

12 (a) **The Castro Street District.** The Castro Street District is situated in Eureka Valley,
13 close to the geographic center of San Francisco between the Mission District, Twin Peaks,
14 and Upper Market Street. * * * *

15 (b) **Intent of Controls.** The Castro Street District controls are designed to maintain
16 existing small-scale development and promote a balanced mix of uses. Building standards
17 permit small-scale buildings and uses and protect rear yards above the ground story and at
18 residential levels. In new buildings, most commercial uses are permitted at the ground and
19 second stories. Special controls are necessary to preserve the existing equilibrium of
20 neighborhood-serving convenience and specialty commercial uses. In order to maintain
21 convenience stores and protect adjacent residential livability, controls authorize some
22 additional ~~eating and~~ drinking establishments with a conditional use, permit self-service
23 specialty food establishments, and permit with certain limitations new late-night uses, adult
24 and other entertainment, and financial service uses. The continuous retail frontage is
25 maintained by prohibiting most automobile and drive-up uses. Housing development in new

1 buildings is encouraged above the second story. Existing housing units are protected by
 2 limitations on demolitions and upper-story conversions. Accessory Dwelling Units are
 3 permitted within the district pursuant to Subsection 207(c)(4) of this Code.

4
 5 **Table 715. CASTRO STREET NEIGHBORHOOD COMMERCIAL DISTRICT**
 6 **ZONING CONTROL TABLE**

Zoning Category	§ References	Controls		
* * * *				
NON-RESIDENTIAL STANDARDS AND USES				
* * * *				
		Controls by Story		
		1st	2nd	3rd+
* * * *				
Sales and Service Use Category				
Retail Sales and Service Uses*	§§ 102, 202.2(a)	P	P	NP
* * * *				
Bar	§§ 102, 202.2(a)	<u>NP</u>	<u>NP</u>	NP
* * * *				

22
 23 Section 3. Effective Date. This ordinance shall become effective 30 days after
 24 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
 25

LEGISLATIVE DIGEST

[Planning Code – Castro Street Neighborhood Commercial District]

Ordinance amending the Planning Code to conditionally permit Bars in the Castro Street Neighborhood Commercial District; 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 under Planning Code, Section 302.

Existing Law

Currently, bars (as defined in the Planning Code) are not permitted in the Castro Street Neighborhood Commercial District.

Amendments to Current Law

This ordinance would amend the zoning control table for the Castro Street Neighborhood Commercial District to conditionally permit bar uses on the first and second story. Bars would continue to be not permitted on the third story.

Background Information

The Planning Code defines Bar as “a Retail Sales and Service Use that provides on-site alcoholic beverage sales for drinking on the premises, including bars serving beer, wine, and/or liquor to the customer where no person under 21 years of age is admitted (with Alcoholic Beverage Control [ABC] license types 23, 42, 48, or 61), drinking establishments serving beer where minors are present (with ABC license types 40 or 60) in conjunction with other uses such as Movie Theaters and General Entertainment, and bars serving wine operated by licensed winegrowers (with ABC license type 02). . . . A non-profit theater that provides on-site alcoholic beverage sales only for consumption by ticket-holding patrons on the premises, with ABC license type 64, shall not be considered a Bar use.”

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January 7, 2022

Ms. Angela Calvillo, Clerk
Honorable Supervisor Mandelman
Board of Supervisors
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 2021-010875PCA:
Bars in the Castro Street Neighborhood Commercial District.
Board File No. 211093

Planning Commission Recommendation: Approval with Modification

Dear Ms. Calvillo and Supervisor Mandelman,

On December 16, 2022, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance, introduced by Supervisor Mandelman that would amend the Planning Code to conditionally permit Bars in the Castro Street Neighborhood Commercial District. At the hearing the Planning Commission recommended approval.

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.

