File No. 250634 **Committee Item No.** 3
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation **Date:** July 28, 2025
Board of Supervisors Meeting: **Date:** _____

Cmte Board

☐	☐	**Motion**
☐	☐	**Resolution**
☒	☐	**Ordinance**
☒	☐	**Legislative Digest**
☐	☐	**Budget and Legislative Analyst Report**
☐	☐	**Youth Commission Report**
☒	☐	**Introduction Form**
☐	☐	**Department/Agency Cover Letter and/or Report**
☐	☐	**MOU**
☐	☐	**Grant Information Form**
☐	☐	**Grant Budget**
☐	☐	**Subcontract Budget**
☐	☐	**Contract / DRAFT Mills Act Agreement**
☐	☐	**Form 126 – Ethics Commission**
☐	☐	**Award Letter**
☐	☐	**Application**
☐	☐	**Public Correspondence**

OTHER

☒	☐	Planning Commission Transmittal – July 23, 2025
☒	☐	CEQA Determination – June 18, 2025
☒	☐	Referrals CEQA, Planning Commission, FYI, SBC
☒	☐	Committee Report Request Memo – July 24, 2025
☐	☐	
☐	☐	
☐	☐	
☐	☐	
☐	☐	

Prepared by: John Carroll **Date:** July 25, 2025
Prepared by: _____ **Date:** _____
Prepared by: _____ **Date:** _____

[Planning Code - Use Size Limits]

Ordinance amending the Planning Code to eliminate limits on Non-Residential Use Sizes in the Castro Street Neighborhood Commercial District (NCD), Pacific Avenue NCD, Polk Street NCD, West Portal Avenue NCD, North Beach NCD and North Beach Special Use District, Regional Commercial Districts, and Residential-Commercial District; allow specified Non-Residential Uses that exceed the Use Size limits to divide into smaller spaces that may continue to exceed the Use Size limits, without conditional use authorization; adjust the Use Size limit in all NCDs to a round number; 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.

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

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

Section 1. Environmental and Land Use Findings.

(a) The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of

Supervisors in File No. 250634 and is incorporated herein by reference. The Board affirms this determination.

(b) On July 17, 2025, the Planning Commission, in Resolution No. 21782, adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the City's General Plan and eight priority policies of Planning Code Section 101.1. The Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the Board of Supervisors in File No. 250634, and is incorporated herein by reference.

(c) Pursuant to Planning Code Section 302, this Board finds that this ordinance will serve the public necessity, convenience, and welfare for the reasons set forth in Planning Commission Resolution No. 21782, and incorporates such reasons by this reference thereto. A copy of said resolution is on file with the Clerk of the Board of Supervisors in File No. 250634.

Section 2. Background and General Findings.

(a) In November 2024, the Controller's Office of Economic Analysis released a report on the status of the City's economy, finding that new business formation remained far below pre-pandemic rates, especially in the retail trades and restaurant/bar categories. Retail vacancy rates vary across the City, with some neighborhoods, such as Union Square (22%) and the Van Ness corridor (over 50%), suffering higher rates than the Citywide average (7.7%). High vacancy rates harm surrounding neighborhoods by reducing economic activity, which results in less visitors to the neighborhood and harms the businesses that remain.

(b) Small businesses tend to operate in smaller retail spaces due to lower overhead costs, as larger retail spaces are often cost prohibitive. Facilitating small businesses' access to small retail spaces is consistent with the City's post-pandemic economic recovery efforts.

For example, the City's "Vacant to Vibrant" program helped small businesses fill large vacant spaces around Union Square with smaller pop-up shops.

(c) Nearly all zoning districts in the City contain use size limits that apply to Non-Residential Uses. In these districts, Non-Residential Uses that exceed a certain gross square footage must obtain a Conditional Use Authorization. This CUA requirement makes it more costly and time-intensive to divide existing large retail spaces, which in turn reduces the amount of small retail spaces available to local businesses. This ordinance would enable a property owner to divide a large commercial space into smaller spaces without obtaining a CUA, even if more than one of the resulting spaces exceeds the use size threshold. Facilitating the division of large commercial spaces not only assists small businesses and the City's economic recovery, but it also brings these larger spaces into closer conformity with the Planning Code. This ordinance only concerns use size limits that apply to individual uses; it does not exempt uses from size limits that apply across an entire lot.

(d) In addition to conditionally authorized use size limits, several zoning districts prescribe maximum Non-Residential Use sizes that cannot be exceeded. Though these hard caps serve important goals of ensuring that large-format retailers and businesses do not displace smaller businesses, economic conditions have changed such that many of these larger uses are needed to provide neighborhood-serving goods, as demonstrated by recent legislation to enable a grocery store to exceed these caps in the Polk Street NCD and separate legislation to allow a Health Service Use in the West Portal Avenue NCD. Hard caps on use sizes limit the ability for middle-sized businesses to expand in order to accommodate local, evolving consumer needs. To balance the need for larger-format retail with community input, this ordinance would eliminate hard caps on Non-Residential Use sizes and instead provide that uses above that threshold are subject to a Conditional Use Authorization. This ordinance does not alter any restrictions on Formula Retail.

Section 3. Articles 1.2, 1.7, 2, and 7 of the Planning Code are hereby amended by revising Sections 121.2, 121.6, 178, 186.1, 209.1, 209.2, 209.3, 209.4, 210.3, 210.4, 715, 722, 723, 729, 758, and 780.3, and adding Section 121.5, to read as follows:

SEC. 121.2. NON-RESIDENTIAL USE SIZE LIMITS IN NEIGHBORHOOD COMMERCIAL AND NEIGHBORHOOD COMMERCIAL TRANSIT DISTRICTS.

(a) In order to protect and maintain a scale of development appropriate to each district, Non-Residential Use~~s~~ *Sizes* ~~*of the same size or*~~ larger than the square footage stated in the table below may be permitted only as Conditional Uses*, subject to the exception in Section 121.2(b)*. The ~~*use area*~~ *Non-Residential Use Size* shall be measured as the Gross Floor Area for each individual Non-Residential Use.

District	**Use Size Limits**
Castro Street	2,000 sq. ft.
North Beach	
Pacific Avenue	
Polk Street*	
24th Street-Mission	2,500 sq. ft.
24th Street-Noe Valley	
Haight Street	
Inner Clement Street	
Inner Sunset	
Japantown	
Outer Clement Street	
Sacramento Street	
Union Street	
Upper Fillmore Street	

West Portal Avenue*	
NC-1, NCT-1	3,000 sq. ft.
Broadway	
Hayes-Gough	
Upper Market Street	
Valencia Street	
NC-2, NCT-2	4,000 sq. ft.
Divisadero Street	
Folsom Street	
Glen Park	
Irving Street	
Judah Street	
Noriega Street	
Ocean Avenue	
SoMa	
Taraval Street	
NC-3, NCT-3	6,000 sq. ft.
Excelsior Outer Mission Street	
Fillmore Street	
Mission Street	
NC-S	
Regional Commercial District	10,000 sq. ft.

* Conditional Use not required for any Limited Restaurant use that relocates within the Polk Street NCD, and is designated as a Legacy Business as of the effective date of the ordinance in Board File No. 240411, or any Health Service use in the West Portal Avenue Neighborhood Commercial District located at Assessor's Parcel Block No. 2989B, Lot 17.

In addition to the criteria of Section 303(c) of this Code, the Commission shall consider the extent to which the following criteria are met:

(1) The intensity of activity in the district is not such that allowing the larger use will be likely to foreclose the location of other needed neighborhood-serving uses in the area.

(2) The proposed use will serve the neighborhood, in whole or in significant part, and the nature of the use requires a larger size in order to function.

(3) The building in which the use is to be located is designed in discrete elements which respect the scale of development in the district.

(b) Notwithstanding Sections 121.2(a), 178, and 186.1, existing Non-Residential Uses that are larger than the use size limits in subsection (a) may be divided into two or more smaller Non-Residential Uses that are larger than the use size limits in subsection (a), and such a division shall not require a Conditional Use Authorization provided the division does not cause a Net Addition of Gross Floor Area.