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: Audrey Pearson, Deputy City Attorney
Jacob Bintliff, Aide to Supervisor Mandelman
Erica Major, Office of the Clerk of the Board

Attachments :

Planning Commission Resolution

Planning Department Executive Summary



PLANNING COMMISSION RESOLUTION NO. 21053

HEARING DATE: DECEMBER 16, 2021

Project Name: Bars in the Castro Street Neighborhood Commercial District.
Case Number: 2021-010875PCA [Board File No. 211093]
Initiated by: Supervisor Mandelman / Introduced October 19, 2021
Staff Contact: Audrey Butkus, Legislative Affairs
Audrey.Butkus@sfgov.org, 628-652-7534
Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533

RESOLUTION APPROVING A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO CONDITIONALLY PERMIT BARS IN THE CASTRO STREET NEIGHBORHOOD COMMERCIAL DISTRICT; ADOPTING FINDINGS, INCLUDING ENVIRONMENTAL FINDINGS, PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.

WHEREAS, on October 19, 2021 Supervisor Mandelman introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 211093 which would amend the Planning Code to conditionally permit Bars in the Castro Street Neighborhood Commercial District;

WHEREAS, The Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on December 16, 2021; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Sections 15378 and 15060(c); 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 49 South Van Ness Avenue, Suite 1400, 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** the proposed ordinance. The Commission's proposed recommendation(s) is/are as follows:

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:

The Commerce and Industry Element of the General Plan calls for managing economic growth and change to ensure enhancement of the total city environment, maintaining a sound and diverse economic base and fiscal structure, and providing expanded employment opportunities for city residents. Policies 2.1 and 2.3 focus on retaining commercial activity and attracting new activity by fostering a favorable social and cultural climate. The proposed Ordinance assists in accomplishing these policy goals by allowing new commercial activity in the form of new Bars in the Castro NCD with a CUA. This added commercial activity will help maintain a favorable social and cultural climate in the Castro by adding to the variety in social gathering spaces available to visitors and residents.

General Plan Compliance

The proposed Ordinance is consistent with the following Objectives and Policies of the General Plan:

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 2

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 3.1

Promote the attraction, retention and expansion of commercial and industrial firms which provide employment improvement opportunities for unskilled and semi-skilled workers.

Policy 3.2

Promote measures designed to increase the number of San Francisco jobs held by San Francisco residents.

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 social gathering places available to residents and visitors alike.

OBJECTIVE 3

PROVIDE EXPANDED EMPLOYMENT OPPORTUNITIES FOR CITY RESIDENTS, PARTICULARLY THE UNEMPLOYED AND ECONOMICALLY DISADVANTAGED.

Policy 1.1

Encourage development which provides substantial net benefits and minimizes undesirable consequences.
Discourage development which has substantial undesirable consequences that cannot be mitigated.

The proposed Ordinance will facilitate the establishment of a type of use which often hires unskilled and semi-skilled workers from the local community.

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.

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 the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on December 16, 2021



Jonas P Ionin Digitally signed by Jonas P Ionin
Date: 2021.12.16 10:58:51 -0800

Jonas P. Ionin
Commission Secretary

AYES: Chan, Diamond, Fung, Imperial, Moore, Koppel

NOES: None

ABSENT: Tanner

ADOPTED: December 16, 2021



EXECUTIVE SUMMARY

PLANNING CODE TEXT AMENDMENT

HEARING DATE: December 16, 2021

90-Day Deadline: January 20, 2021

Project Name: Bars in the Castro Street Neighborhood Commercial District.
Case Number: 2021-010875PCA [Board File No. 211093]
Initiated by: Supervisor Mandelman / Introduced October 19, 2021
Staff Contact: Audrey Butkus, Legislative Affairs
Audrey.Butkus@sfgov.org, 628-652-7534
Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533

Recommendation: Approval

Planning Code Amendment

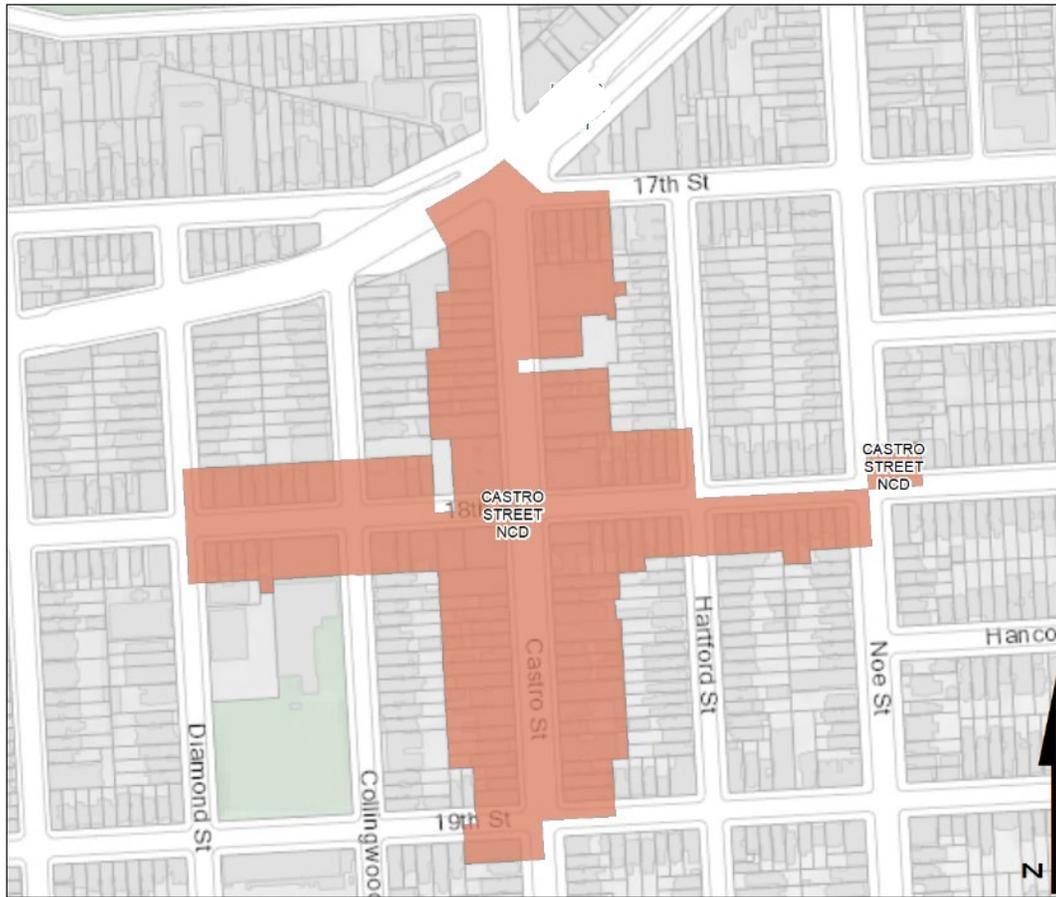
The proposed Ordinance would amend the Castro Neighborhood Commercial District (Castro St. NCD) to conditionally permit Bars.

The Way It Is Now:

Bars are not permitted (NP) in the Castro St. NCD.

The Way It Would Be:

Bars would be allowed with Conditional Use authorization (CUA) in the Castro St. NCD.



Issues and Considerations

Bar Definition

Planning Code Section 102 defines a “Bar” as:

A Retail Sales and Service Use that provides on-site alcoholic beverage sales for drinking on the premises, including bars serving beer, wine, and/or liquor to the customer where no person under 21 years of age is admitted (with Alcoholic Beverage Control [ABC] license types 23, 42, 48, or 61), drinking establishments serving beer where minors are present (with ABC license types 40 or 60) in conjunction with other uses such as Movie Theaters and General Entertainment, and bars serving wine operated by licensed winegrowers (with ABC license type 02). Such businesses shall operate with the specified conditions in Section 202.2(a). A non-profit theater that provides on-site alcoholic beverage sales only for consumption by ticket-holding patrons on the premises, with ABC license type 64, shall not be considered a Bar use.

Bars must also possess one of the following ABC license types:

LICENSE TYPE	DESCRIPTION
02 Winegrower (Winery)	Wine & Brandy produced by the license holder.
23 Small Beer Manufacturer (Brew Pub or Micro-Brewery)	Beer for production, produced by the license holder.
42 On Sale Beer & Wine (Bar)	Beer & wine only for a bar or tavern use (under 21 not allowed).
48 On Sale General (Bar, Nightclub)	Beer, wine, and spirits allowed for a bar or night club use (under 21 not allowed).
61 On Sale Beer (Bar)	Beer only for a bar or tavern use (under 21 not allowed).