~~*(b) In order to protect and maintain a scale of development appropriate to each district, Non-Residential uses that exceed the square footage stated in the table below shall not be permitted, except in the following circumstances:*~~

~~*(1) In the Castro Street Neighborhood Commercial District, a Child Care Facility, School, Post-Secondary Educational Institution, Religious Institution, Social Service or Philanthropic Facility, Community Facility, or a Residential Care Facility as defined in Section 102 of this Code that is operated by a non-profit and is neighborhood-serving may exceed this subsection 121.2(b) with Conditional Use authorization.*~~

~~*(2) In the Regional Commercial District, Schools and Childcare Facilities as defined in Section 102 may exceed this subsection 121.2(b) with Conditional Use authorization.*~~

~~*(3) In the Polk Street Neighborhood Commercial District, this subsection 121.2(b) shall not apply to a Movie Theater use, or the expansion of an existing General Grocery Use, as defined in Section 102 of this Code, and pursuant to the controls of Section 723.*~~

~~*(4) In the West Portal Neighborhood Commercial District, Health Services Uses located at Assessor's Parcel Block No. 2989B, Lot 17 may exceed the limit in the table below, but shall not have a Gross Floor Area great than 5,000 square feet.*~~

~~*The use area shall be measured as the Gross Floor Area for each individual Non-Residential use.*~~

~~***District***~~	~~***Use Size Limits***~~
~~*West Portal Avenue*~~	~~*4,000 square feet*~~
~~*North Beach*~~	
~~*Castro Street*~~	
~~*Polk Street*~~	
~~*Pacific Avenue*~~	
~~*Regional Commercial District*~~	~~*25,000 square feet*~~

(c) In order to protect the pedestrian scale of the Mission Street NCT and provide space for small businesses, the following control shall apply in the Mission Street NCT:

(1) **Applicability.** Lot mergers pursuant to Section 121.7(f) and any project located on a parcel that was created as a result of a lot merger pursuant to Section 121.7(f).

(2) **Control.** Any such project that does not include at least one non-residential space of no more than 2,500 square feet, located on the ground floor and fronting directly onto Mission Street, shall require a conditional use authorization. In considering whether to grant such conditional use authorization, the Commission shall consider the criteria in Sections 121.2(a) and 303(c).

SEC. 121.5. DIVISION OF SPACES EXCEEDING NON-RESIDENTIAL USE SIZE LIMITS.

(a) An existing Non-Residential Use with Non-Residential Use Size larger than principally permitted (i.e., a use size that is either conditionally permitted or not permitted) may be divided into two or more smaller Non-Residential Uses where this Section 121.5 is referenced in the use size controls applicable to the district. Conditional Use Authorization is not required for such a division or for the individual resulting Non-Residential Use Sizes, provided the division does not cause a Net Addition of Gross Floor Area.

(b) Regardless of whether Section 121.5 is referenced in the applicable use size controls pursuant to subsection (a), this Section does not apply to:

(1) Use size limits set forth in Special Use Districts;

(2) Use size limits that apply per lot;

(3) Districts established pursuant to a development agreement or redevelopment plan;

(4) P (Public) Districts (Section 211); and

(5) Chinatown Mixed Use Districts (Sections 810, 811, and 812).

SEC. 121.6. LARGE-SCALE RETAIL USES.

Notwithstanding any other provision of this Code, establishment of a single retail use in excess of 50,000 gross square feet in any zoning district other than the C-3 Zoning Districts shall require conditional use authorization pursuant to Section 303 unless such use already is prohibited. This Section 121.6 shall apply to the establishment of a new use and the expansion of an existing use. For purposes of this Section single "retail use" shall include, except for Hotels and Motels, all Retail Sales and Service Uses listed in Section 102 and retail uses identified in Article 8 of this Code. *Notwithstanding this Section 121.6, division of Non-Residential Use Sizes is permitted to the extent provided in Section 121.5.*

SEC. 178. CONDITIONAL USES.

The following provisions shall apply to conditional uses:

(a) **Definition.** For the purposes of this Section, a permitted conditional use shall refer to:

(1) Any use or feature authorized as a conditional use pursuant to Article 3 of this Code, provided that such use or feature was established within the time limits specified as a Condition of Approval or, if no time limit was specified, within a reasonable time from the date of authorization; or

(2) Any use or feature that is classified as a conditional use in the district in which it is located and that lawfully existed either on the effective date of this Code, or on the effective date of any amendment imposing new conditional use requirements upon such use or feature; or

(3) Any use deemed to be a permitted conditional use pursuant to Section 179 of this Code.

* * * *

(e) **Changes in Use.** The following provisions shall apply to permitted conditional uses with respect to changes in use, except as further limited by the change of use procedures for Formula Retail uses set forth in Section 303.1 of this Code.

(1) A permitted conditional use may be changed to another use listed in Section 102 and Articles 7 or 8 of this Code as a principal use for the district in which it is located and the new use may thereafter be continued as a permitted principal use.

(2) A permitted conditional use may be changed to another use listed in Section 102 and Articles 7 or 8 of this Code as a conditional use for the district in which the property is located, subject to the other applicable provisions of this Code, only upon approval of a new conditional use application, pursuant to the provisions of Article 3 of this Code.

(3) A permitted conditional use may not be changed to another use not permitted or prohibited by the Zoning Control Table for the district in which the lot is located. If a permitted conditional use has been wrongfully changed to another use in violation of the foregoing provisions and the violation is not immediately corrected when required by the Zoning Administrator, the wrongful change shall be deemed to be a discontinuance or abandonment of the permitted conditional use.

(4) Once a permitted conditional use has been changed to a principal use permitted in the district in which the property is located, or brought closer in any other manner to conformity with the use limitations of this Code, the use of the property may not thereafter be returned to its former permitted conditional use status, except upon approval of a new conditional use application pursuant to the provisions of Article 3 of this Code.

~~*(5) In the North Beach Neighborhood Commercial District, any use that exceeds the use size provisions of Section 121.2(a) or 121.2(b) may be changed to a new use only upon approval of a new conditional use application. The Commission's approval of such conditional use application shall explicitly address the use size findings of Section 303(c).*~~

~~*(6) In the Castro Street Neighborhood Commercial District, any use that exceeds the use size provisions of Section 121.2(a), but is smaller than the maximum use size limit of Section 121.2(b), may be changed to a new use only upon approval of a new conditional use application. The Commission's approval of such conditional use application shall explicitly address the use size findings of Section 303(c).*~~

* * * *

SEC. 186.1. EXEMPTION OF NONCONFORMING USES IN NEIGHBORHOOD COMMERCIAL DISTRICTS.

* * * *

(a) **Expansion.** A nonconforming use may expand in floor area as provided in Subsection (b) below, but may not expand beyond the lot which it occupies, nor may the boundaries of such lot be expanded for purposes of expanding the use; nor may the use expand upward above the story or stories which it lawfully occupies, except as provided in Section 186.2 below.

(b) **Enlargements or Alteration.**

(1) A nonconforming use may not be significantly altered; enlarged or intensified, except upon approval of a Conditional Use application pursuant to the provisions of Section 303 of this Code, provided that the use not have or result in a greater height, bulk or floor area ratio, less required rear yard or open space, or less required off-street parking space or loading space than permissible under the limitations set forth in this Code for the district or districts in which such use is located.

(2) A nonconforming use may expand to include public sidewalk space provided that such space is only occupied with tables and chairs as permitted by this Municipal Code.

(3) No existing use or structure which fails to meet the requirements of this Code in any manner as described above in this subsection (b) shall be constructed, reconstructed, enlarged, altered, or relocated so as to increase the discrepancy, or to create a new discrepancy, at any level of the structure, between existing conditions on the lot and the required standards for new construction set forth in this Code. *However, a Non-Residential Use that fails to meet the Non-Residential Use Size requirements of this Code may be divided into smaller uses sizes, consistent with Sections 121.2 and 121.5.*

(c) **Changes in Use.** A nonconforming use may be changed to another use or feature as described below.