Bars are allowed as accessory to a Movie Theater or General Entertainment use (*both of which are Permitted in the Castro St. NCD*), if they possess the following ABC license types:

LICENSE TYPE	DESCRIPTION
40 On Sale Beer	Beer only, sandwiches or snacks must be made available, minors allowed on premises.
60 On Sale Beer - Seasonal	Beer only, issued for a specific season with dates listed on the certificate, minors allowed on premises.

Nightclubs are *not* considered a Bar use. Nightclubs and other similar uses such as dance halls and discotheques are considered a Nighttime Entertainment use. Nighttime Entertainment uses currently require a CUA in the Castro St. NCD.

The Castro Street NCD

The Castro Street District is situated in Eureka Valley, close to the geographic center of San Francisco between the Mission District, Twin Peaks, and Upper Market Street. The physical form of the district is a crossing at Castro and 18th Streets, the arms of which contain many small, but intensely active commercial businesses. The multi-purpose commercial district provides both convenience goods to its immediate neighborhood as well as comparison shopping goods and services on a specialized basis to a wider trade area. Commercial businesses are active both in the daytime and late into the evening and include a number of gay-oriented bars and restaurants, as well as several specialty clothing and gift stores. The district also supports a number of offices in converted residential buildings.

The Castro Street District controls are designed to maintain existing small-scale development and promote a balanced mix of uses. Building standards permit small-scale buildings and uses and protect rear yards above the ground story and at residential levels. In new buildings, most commercial uses are permitted at the ground and

second stories. Special controls are necessary to preserve the existing equilibrium of neighborhood-serving convenience and specialty commercial uses. In order to maintain convenience stores and protect adjacent residential livability, controls authorize some additional eating and drinking establishments with a Conditional Use authorization, permit self-service specialty food establishments, and permit with certain limitations new late-night uses, adult and other entertainment, and financial service uses. The continuous retail frontage is maintained by prohibiting most automobile and drive-up uses. Housing development in new buildings is encouraged above the second story.

The Castro Street NCD was created in 1987 as one of the City's very first neighborhood commercial districts. Bars have been prohibited in the Castro St. NCD since it was first established. An Ordinance was passed in 2005 however, which made it easier for existing legal non-conforming Bars to receive their "Place of Entertainment" permits. To be eligible for the legislation, a legal, non-conforming Bar in the Castro NCD had to prove they had been in continuous operation as a Bar since at least January 1, 2004. The findings of the Ordinance state in part: *"Many bars in these Neighborhood Commercial Districts have been operating for years as places of entertainment without the proper permits and there have been no significant complaints . . . there is a significant public benefit to allowing legally-existing bars that have operated as places of entertainment for many years without problems to be grandfathered as legal entertainment uses"*.

One of the many unfortunate consequences of the pandemic has been an increase in the number of storefront vacancies across the City, and the Castro St. NCD is no different. A visual survey of the Castro St. NCD conducted in November of 2021 found that of the approximately 124 active storefronts in the Castro St. NCD, 18 were vacant. This translates to a vacancy rate of ~15% (*OEWD considers a healthy vacancy rate 5%-10%*). Almost all of these storefronts have become vacant within the last 2 years. 2 of the 8 vacancies were most recently Bars.

Even before the pandemic, traditional brick and mortar retail establishments have been struggling due to a shift from consumers to online retail. One of the few remaining business types that have been able to stay profitable are Eating and Drinking Establishments. Currently, in the Castro St. NCD there are a total of 8 Bars, accessory Bars, and nightclubs, or approximately 6% of active storefronts. The proposed Ordinance will create more opportunities for the vacant storefronts in the Castro St. NCD to become thriving businesses again, while still assuring proper conditions of operation are in place to prevent new Bars from being a nuisance to surrounding businesses and neighbors.