(1) A nonconforming use may be changed to a use listed in Article 7 of this Code as a Principal Use for the district in which the property is located, and the new use may thereafter be continued as a Principally Permitted Use.

(2) A nonconforming use may be changed to a use listed in Article 7 of this Code as a Conditional Use for the district in which the use is located, only upon approval of a Conditional Use application pursuant to the provisions of Article 3 of this Code, and the new use may thereafter be continued as a permitted Conditional Use, subject to the provisions of Section 178 of this Code.

(3) A nonconforming use may be changed to a use which is not permitted in that Neighborhood Commercial District as described below, only upon approval of a Conditional Use application, pursuant to the provisions of Article 3 of this Code:

(A) Any Bar, Limited Restaurant, or Restaurant use may change to another Bar, Limited Restaurant, or Restaurant use, even though such other use is not permitted in that Neighborhood Commercial District, unless such other use is located in an Alcohol Restricted Use Subdistrict and is prohibited by the provisions governing that Alcohol Restricted Use Subdistrict.

(B) Any Business Service, Health Service, Personal Service, or Retail Professional Service use may change to another such use, even though such other use is not permitted in that Neighborhood Commercial District.

(C) Any Automotive Repair, Automotive Service Station, or Gas Station use may be demolished and reconstructed as the same use or may change to another such use, even though such other use is not permitted in that Neighborhood Commercial District.

The new use shall still be classified as a nonconforming use.

The changes in use described in this subsection (c)(3) shall include remodeling activities involving the demolition and replacement of structures that result in a change of use.

(D) With regard to Formula Retail uses, a change of owner or operator of a Formula Retail establishment is determined to be an intensification of use and a new Conditional Use authorization shall be required as provided in Section 178(c) of this Code.

~~*(4) In the North Beach Neighborhood Commercial District, any use that exceeds the use size provisions in the North Beach Zoning Control Table may be changed to a new use only upon the approval of a new Conditional Use application. The Commission's approval of such Conditional Use application shall explicitly address the use size findings of Section 303(c). In the North Beach Neighborhood Commercial District, a nonconforming use cannot be changed to any use that is not a permitted use under Section 722 (North Beach Controls).*~~

~~*(5) In the Castro Street Neighborhood Commercial District, any use in this District that exceeds the maximum Non-Residential Use Size limit of Section 121.2(b) may not be changed to a new use. The only method for changing a nonconforming use identified in this subsection (c) is to reduce the nonconforming use:*~~

~~*(A) to a conforming use size; or*~~

~~*(B) to a size specified in Subsection 121.2(a) pursuant to Conditional Use authorization.*~~

~~*Notwithstanding the above, any use in this District that exceeds the maximum Non-Residential Use Size limit of Section 121.2(b) and is General Retail Sales and Service use, as defined in Section 102, may change to another use category enumerated in the definition of General Retail Sales and Service as long as the use size is not increased and the Commission approves a Conditional Use application for such change. The Commission's approval of such Conditional Use application shall explicitly address the use size findings of Section 303(c).*~~

(d) **Discontinuance.** A nonconforming use that is discontinued for a period of three years, or otherwise abandoned or changed to another use that is listed in Article 7 of this Code as a Principal or Conditional Use for the district in which the use is located shall not be reestablished, except in the following instances:

(1) In the North Beach, Polk Street, Castro Street, and Haight Street Neighborhood Commercial Districts the period of non-use for a nonconforming use to be deemed discontinued shall be 18 months.

(2) In the Polk Street Neighborhood Commercial District, the period of non-use for a nonconforming Tobacco Paraphernalia Establishment use to be deemed discontinued shall be 18 months.

(3) For Formula Retail uses in any district that prohibits or requires Conditional Use authorization for Formula Retail uses, the period of non-use to be deemed discontinued is 18 months.

(e) **Relocation.** A nonconforming use in a Neighborhood Commercial District may be reestablished at another location within that Neighborhood Commercial District only upon approval of a new conditional use application pursuant to the provisions of Article 3 of this Code, provided that the following conditions are met:

(1) The original premises shall not be occupied by an establishment of the same type of use as the relocating use unless by another establishment that is relocating from within the district; and

(2) No final permits to operate the relocated use at the new premises are granted prior to the issuance of a certificate of final completion of any work to the original premises which is required as conditions attached to the approval of the conditional use application; and

(3) Deed restrictions are recorded for the original premises in the Official Records of the City and County of San Francisco, which restrictions prohibit for the duration of the Code sections prohibiting the use for the district in which the use is located, the establishment and operation of a new use of the same type of use as the relocated use, unless such new use is relocating from within the district.

SEC. 209.1. RH (RESIDENTIAL, HOUSE) DISTRICTS.

* * * *

Table 209.1
ZONING CONTROL TABLE FOR RH DISTRICTS

Zoning Category	**§ References**	**RH-1(D)**	**RH-1**	**RH-1(S)**	**RH-2**	**RH-3**
* * * *						
NON-RESIDENTIAL STANDARDS AND USES						
Development Standards						
Floor Area Ratio	§§ 102, 123, 124	1.8 to 1	1.8 to 1	1.8 to 1	1.8 to 1	1.8 to 1
Use Size	*§§ 102, 121.5*	*Division of large use sizes per § 121.5*				
* * * *						

* * * *

SEC. 209.2. RM (RESIDENTIAL, MIXED) DISTRICTS.

* * * *

Table 209.2

ZONING CONTROL TABLE FOR RM DISTRICTS

Zoning Category	**§ References**	**RM-1**	**RM-2**	**RM-3**	**RM-4**
* * * *					

NON-RESIDENTIAL STANDARDS AND USES					
* * * *					
Development Standards					
Floor Area Ratio	§§ 102, 123, 124	1.8 to 1	1.8 to 1	3.6 to 1	4.8 to 1
Use Size	*§§ 102, 121.5*	*Division of large use sizes per § 121.5*			
* * * *					

* * * *

SEC. 209.3. RC (RESIDENTIAL-COMMERCIAL) DISTRICTS.

* * * *

Table 209.3

ZONING CONTROL TABLE FOR RESIDENTIAL-COMMERCIAL DISTRICTS

Zoning Category	***§ References***	***RC-3***	***RC-4***
* * * *			
NON-RESIDENTIAL STANDARDS AND USES			
Development Standards			
* * * *			
~~*Non-Residential*~~ Use Size ~~*Limits*~~	§§ 102, *121.5,* 121.6	P if ~~*less than*~~ *up to* 6,000 square feet; C if ~~*larger than*~~ 6,00*1*~~*0*~~ square feet or *above* ~~*larger*~~. ~~*NP if greater than 120,000 gross square feet.*~~ *Division of large use sizes per § 121.5.*	
* * * *			

* * * *

SEC. 209.4. RTO (RESIDENTIAL TRANSIT ORIENTED) DISTRICTS.

* * * *

Table 209.4

ZONING CONTROL TABLE FOR RTO DISTRICTS

Zoning Category	§ References	RTO	RTO-M
* * * *			
NON-RESIDENTIAL STANDARDS AND USES			
Development Standards			
Floor Area Ratio	§§ 102, 123, 124	1.8 to 1	1.8 to 1
Use Size	*§§ 102, 121.5*	*Division of large use sizes per § 121.5*	
* * * *			

* * * *

SEC. 210.3. PDR DISTRICTS.

* * * *

Table 210.3

ZONING CONTROL TABLE FOR PDR DISTRICTS

Zoning Category	§ References	PDR-1-B	PDR-1-D	PDR-1-G	PDR-2
* * * *					
NON-RESIDENTIAL STANDARDS AND USES					
Development Standards					
* * * *					
Use Size Limits for Retail Sales and Service Uses	§§ 210.3A, *121.5*	See Table 10.3A.	5,000 gross square feet per lot, see reference (10) below.	2,500 gross square feet per lot, see reference (9) below.	See Table 210.3A.
Use Size Limits for Non-Retail Sales and Service Uses	§§ 210.3A, *121.5*	See Table 210.3A.	N/A	N/A	See Table 210.3A.