General Plan Compliance

The Commerce and Industry Element of the General Plan calls for managing economic growth and change to ensure enhancement of the total city environment, maintaining a sound and diverse economic base and fiscal structure, and providing expanded employment opportunities for city residents. Policies 2.1 and 2.3 focus on retaining commercial activity and attracting new activity by fostering a favorable social and cultural climate. The proposed Ordinance assists in accomplishing these policy goals by allowing new commercial activity in the form of new Bars in the Castro NCD with a CUA. This added commercial activity will help maintain a favorable social and cultural climate in the Castro by adding to the variety in social gathering spaces available to visitors and residents.

Racial and Social Equity Analysis

The proposed amendments cannot be directly tied to a negative or positive impact in advancing the City's racial and social equity. There is not enough data to support the claim for the small number of businesses that it will affect. The proposed Ordinance will, however, at least open a pathway for new owners to establish their Bar in the Castro NCD; removing the barrier created through the 1987 prohibition and reinforced through the 2005 legislation which only allowed *existing* Bars to obtain Place of Entertainment permits without requiring a CUA. It is important for racial & social equity advancement that entrepreneurial opportunities exist for all. Removing the prohibition on new Bars will help the neighborhood gain a greater diversity of proprietors, including queer women, and BIPOC owners. Additionally, Bar uses frequently hire from the adjacent neighborhood, serving a source of employment for the neighborhood's entry level workers, and immigrants.

Implementation

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

Recommendation

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

Basis for Recommendation

The Castro NCD is both a neighborhood-serving shopping district and a destination for regional and national visitors. It has a vibrant mix of uses that meet daily needs - coffee shops, a hardware store, banks, a bookstore, a grocer, pharmacies. And like all San Francisco neighborhoods, it has felt the impact of a shift to online shopping. There are few clothing and gift stores and more businesses that offer the experiences you can't get online - socializing, dining, drinking, and personal services. Citywide data over the past decades shows that dining/drinking and personal services are the only retail subsections that have grown in the City's neighborhood commercial areas. Given that the economic opportunities for small business owners and their employees is in experiential retail, it's important that City policy support these businesses. The City also has an interest in land use policies that support a mix of retail so that the neighborhood can continue to both serve residents and draw visitors. The proposed recommendation to allow Bars with a CUA achieves this balance. A CUA process for new Bars will ensure each proposed new Bar can be reviewed on a case-by-case basis to determine whether it would be appropriate for the neighborhood in its specific context.

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.¹

Attachments:

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: Board of Supervisors File No. 211093

¹ Although staff has not received any public comment directly, they believe this article contains beneficial insights from several Castro neighborhood groups: https://www.ebar.com/news/latest_news//309843



PLANNING COMMISSION DRAFT RESOLUTION

HEARING DATE: December 16, 2021

Project Name: Bars in the Castro Street Neighborhood Commercial District.
Case Number: 2021-010875PCA [Board File No. 211093]
Initiated by: Supervisor Mandelman / Introduced October 19, 2021
Staff Contact: Audrey Butkus, Legislative Affairs
Audrey.Butkus@sfgov.org, 628-652-7534
Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533

RESOLUTION APPROVING A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO CONDITIONALLY PERMIT BARS IN THE CASTRO STREET NEIGHBORHOOD COMMERCIAL DISTRICT; ADOPTING FINDINGS, INCLUDING ENVIRONMENTAL FINDINGS, PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.

WHEREAS, on October 19, 2021 Supervisor Mandelman introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 211093 which would amend the Planning Code to conditionally permit Bars in the Castro Street Neighborhood Commercial District;

WHEREAS, The Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on December 16, 2021; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Sections 15378 and 15060(c); 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 49 South Van Ness Avenue, Suite 1400, 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** the proposed ordinance. The Commission's proposed recommendation(s) is/are as follows:

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:

The Commerce and Industry Element of the General Plan calls for managing economic growth and change to ensure enhancement of the total city environment, maintaining a sound and diverse economic base and fiscal structure, and providing expanded employment opportunities for city residents. Policies 2.1 and 2.3 focus on retaining commercial activity and attracting new activity by fostering a favorable social and cultural climate. The proposed Ordinance assists in accomplishing these policy goals by allowing new commercial activity in the form of new Bars in the Castro NCD with a CUA. This added commercial activity will help maintain a favorable social and cultural climate in the Castro by adding to the variety in social gathering spaces available to visitors and residents.

General Plan Compliance

The proposed Ordinance is consistent with the following Objectives and Policies of the General Plan:

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 2

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 3.1

Promote the attraction, retention and expansion of commercial and industrial firms which provide employment improvement opportunities for unskilled and semi-skilled workers.

Policy 3.2

Promote measures designed to increase the number of San Francisco jobs held by San Francisco residents.

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 social gathering places available to residents and visitors alike.

OBJECTIVE 3

PROVIDE EXPANDED EMPLOYMENT OPPORTUNITIES FOR CITY RESIDENTS, PARTICULARLY THE UNEMPLOYED AND ECONOMICALLY DISADVANTAGED.

Policy 1.1

Encourage development which provides substantial net benefits and minimizes undesirable consequences.
Discourage development which has substantial undesirable consequences that cannot be mitigated.

The proposed Ordinance will facilitate the establishment of a type of use which often hires unskilled and semi-skilled workers from the local community.

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.

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 the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on December 16, 2021.

Jonas P. Ionin
Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED: December 16, 2021

1 [Planning Code - Castro Street Neighborhood Commercial District]

2

3 **Ordinance amending the Planning Code to conditionally permit Bars in the Castro**
 4 **Street Neighborhood Commercial District; affirming the Planning Department’s**
 5 **determination under the California Environmental Quality Act; making findings of**
 6 **consistency with the General Plan, and the eight priority policies of Planning Code,**
 7 **Section 101.1.; and making findings of public necessity, convenience, and welfare**
 8 **under Planning Code, Section 302.**

9 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
 10 **Additions to Codes** are in *single-underline italics Times New Roman font*.
 11 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
 12 **Board amendment additions** are in double-underlined Arial font.
 13 **Board amendment deletions** are in ~~strikethrough Arial font~~.
 14 **Asterisks (* * * *)** indicate the omission of unchanged Code
 15 subsections or parts of tables.

13

14 Be it ordained by the People of the City and County of San Francisco:

15

16 Section 1. Environmental and Land Use Findings.

17 (a) The Planning Department has determined that the actions contemplated in this
 18 ordinance comply with the California Environmental Quality Act (California Public Resources
 19 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of
 20 Supervisors in File No. 211093 and is incorporated herein by reference. The Board affirms
 21 this determination.

22 (b) On _____, the Planning Commission, in Resolution No. _____, adopted
 23 findings that the actions contemplated in this ordinance are consistent, on balance, with the
 24 City’s General Plan and eight priority policies of Planning Code Section 101.1. The Board

25

1 adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the
2 Board of Supervisors in File No. _____, and is incorporated herein by reference.

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

8

9 Section 2. The Planning Code is hereby amended by revising Section 715, to read as
10 follows:

11 **SEC. 715. CASTRO STREET NEIGHBORHOOD COMMERCIAL DISTRICT.**

12 (a) **The Castro Street District.** The Castro Street District is situated in Eureka Valley,
13 close to the geographic center of San Francisco between the Mission District, Twin Peaks,
14 and Upper Market Street. * * * *

15 (b) **Intent of Controls.** The Castro Street District controls are designed to maintain
16 existing small-scale development and promote a balanced mix of uses. Building standards
17 permit small-scale buildings and uses and protect rear yards above the ground story and at
18 residential levels. In new buildings, most commercial uses are permitted at the ground and
19 second stories. Special controls are necessary to preserve the existing equilibrium of
20 neighborhood-serving convenience and specialty commercial uses. In order to maintain
21 convenience stores and protect adjacent residential livability, controls authorize some
22 additional ~~eating and~~ drinking establishments with a conditional use, permit self-service
23 specialty food establishments, and permit with certain limitations new late-night uses, adult
24 and other entertainment, and financial service uses. The continuous retail frontage is
25 maintained by prohibiting most automobile and drive-up uses. Housing development in new

1 buildings is encouraged above the second story. Existing housing units are protected by
 2 limitations on demolitions and upper-story conversions. Accessory Dwelling Units are
 3 permitted within the district pursuant to Subsection 207(c)(4) of this Code.