Use Size	*§§ 102, 121.5*	*Division of large use sizes per § 121.5*
* * * *		

* * * *

SEC. 210.4. M DISTRICTS: INDUSTRIAL.

* * * *

Table 210.4

ZONING CONTROL TABLE FOR M DISTRICTS

Zoning Category	**§ References**	**M-1**	**M-2**
* * * *			
NON-RESIDENTIAL STANDARDS AND USES			
Development Standards			
Floor Area Ratio	§§ 102, 123, 124	5 to 1	5 to 1
Use Size	*§§ 102, 121.5*	*Division of large use sizes per § 121.5*	
* * * *			

* * * *

SEC. 715. CASTRO STREET NEIGHBORHOOD COMMERCIAL DISTRICT.

* * * *

(b) **Intent of Controls.** 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*, conditionally permit larger 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 drinking establishments with a conditional use, 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. Existing housing units are protected by limitations on demolitions and upper-story conversions. Accessory Dwelling Units are permitted within the district pursuant to Section 207.1 of this Code.

Table 715. CASTRO STREET NEIGHBORHOOD COMMERCIAL DISTRICT ZONING CONTROL TABLE

Zoning Category	§ References	Controls
* * * *		
NON-RESIDENTIAL STANDARDS AND USES		
Development Standards		
* * * *		
Use Size	§§ 102, 121.2, *121.5*	~~*P to 1,999 square feet; C 2,000 square feet to 3,999 square feet; NP(1) 4,000 square feet and above*~~ *P up to 2,000 square feet; C 2,001 square feet and above. Division of large use sizes per § 121.5.*
* * * *		

* * * *

(1) *[Reserved]* ~~*USE SIZE EXEMPTION*~~

~~*Per Planning Code Section 121.2(b), Use Size shall generally not exceed 4,000 square feet except that a Child Care Facility, School, Post-Secondary Educational Institution, Religious Institution, Social Service or Philanthropic Facility, Community Facility, or a Residential Care Facility as defined in Section 102 that is operated by a non-profit and is neighborhood-serving may exceed 4,000 square feet by Conditional Use authorization. The non-residential use size limitation shall not apply to Article 10 Landmark buildings located in the Castro NCD.*~~

* * * *

SEC. 722. NORTH BEACH NEIGHBORHOOD COMMERCIAL DISTRICT.

The North Beach Neighborhood Commercial District is a nonlinear district centered on Columbus Avenue, located in the valley between Telegraph Hill and Russian Hill north of Broadway. North Beach functions as a neighborhood-serving marketplace, citywide specialty shopping, and dining district, and a tourist attraction, as well as an apartment and residential hotel zone. Traditionally, the district has provided most convenience goods and services for residents of North Beach and portions of Telegraph and Russian Hills. North Beach's eating, drinking, and entertainment establishments remain open into the evening to serve a much wider trade area and attract many tourists. The balance between neighborhood-serving convenience stores and Citywide specialty businesses has shifted, as convenience stores have been replaced by restaurants and bars. The proliferation of financial services, limited financial services, and professional services has also upset the district's balance of uses. The relocation of business and professional offices from downtown to North Beach threatens the loss of upper-story residential units.

The North Beach District controls are designed to ensure the livability and attractiveness of North Beach. Building standards limit new development to a small to moderate scale. Rear yards are protected above the ground story and at residential levels. Active commercial uses shall be required at the ground floor. Small-scale, neighborhood-serving businesses are strongly encouraged and formula retail uses are prohibited. To preserve and maintain the district's small-scale, fine grain storefronts, the consolidation or merger of existing retail or commercial spaces or storefronts are prohibited, and Use Sizes are controlled to encourage conversion back to the traditional small-scale commercial spaces. Special controls are necessary because an over-concentration of food and beverage service establishments limits neighborhood-serving retail sales and personal services in an area that

needs them to thrive as a neighborhood. In order to maintain neighborhood-serving retail sales and personal services and to protect residential livability, additional eating and drinking establishments are prohibited in spaces that have been occupied by neighborhood-serving retail sales and personal services. Special controls prohibit new walk-up facilities. Financial services, limited financial services, and ground-story business and professional office uses are prohibited from locating in the portion of the district south of Greenwich Street, while new financial services locating in the portion of the district north of Greenwich Street are limited. Restrictions on automobile and drive-up uses are intended to promote continuous retail frontage and maintain residential livability.

In keeping with the district's existing mixed-use character, housing development in new buildings is encouraged above the ground floor. Existing residential units are protected by prohibitions of upper-story conversions, mergers, removals, and demolitions. Per Section 207.1 of this Code, Accessory Dwelling Units are permitted within the existing building envelope, but may not eliminate or reduce ground-story retail or commercial space.

Table 722. NORTH BEACH NEIGHBORHOOD COMMERCIAL DISTRICT ZONING CONTROL TABLE

Zoning Category	§ References	Controls
* * * *		
NON-RESIDENTIAL STANDARDS AND USES		
Development Standards		
* * * *		
Use Size	§§ 102, 121.2, 780.3(c)(3), *121.5*	P up to ~~*1,999*~~ *2,000* square feet; C 2,00*1*~~*0*~~ square feet ~~*to 3,999 square feet; NP 4,000 square feet*~~ and above. *(10)* ~~*Specialty Grocery use shall not exceed a Use Size of 1,000 square feet within the North Beach Special Use District.*~~(5) *Division of large use sizes per § 121.5.*
* * * *		

* Not listed below

* * * *

(5) NORTH BEACH SPECIAL USE DISTRICT (Section 780.3): Restaurants, Limited Restaurants and Bars may be permitted as a Conditional Use on the First Story through the procedures set forth in Section 303 only if the Zoning Administrator first determines that the proposed new Restaurant, Limited Restaurant, or Bar would occupy a space that is currently or was last legally occupied by one of the uses described below; provided that its last use has not been discontinued or abandoned pursuant to Sections 186.1(d) or 178(d) of this Code and that the proposed new use will not enlarge the space; and provided further that no Conditional Use shall be required if the use remains the same as the prior authorized use, with no enlargement or intensification of use:

(A) A Bar may occupy a space that is currently or last legally occupied by a Bar;

(B) A Restaurant may occupy a space that is currently or was last legally occupied by a Restaurant or Bar; and

(C) A Limited Restaurant may occupy a space that is currently or was last legally occupied by a Limited Restaurant, Restaurant or Bar.

(D) Except as provided herein, no other use shall be allowed to convert to a Limited Restaurant, Restaurant or Bar.

* * * *

(10) Per the North Beach Special Use District in Section 780.3(c)(3) of this Code, Specialty Grocery use ~~*shall not exceed a*~~ *with a Non-Residential* Use Size ~~*of*~~ *larger than* 1,000 square feet *requires Conditional Use authorization* ~~*in order to preserve and maintain the district's small-scale, fine grain storefronts*~~.

* * * *

SEC. 723. POLK STREET NEIGHBORHOOD COMMERCIAL DISTRICT.

* * * *

Table 723. POLK STREET NEIGHBORHOOD COMMERCIAL DISTRICT ZONING CONTROL TABLE

Zoning Category	§ References	Controls
* * * *		
NON-RESIDENTIAL STANDARDS AND USES (7)		
Development Standards		
* * * *		
Use Size	§§ 102, 121.2*, 121.5*	P up to ~~*1,999*~~ *2,000* square feet; C 2,00*1*~~*0 to 3,999 square feet; NP 4,000*~~ square feet and above. (2) *Division of large use sizes per § 121.5.*
* * * *		

* * * *

(2) USE SIZE EXEMPTION: Per Planning Code Section 121.2(a), a Conditional Use Authorization is not required for any Limited Restaurant use that relocates within the Polk Street NCD, and is designated as a Legacy Business as of the effective date of the ordinance in Board File No. 240411. ~~*Per Planning Code Section 121.2(b), Use Size shall generally not exceed 4,000 square feet except that a Movie Theater as defined in Section 102 may exceed 4,000 square feet. In addition, the enlargement of an existing General Grocery use on the same Lot, and in association with the replacement of a Legacy Business that is also a General Grocery use, may exceed 4,000 square feet.*~~

* * * *

SEC. 729. WEST PORTAL AVENUE NEIGHBORHOOD COMMERCIAL DISTRICT.