4
 5 **Table 715. CASTRO STREET NEIGHBORHOOD COMMERCIAL DISTRICT**
 6 **ZONING CONTROL TABLE**

Zoning Category	§ References	Controls		
* * * *				
NON-RESIDENTIAL STANDARDS AND USES				
* * * *				
		Controls by Story		
		1st	2nd	3rd+
* * * *				
Sales and Service Use Category				
Retail Sales and Service Uses*	§§ 102, 202.2(a)	P	P	NP
* * * *				
Bar	§§ 102, 202.2(a)	<u>NP</u>	<u>NP</u>	NP
* * * *				

22
 23 Section 3. Effective Date. This ordinance shall become effective 30 days after
 24 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
 25



CITY AND COUNTY OF SAN FRANCISCO
LONDON BREED, MAYOR

OFFICE OF SMALL BUSINESS
REGINA DICK-ENDRIZZI, DIRECTOR

December 17, 2021

Ms. Angela Calvillo, Clerk of the Board
City Hall Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

RE: BOS File No. 211093 – Planning Code – Castro Street Neighborhood Commercial District

Small Business Commission Recommendation to the Board of Supervisors: **Support.**

Dear Ms. Calvillo,

On December 13, 2021, the Small Business Commission (SBC or Commission) heard BOS File No. 211093 – Planning Code – Castro Street Neighborhood Commercial District. Tom Temprano, Legislative Aide to Supervisor Mandelman, provided the Commission with an overview and background on the proposed legislation. The SBC voted (7-0) to recommend that the Board of Supervisors support the legislation.

The Commission supports efforts like this one to streamline components of the planning code to make San Francisco an easier place for small businesses to open and thrive. By permitting bars in the Castro Neighborhood Commercial District with a conditional use, the City will allow new businesses to start while also maintaining discretionary review of new bars. At a time when vacancies are high in the neighborhood, this will attract more prospective businesses. The Commission is in support of BOS. File 211093 which would change Planning Code permit bars in the Castro Neighborhood Commercial District with a conditional use.

The Commission thanks Supervisor Mandelman and his staff for this proposal which will support additional small businesses in the City and County of San Francisco.

Thank you for considering the Commission's recommendation. Please feel free to contact me should you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Regina Dick-Endrizzi".

Regina Dick-Endrizzi
Director, Office of Small Business

cc: Rafael Mandelman, Board of Supervisors
Tom Paulino, Mayor's Liaison to the Board of Supervisors
Lisa Pagan, Office of Economic and Workforce Development
Erica Major, Land Use and Transportation Committee

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

October 22, 2021

File No. 211093

Lisa Gibson
Environmental Review Officer
Planning Department
49 South Van Ness Avenue, Suite 1400
San Francisco, CA 94103

Dear Ms. Gibson:

On October 19, 2021, Supervisor Mandelman submitted the following legislation:

File No. 211093

Ordinance amending the Planning Code to conditionally permit Bars in the Castro Street Neighborhood Commercial District; 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 under Planning Code, Section 302.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "Erica Major".

By: Erica Major, Assistant Clerk
Land Use and Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning
Don Lewis, Environmental Planning

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.

11/08/2021

A handwritten signature in cursive script, appearing to read "Joy Navarrete".



November 3, 2021

Rafael Mandelman
Supervisor District 8
City Hall Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Support File # 211093

Dear Supervisor Mandelman,

The Castro Community Benefit District is writing this letter to support the change in zoning in the Castro Neighborhood Commercial District (NCD) to allow for new bars to be conditionally permitted. Currently, new bars are not permitted in the Castro NCD. This effectively prohibits new bar owners from coming to the Castro with new ideas and new energy.

The Castro needs a new flow of entrepreneurs who represent the true diversity of the LGBTQ community and San Francisco. Allowing new alcohol serving establishments to open, effectively creates new opportunities for ownership. It is our hope that women, people of color, trans people and others will take this opportunity and open new bars that draw in a more diverse community. Diversity in business ownership is one of the factors in encouraging a diversity in clientele/customers and a more welcoming and diverse neighborhood.