* * * *

The West Portal Avenue District controls are designed to preserve the existing family-oriented, village character of West Portal Avenue. The building standards limit building heights to 26 feet and two stories and maintain the existing pattern of rear yards at the ground level and above. The height, bulk and design of new development, especially on large lots, should respect the small-scale character of the district and its surrounding residential neighborhoods. Lot mergers creating large lots are discouraged. Individual nonresidential uses require conditional use permits above 2,500 square feet ~~*and are restricted to 4,000 square feet as an absolute limit to conform with the existing small use sizes in the district*~~.

* * * *

Table 729. WEST PORTAL AVENUE NEIGHBORHOOD COMMERCIAL DISTRICT ZONING CONTROL TABLE

Zoning Category	§ References	Controls
* * * *		
NON-RESIDENTIAL STANDARDS AND USES		
Development Standards		
* * * *		
Use Size	§§ 102, 121.2, *121.5*	P up to 2,*500*~~*499*~~ square feet; C 2,50*1*~~*0 to 3,999*~~ square feet~~*; NP 4,000 square feet*~~ and above. *Division of large use sizes per § 121.5.*
* * * *		

* * * *

SEC. 758. REGIONAL COMMERCIAL DISTRICT.

* * * *

Table 758. REGIONAL COMMERCIAL DISTRICT ZONING CONTROL TABLE

Zoning Category	§ References	Controls
* * * *		
NON-RESIDENTIAL STANDARDS AND USES		
Development Standards		
* * * *		
Use Size	*§*§ 102, 121.2*, 121.5*	P up to 10,000 square feet; C *10,001 square feet and* above*.; NP above 25,000 square feet except for Schools and Child Care Facilities Division of large use sizes per § 121.5.*
* * * *		

* * * *

SEC. 780.3. NORTH BEACH SPECIAL USE DISTRICT.

* * * *

(c) **Controls.** The following provisions shall apply within such District:

* * * *

(3) **Storefronts.** To preserve and maintain the District's small-scale, fine grain storefronts, (A) the consolidation or merger of existing retail or commercial spaces or storefronts is prohibited, and (B) Specialty Groceries *shall not exceed with* a Non-Residential Use Size *of larger than* 1,000 square feet *shall require Conditional Use authorization*.

* * * *

Section 4. Non-Residential Use Size in Article 7 Zoning Control Tables.

Article 7 of the Planning Code is hereby amended by revising the Zoning Control Tables for Sections 710-714, 716-721, 724-728, 730-746, 750-757, and 759-764, under the Non-Residential Standards and Uses heading and the Development Standards subheading,

in the Controls column of the Use Size row, to read as follows, as further shown in the Sample Zoning Control Table below:

Planning Code Section	**Old Text Controls**	**New Text Controls**
SEC. 710. NC-1 – Neighborhood Commercial Cluster District.	~~*P up to 2,999 square feet; C 3,000 square feet and above*~~	*P up to 3,000 square feet; C 3,001 square feet and above*
SEC. 711. NC-2 – Small-Scale Neighborhood Commercial District.	~~*P up to 3,999 square feet; C 4,000 square feet and above*~~	*P up to 4,000 square feet; C 4,001 square feet and above*
SEC. 712. NC-3 – Moderate-Scale Neighborhood Commercial District.	~~*P up to 5,999 square feet; C 6,000 square feet and above*~~	*P up to 6,000 square feet; C 6,001 square feet and above*
SEC. 713. NC-S – Neighborhood Commercial Shopping Center District.	~~*P up to 5,999 square feet; C 6,000 square feet and above*~~	*P up to 6,000 square feet; C 6,001 square feet and above*
SEC. 714. Broadway Neighborhood Commercial District.	~~*P up to 2,999 square feet; C 3,000 square feet and above*~~	*P up to 3,000 square feet; C 3,001 square feet and above*
SEC. 716. Inner Clement Street Neighborhood Commercial District.	~~*P up to 2,499 square feet; C 2,500 square feet and above*~~	*P up to 2,500 square feet; C 2,501 square feet and above*
SEC. 717. Outer Clement Street Neighborhood Commercial District.	~~*P up to 2,499 square feet; C 2,500 square feet and above*~~	*P up to 2,500 square feet; C 2,501 square feet and above*
SEC. 718. Upper Fillmore Street Neighborhood Commercial District.	~~*P up to 2,499 square feet; C 2,500 square feet and above*~~	*P up to 2,500 square feet; C 2,501 square feet and above*
SEC. 719. Haight Street Neighborhood Commercial District.	~~*P up to 2,499 square feet; C 2,500 square feet and above*~~	*P up to 2,500 square feet; C 2,501 square feet and above*
SEC. 720. Excelsior Outer Mission Neighborhood Commercial District.	~~*P up to 5,999 square feet; C 6,000 square feet and above*~~	*P up to 6,000 square feet; C 6,001 square feet and above*
SEC. 721. Japan town Neighborhood Commercial District.	~~*P up to 2,499 square feet; C 2,500 square feet and above*~~	*P up to 2,500 square feet; C 2,501 square feet and above*

SEC. 724. Sacramento Street Neighborhood Commercial District.	~~*P up to 2,499 square feet; C 2,500 square feet and above*~~	*P up to 2,500 square feet; C 2,501 square feet and above*
SEC. 725. Union Street Neighborhood Commercial District.	~~*P up to 2,499 square feet; C 2,500 square feet and above*~~	*P up to 2,500 square feet; C 2,501 square feet and above*
SEC. 726. Pacific Avenue Neighborhood Commercial District.	~~*P up to 1,999 square feet; C 2,000 square feet and above*~~	*P up to 2,000 square feet; C 2,001 square feet and above*
SEC. 727. Lakeside Village Neighborhood Commercial District.	~~*P up to 2,999 square feet; C 3,000 square feet and above*~~	*P up to 3,000 square feet; C 3,001 square feet and above*
SEC. 728. 24th Street – Noe Valley Neighborhood Commercial District.	~~*P up to 2,499 square feet; C 2,500 square feet and above*~~	*P up to 2,500 square feet; C 2,501 square feet and above*
SEC. 730. Inner Sunset Neighborhood Commercial District	~~*P up to 2,499 square feet; C 2,500 square feet and above*~~	*P up to 2,500 square feet; C 2,501 square feet and above*
SEC. 731. Noriega Street Neighborhood Commercial District.	~~*P up to 3,999 square feet; C 4,000 square feet and above*~~	*P up to 4,000 square feet; C 4,001 square feet and above*
SEC. 732. Irving Street Neighborhood Commercial District.	~~*P up to 3,999 square feet; C 4,000 square feet and above*~~	*P up to 4,000 square feet; C 4,001 square feet and above*
SEC. 733. Taraval Street Neighborhood Commercial District.	~~*P up to 3,999 square feet; C 4,000 square feet and above*~~	*P up to 4,000 square feet; C 4,001 square feet and above*
SEC. 734. Judah Street Neighborhood Commercial District.	~~*P up to 3,999 square feet; C 4,000 square feet and above*~~	*P up to 4,000 square feet; C 4,001 square feet and above*
SEC. 735. Inner Balboa Street Neighborhood Commercial District.	~~*P up to 3,999 square feet; C 4,000 square feet and above*~~	*P up to 4,000 square feet; C 4,001 square feet and above*
SEC. 736. Outer Balboa Street Neighborhood Commercial District.	~~*P up to 3,999 square feet; C 4,000 square feet and above*~~	*P up to 4,000 square feet; C 4,001 square feet and above*
SEC. 737. Bayview Neighborhood Commercial District.	~~*P up to 5,999 square feet; C 6,000 square feet and above*~~	*P up to 6,000 square feet; C 6,001 square feet and above*