The Castro CBD welcomes this zoning change and we look forward to welcoming our new merchants and the new customers they serve.

Thank you for your work in creating a more inclusive Castro!

Sincerely,

A handwritten signature in cursive script, appearing to read "Andrea Aiello".

Andrea Aiello
Executive Director

cc: Joel Koppel, President SF Planning Commission
Jonas Ionin, SF Planning Department
Jacob Bintliff, Legislative Aide, D8
Tom Temprano, Legislative Aide, D8

BOARD of SUPERVISORS



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MEMORANDUM

TO: Regina Dick-Endrizzi, Director
Small Business Commission, City Hall, Room 448

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: November 1, 2021

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Land Use and Transportation Committee

The Board of Supervisors' Land Use and Transportation Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 211093

Ordinance amending the Planning Code to conditionally permit Bars in the Castro Street Neighborhood Commercial District; 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 under Planning Code, Section 302.

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

____ **No Comment**

____ **Recommendation Attached**

Chairperson, Small Business Commission

cc: Kerry Birnbach

BOARD of SUPERVISORS



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1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

October 22, 2021

Planning Commission
Attn: Jonas Ionin
49 South Van Ness Avenue, Suite 1400
San Francisco, CA 94103

Dear Commissioners:

On October 19, 2021, Supervisor Mandelman submitted the following legislation:

File No. 211093

Ordinance amending the Planning Code to conditionally permit Bars in the Castro Street Neighborhood Commercial District; 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 under Planning Code, Section 302.

The proposed ordinance is being transmitted for review. The ordinance is pending before the Land Use and Transportation Committee and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "Erica Major".

By: Erica Major, Assistant Clerk
Land Use and Transportation Committee

c: Rich Hillis, Director
Scott Sanchez, Deputy Zoning Administrator
Corey Teague, Zoning Administrator
Lisa Gibson, Environmental Review Officer
Devyani Jain, Deputy Environmental Review Officer
Adam Varat, Acting Director of Citywide Planning
AnMarie Rodgers, Legislative Affairs
Dan Sider, Director of Executive Programs
Aaron Starr, Manager of Legislative Affairs
Joy Navarrete, Environmental Planning

BOARD of SUPERVISORS



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October 22, 2021

File No. 211093

Lisa Gibson
Environmental Review Officer
Planning Department
49 South Van Ness Avenue, Suite 1400
San Francisco, CA 94103

Dear Ms. Gibson:

On October 19, 2021, Supervisor Mandelman submitted the following legislation:

File No. 211093

Ordinance amending the Planning Code to conditionally permit Bars in the Castro Street Neighborhood Commercial District; 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 under Planning Code, Section 302.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "Erica Major".

By: Erica Major, Assistant Clerk
Land Use and Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning
Don Lewis, Environmental Planning



MYRNA MELGAR

DATE: January 5, 2022

TO: Angela Calvillo
Clerk of the Board of Supervisors

FROM: Supervisor Myrna Melgar, Chair, Land Use and Transportation Committee *MM*

RE: Land Use and Transportation Committee
COMMITTEE REPORT

Pursuant to Board Rule 4.20, as Chair of the Land Use and Transportation Committee, I have deemed the following matter is of an urgent nature and request it be considered by the full Board on Tuesday, January 11, 2022, as a Committee Report:

File No. 211093

Planning Code - Castro Street Neighborhood Commercial District
Sponsor: Mandelman

This matter will be heard in the Land Use and Transportation Committee at a Regular Meeting on Monday, January 10, 2022, at 1:30pm.

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor inquiries"
- 5. City Attorney Request.
- 6. Call File No. from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Mandelman

Subject:

[Planning Code - Castro Street Neighborhood Commercial District]

The text is listed:

Ordinance amending the Planning Code to conditionally permit Bars in the Castro Street Neighborhood Commercial District; 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 findings of public necessity, convenience, and welfare under Planning Code, Section 302.

Signature of Sponsoring Supervisor:

For Clerk's Use Only