SEC. 738. Cortland Avenue Neighborhood Commercial District.	~~*P up to 3,999 square feet; C 4,000 square feet and above*~~	*P up to 4,000 square feet; C 4,001 square feet and above*
SEC. 739. Geary Boulevard Neighborhood Commercial District.	~~*P up to 5,999 square feet; C 6,000 square feet and above*~~	*P up to 6,000 square feet; C 6,001 square feet and above*
SEC. 740. Mission Bernal Neighborhood Commercial District.	~~*P up to 5,999 square feet; C 6,000 square feet and above*~~	*P up to 6,000 square feet; C 6,001 square feet and above*
SEC. 741. San Bruno Avenue Neighborhood Commercial District.	~~*P up to 3,999 square feet; C 4,000 square feet and above*~~	*P up to 4,000 square feet; C 4,001 square feet and above*
SEC. 742. Cole Valley Neighborhood Commercial District.	~~*P up to 2,999 square feet; C 3,000 square feet and above*~~	*P up to 3,000 square feet; C 3,001 square feet and above*
SEC. 743. Lower Haight Street Neighborhood Commercial District.	~~*P up to 3,999 square feet; C 4,000 square feet and above*~~	*P up to 4,000 square feet; C 4,001 square feet and above*
SEC. 744. Lower Polk Street Neighborhood Commercial District.	~~*P up to 5,999 square feet; C 6,000 square feet and above*~~	*P up to 6,000 square feet; C 6,001 square feet and above*
SEC. 745. Inner Taraval Street Neighborhood Commercial District.	~~*P up to 3,999 square feet; C 4,000 square feet and above*~~	*P up to 4,000 square feet; C 4,001 square feet and above*
SEC. 746. Leland Avenue Commercial District.	~~*P up to 3,999 square feet; C 4,000 square feet and above*~~	*P up to 4,000 square feet; C 4,001 square feet and above*
SEC. 750. NCT-1 – Neighborhood Commercial Transit Cluster District.	~~*P up to 2,999 square feet; C 3,000 square feet and above*~~	*P up to 3,000 square feet; C 3,001 square feet and above*
SEC. 751. NCT-2 – Small-Scale Neighborhood Commercial Transit District.	~~*P up to 3,999 square feet; C 4,000 square feet and above*~~	*P up to 4,000 square feet; C 4,001 square feet and above*
SEC. 752. NCT-3 – Moderate-Scale Neighborhood Commercial Transit District.	~~*P up to 5,999 square feet; C 6,000 square feet and above*~~	*P up to 6,000 square feet; C 6,001 square feet and above*
SEC. 753. Soma Neighborhood Commercial Transit District.	~~*P up to 3,999 square feet; C 4,000 square feet and above*~~	*P up to 4,000 square feet; C 4,001 square feet and above*

SEC. 754. Mission Street Neighborhood Commercial Transit District.	~~*P up to 5,999 square feet; C 6,000 square feet and above*~~	*P up to 6,000 square feet; C 6,001 square feet and above*
SEC. 755. Ocean Avenue Neighborhood Commercial Transit District.	~~*P up to 3,999 square feet; C 4,000 square feet and above*~~	*P up to 4,000 square feet; C 4,001 square feet and above*
SEC. 756. Glen Park Neighborhood Commercial Transit District.	~~*P up to 3,999 square feet; C 4,000 square feet and above*~~	*P up to 4,000 square feet; C 4,001 square feet and above*
SEC. 757. Folsom Street Neighborhood Commercial Transit District.	~~*P up to 3,999 square feet; C 4,000 square feet and above*~~	*P up to 4,000 square feet; C 4,001 square feet and above*
SEC. 759. Divisadero Street Neighborhood Commercial Transit District.	~~*P up to 3,999 square feet; C 4,000 square feet and above*~~	*P up to 4,000 square feet; C 4,001 square feet and above*
SEC. 760. Fillmore Street Neighborhood Commercial Transit District.	~~*P up to 5,999 square feet; C 6,000 square feet and above*~~	*P up to 6,000 square feet; C 6,001 square feet and above*
SEC. 761. Hayes-Gough Neighborhood Commercial Transit District.	~~*P up to 2,999 square feet; C 3,000 square feet and above*~~	*P up to 3,000 square feet; C 3,001 square feet and above*
SEC. 762. Valencia Street Neighborhood Commercial Transit District.	~~*P up to 2,999 square feet; C 3,000 square feet and above*~~	*P up to 3,000 square feet; C 3,001 square feet and above*
SEC. 763. 24th Street – Mission Neighborhood Commercial Transit District.	~~*P up to 2,499 square feet; C 2,500 square feet and above*~~	*P up to 2,500 square feet; C 2,501 square feet and above*
SEC. 764. Upper Market Street Neighborhood Commercial Transit District.	~~*P up to 2,999 square feet; C 3,000 square feet and above*~~	*P up to 3,000 square feet; C 3,001 square feet and above*

[Sample Table]

Table [ ]. [ ] DISTRICT ZONING CONTROL TABLE

* * * *

* * * *		
Zoning Category	**§ References**	**Controls**
NON-RESIDENTIAL STANDARDS AND USES		

Development Standards		
* * * *		
Use Size	* * * *	~~*P up to [ ] square feet; C [ ] square feet and above*~~ *P up to [ ] square feet; C [ ] square feet and above*
* * * *		

Section 5. Non-Residential Use Size in Article 2 and 8 Zoning Control Tables.

Articles 2 and 8 of the Planning Code are hereby amended by revising the Zoning Control Tables for Sections 210.1, 210.2, 827, 829, 831, 832, and 834, under the Non-Residential Standards and Uses heading and the Development Standards subheading, in the § References column and Controls column of the Use Size row, to read as follows, as further shown in the Sample Zoning Control Table below:

Planning Code Section	Use Size Row	Revised Text for § References	Revised Text for [District] Controls
SEC. 210.1. C-2 Districts: Community Business	Use Size Limits	§§ 121.6*; 121.5*	C required for single Retail Use greater than 50,000 gross square feet. NP above 120,000 gross square feet. *Division of large use sizes per § 121.5.*
SEC. 210.2. C-3 Districts: Downtown Commercial	Use Size Limits	§§ 121.6*; 121.5*	C required for single retail use over 90,000 gross square feet. Single Retail Uses in excess of 120,000 gross square feet that sell groceries; contain more than 20,000 Stockkeeping Units (SKUs); and devote more than 5% of its total sales floor area to the sale of non-taxable merchandise are NP. *Division of large use sizes per § 121.5.*

SEC. 827. Rincon Hill Downtown Residential Mixed Use District (RH-DTR)	Use Size [Non-Residential]	§§ 890.130; *121.5,* 145.14	P for non-residential uses up to 25,000 sq. ft., C above. No individual ground floor tenant may occupy more than 75' of frontage for a depth of 25' from Folsom Street. §§ 145.14. *Division of large use sizes per § 121.5.*
SEC. 829. South Beach Downtown Residential Mixed Use District (SB-DTR)	Use Size [Non-Residential]	§§ 890.130*; 121.5*	P for non-residential uses up to 25,000 sq. ft., C above. *Division of large use sizes per § 121.5.*
SEC. 831. Mixed Use – General	Use Size Limits	§§ 121.6*; 121.5*	C required for single retail use over 50,000 gross square feet. Single Retail Uses in excess of 120,000 gross square are NP. *Division of large use sizes per § 121.5.*
SEC. 832. Mixed Use – Office	Use Size Limits	§§ 121.6*; 121.5*	C required for single retail use over 50,000 gross square feet. Single Retail Uses in excess of 120,000 gross square feet are NP. *Division of large use sizes per § 121.5.*
SEC. 834. Residential Enclave District	Use Size Limits	§§ 121.6*; 121.5*	C required for single retail use over 50,000 gross square feet. *Division of large use sizes per § 121.5.*

[Sample Table]

Table [ ]. [ ] DISTRICT ZONING CONTROL TABLE

* * * *

* * * *		
Zoning Category	**§ References**	**[District] Controls**
NON-RESIDENTIAL STANDARDS AND USES		
Development Standards		
* * * *		
Use Size	* * * * *; 121.5*	* * * *

* * * *		*Division of large use sizes per § 121.5*
* * * *		

Section 6. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

Section 7. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the ordinance.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: /s/ Giulia Gualco-Nelson
GIULIA GUALCO-NELSON
Deputy City Attorney

n:\legana\as2025\2500199\01845700.docx

FILE NO. 250634

LEGISLATIVE DIGEST

[Planning Code - Use Size Limits]

Ordinance amending the Planning Code to eliminate limits on Non-Residential Use Sizes in the Castro Street Neighborhood Commercial District (NCD), Pacific Avenue NCD, Polk Street NCD, West Portal Avenue NCD, North Beach NCD and North Beach Special Use District, Regional Commercial Districts, and Residential-Commercial District; allow specified Non-Residential Uses that exceed the Use Size limits to divide into smaller spaces that may continue to exceed the Use Size limits, without conditional use authorization; adjust the Use Size limit in all NCDs to a round number; 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.

Existing Law

The Planning Code regulates the size of Non-Residential Uses in several ways. Section 121.2 prescribes square footage thresholds for Non-Residential Uses in Neighborhood Commercial and Neighborhood Commercial-Transit Districts. Non-Residential Uses that exceed these size thresholds require a Conditional Use Authorization.

Section 121.2 also prescribes a square footage limit above which Non-Residential Uses are not permitted in Castro Street Neighborhood Commercial District (NCD), Pacific Avenue NCD, Polk Street NCD, West Portal Avenue NCD, North Beach NCD, North Beach Special Use District, and Regional Commercial Districts. Section 209 establishes a square footage limit for Non-Residential Uses in the Residential-Commercial Districts.

Section 121.6 requires a CUA for the establishment of a single retail use in excess of 50,000 gross square feet in any zoning district other than the C-3 (Downtown Commercial) Zoning Districts. Section 186.1 prohibits certain enlargements and alterations of nonconforming uses.

Amendments to Current Law

This ordinance would amend Planning Code Section 121.2 to eliminate hard caps on Non-Residential Use Sizes in Castro Street Neighborhood Commercial District (NCD), Pacific Avenue NCD, Polk Street NCD, West Portal Avenue NCD, North Beach NCD, North Beach Special Use District, and Regional Commercial Districts. The ordinance would also adjust the use size limits to a round number for all the NCD zoning control tables.

This ordinance would create Section 121.5 to allow specified Non-Residential Uses that exceed the use Size limits to divide into smaller spaces that may continue to exceed the use size limits, without conditional use authorization, and make parallel amendments to Sections 121.2, 121.6, 186.1, and the applicable zoning control tables. To be eligible for the benefits of Section 121.5, a Non-Residential Use must meet two conditions. First, Section 121.5 must be referenced in the applicable zoning control table. Second, the list of exclusions listed in Section 121.5 cannot apply, which include use size limits set forth in Special Use Districts; use size limits that apply per lot; zoning districts established pursuant to a development agreement or redevelopment plan; P (Public) Districts (Section 211); and Chinatown Mixed Use Districts (Sections 810, 811, and 812).

Background Information

This ordinance contains findings documenting the high vacancy rates for retail in the City, and the difficulties facing small retail businesses. The findings explain how facilitating the division of large retail spaces into smaller retail spaces and lifting the prohibitions on certain Non-Residential Use Sizes will assist small businesses and the City's economic recovery from the pandemic.

n:\legana\as2025\2500199\01845606.docx

San Francisco Planning

49 South Van Ness Avenue, Suite 1400
San Francisco, CA 94103
628.652.7600
www.sfplanning.org

July 23, 2025

Ms. Angela Calvillo, Clerk
Honorable Supervisor Melgar
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 2025-005221PCA:**
Use Size Limits
Board File No. 250634

Planning Commission Recommendation: **Approval**

Dear Ms. Calvillo and Supervisor Melgar,

On July 17, 2025, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance, introduced by Supervisor Melgar. The proposed ordinance would amend the Planning Code to eliminate limits on Non-Residential Use sizes in the Castro Street Neighborhood Commercial District (NCD), Pacific Avenue NCD, Polk Street NCD, West Portal Avenue NCD, North Beach NCD, North Beach Special Use District (SUD), Regional Commercial District (RCD), and Residential-Commercial Districts (RCs). It would also allow specified Non-Residential Uses that exceed the use size limits to divide into smaller spaces that may continue to exceed the use size limits, without requiring a Conditional Use authorization. At the hearing the Planning Commission adopted a recommendation for approval, adding a finding that encourages the sponsoring supervisors to conduct outreach to the Merchant Associations.

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

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

Sincerely,

Aaron D. Starr
Manager of Legislative Affairs

cc: Giulia Gualco-Nelson, Deputy City Attorney
Jen Low, Aide to Supervisor Melgar
John Carroll, Office of the Clerk of the Board

ATTACHMENTS :
Planning Commission Resolution
Planning Department Executive Summary

San Francisco Planning

49 South Van Ness Avenue, Suite 1400
San Francisco, CA 94103
628.652.7600
www.sfplanning.org

PLANNING COMMISSION RESOLUTION NO. 21782

HEARING DATE: July 17, 2025

Project Name:	Use Size Limits
Case Number:	2025-005221PCA [Board File No. 250634]
Initiated by:	Supervisor Melgar / Introduced June 3, 2025
Staff Contact:	Audrey Merlone, Legislative Affairs Audrey.Merlone@sfgov.org, 628-652-7534
Reviewed by:	Aaron D Starr, Manager of Legislative Affairs aaron.starr@sfgov.org, 628-652-7533

RESOLUTION ADOPTING A RECOMMENDATION FOR APPROVAL OF A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO ELIMINATE LIMITS ON NON-RESIDENTIAL USE SIZES IN THE CASTRO STREET NEIGHBORHOOD COMMERCIAL DISTRICT (NCD), PACIFIC AVENUE NCD, POLK STREET NCD, WEST PORTAL AVENUE NCD, NORTH BEACH NCD AND NORTH BEACH SPECIAL USE DISTRICT, REGIONAL COMMERCIAL DISTRICTS, AND RESIDENTIAL-COMMERCIAL DISTRICT; ALLOW SPECIFIED NON-RESIDENTIAL USES THAT EXCEED THE USE SIZE LIMITS TO DIVIDE INTO SMALLER SPACES THAT MAY CONTINUE TO EXCEED THE USE SIZE LIMITS, WITHOUT CONDITIONAL USE AUTHORIZATION; ADJUST THE USE SIZE LIMIT IN ALL NCDS TO A ROUND NUMBER; 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 June 3, 2025 Supervisor Melgar introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 250634, which would amend the Planning Code to eliminate limits on Non-Residential Use Sizes in the Castro Street Neighborhood Commercial District (NCD), Pacific Avenue NCD, Polk Street NCD, West Portal Avenue NCD, North Beach NCD and North Beach Special Use District, Regional Commercial Districts, and Residential-Commercial District; allow specified Non-Residential Uses that exceed the Use Size limits to divide into smaller spaces that may continue to exceed the Use Size limits, without conditional use authorization; adjust the Use Size limit in all NCDs to a round number;

WHEREAS, the Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on July 17, 2025; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15378 and 15060(c)(2); 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 adopts a **recommendation for approval** of the proposed ordinance.

Findings

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

The Commission supports the overall goals of the proposed Ordinance to create increase flexibility in Non-Residential Use sizes across the city. Rigid use size limits have prevented both the reuse and effective subdivision of large vacant spaces, such as former pharmacies or financial institutions, which are often located in lower-income neighborhoods with limited access to essential goods and services. Removing hard caps on Non-Residential Use sizes restores the Planning Commission's ability to evaluate proposals based on neighborhood needs, helping to reduce long-term vacancies and support inclusive economic recovery. Additionally, facilitating the division of large commercial spaces not only assists small businesses and the city's economic recovery, but also brings these larger spaces into closer conformity with the Planning Code. Allowing both the consideration of larger commercial uses and increasing flexibility in the subdivision of large spaces creates new opportunities for community-serving businesses, attracts investment, and supports neighborhood stability. Providing the Commission with discretion to evaluate these proposals case by case is a more equitable and adaptive approach to land use, better aligning planning tools with the economic realities facing many commercial corridors today.

The Commission additionally encourages the sponsoring Supervisors of this Ordinance to conduct outreach to Merchant Associations.

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 2.1
Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

OBJECTIVE 4
IMPROVE THE VIABILITY OF EXISTING INDUSTRY IN THE CITY, THE EQUITABLE DISTRIBUTION OF INFRASTRUCTURE, AND THE ATTRACTIVENESS OF THE CITY AS A LOCATION FOR NEW INDUSTRY.

Policy 4.2
Promote and attract those economic activities with potential benefit to the City.

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.

The proposed Ordinance removes unnecessary barriers to new business formation by ensuring that spaces can be created that serve a businesses' needs. As the retail landscape continues to shift, and the City continues to struggle with commercial vacancies, any proposal that will make it easier for businesses to open and for commercial vacancies to be reduced should be supported.

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 ADOPTS A RECOMMENDATION FOR APPROVAL of 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 17, 2025.

Jonas P Ionin Digitally signed by Jonas P Ionin
Date: 2025.07.21 13:23:32 -07'00'

Jonas P. Ionin
Commission Secretary

AYES:	Braun, Campbell, Imperial, McGarry, So
NOES:	Moore, Williams
ABSENT:	None
ADOPTED:	July 17, 2025

San Francisco Planning

49 South Van Ness Avenue, Suite 1400
San Francisco, CA 94103
628.652.7600
www.sfplanning.org

EXECUTIVE SUMMARY
PLANNING CODE TEXT AMENDMENT

HEARING DATE: **July 17, 2025**

90-Day Deadline: September 9, 2025

Project Name:	Use Size Limits
Case Number:	2025-005221PCA [Board File No. 250634]
Initiated by:	Supervisor Melgar / Introduced June 3, 2025
Staff Contact:	Audrey Merlone, Legislative Affairs Audrey.Merlone@sfgov.org, 628-652-7534
Reviewed by:	Aaron Starr, Manager of Legislative Affairs aaron.starr@sfgov.org, 628-652-7533
Environmental Review:	Not a Project Under CEQA

RECOMMENDATION: **Adopt a Recommendation for Approval**

Planning Code Amendment

The proposed Ordinance would amend the Planning Code to eliminate limits on Non-Residential Use sizes in the Castro Street Neighborhood Commercial District (NCD), Pacific Avenue NCD, Polk Street NCD, West Portal Avenue NCD, North Beach NCD, North Beach Special Use District (SUD), Regional Commercial District (RCD), and Residential-Commercial Districts (RCs). It would also allow specified Non-Residential Uses that exceed the use size limits to divide into smaller spaces that may continue to exceed the use size limits, without requiring a Conditional Use authorization.

The Way It Is Now:

1. Most Neighborhood Commercial districts (NCs) require Non-Residential uses to obtain a Conditional Use authorization (CUA) if the use will exceed a specified size, but do not place a hard cap on said use

sizes, with the exception of the following districts:

- Castro Street Neighborhood Commercial District (*4k sqft maximum*)
- North Beach Neighborhood Commercial District (*4k sqft maximum*)
- Polk Street Neighborhood Commercial District (*4k sqft maximum*)
- West Portal Avenue Neighborhood Commercial District (*4k sqft maximum*)
- Regional Commercial District (*25k sqft maximum*)
- Residential-Commercial Districts *(120k sqft maximum)*

2. The North Beach SUD prohibits Specialty Grocery Stores from exceeding 1,000 square feet.

3. Existing, Non-Residential units that already exceed the size limit are either prohibited from being subdivided or must obtain Conditional Use authorization (depending on the zoning district) if the proposed subdivision would *increase* the number of units that individually exceed the district's size limits.

4. Use size limits in certain zoning districts' control tables are described as odd numbers, with an even number describing when a stricter control is applied (ex: *Permitted up to 1,999 square feet, Conditional Use required 2,000 square feet and above*).

The Way It Would Be:

1. Hard caps on Non-Residential Use sizes would be eliminated from the remaining NC and RC districts. Conditional Use requirements for uses over a certain size would be retained, as would any use size limit that is specifically listed in a zoning district's zoning control table.

2. The North Beach SUD would Conditionally permit Specialty Grocery Stores that exceed 1,000 square feet.

3. Large, Non-Residential units may subdivide into smaller units without Conditional Use authorization, even if the subdivision would result in an increased number of units that exceed the allowable size limits for the designated use. Proposals that seek to increase the overall Gross Floor Area (GFA) would not be eligible. This provision would not apply to any Special Use Districts (SUDs) that have specific use size limits, use size limits that apply per lot, use sizes set by Development Agreements or Redevelopment Plans, use sizes in Public zoning districts, or the use size limits in Chinatown Mixed Use districts.

4. Use size limits in certain zoning control districts' zoning control tables would be described as even numbers, with an odd number describing when a stricter control is applied (ex: *Permitted up to 2,000 square feet, Conditional Use required 2,001 square feet and above*).

Background

On December 5, 2024, the Planning Commission considered an ordinance[1] that would allow a specific lot/block within the West Portal Avenue NCD to exceed the Non-Residential Use size limit up to 5,000gsf and without requiring a Conditional Use authorization(CUA). The Commission recommended modifying the ordinance to instead remove the maximum use size limit of 4,000sqft for the *entire* West Portal Avenue NCD. Supervisor Melgar, the sponsor of the legislation, moved the ordinance forward without the Commission's recommended modification; instead committing to address hard caps on use sizes through a more comprehensive effort. The proposed Ordinance that is the subject of this report is the result of that effort. It would not only remove the maximum use size limit in the West Portal Avenue NCD, but also remove said limit for all remaining NCDs and RCs where one exists.

Issues and Considerations

How Use Sizes Are Regulated

The Planning Code regulates the maximum size of Non-Residential Uses in a handful ways. The restrictions on size can be: 1. A blanket limit across all Non-Residential Uses in a zoning district above which a *CUA* is required; 2. A blanket maximum across all Non-Residential Uses in a zoning district above which Non-Residential Uses are *Not Permitted*, or; 3. A size limit for an individual use or group of uses regulated through a particular zoning district's zoning control table, above which either a CUA is required, or the size is Not Permitted.

Nonconforming Use Sizes

A space that would be too large under current size limitations, but was established before the limitations were in place is considered a legal, nonconforming space. These spaces may remain indefinitely so long as they are not expanded. These large spaces can be subdivided, but only if the subdivision into multiple units does not create additional "noncompliant" spaces (spaces that are larger than the size cap). Because of these restrictions, filling a large, vacant space in an NCD with a maximum use size cap , aka hard cap, can be challenging.

> In districts with hard caps, a large commercial space can only be subdivided if it does not result in any net-new unit that exceeds the zoning district's use size limit.

A prime example of this is the former Lombardi Sports (Lombardi) storefront at 1600 Jackson Street in the Polk Street NCD, which has been vacant for over ten years. This commercial space is more than 40,000 square feet in size, and it has been difficult to find a tenant to fill the entire space. Over the years, several prospective tenants have reached out to the District 3 Supervisor's Office and the Planning Department; however, those proposals never came to fruition because the proposed use was unable to fill the entire space or was a Formula Retail use. Alternatively, this space could be subdivided into smaller commercial

[1] *https://sfgov.legistar.com/LegislationDetail.aspx?ID=6869080&GUID=EBE604E1-031A-4D43-808D-4D75E3ACD7F9&*

spaces. However, because there is an absolute use size limit of 4,000 square feet, all but one subdivided tenant space would need to be 4,000 square feet or smaller (to not increase the number of nonconforming spaces). In this case, and in the cases of other large vacant spaces in NCDs with hard caps, it has been difficult to attract enough small businesses to subdivide the large space into smaller code-complying spaces all at once.

Allowing Consideration of Large Retail Proposals

While subdividing large spaces is often necessary, there are also cases where larger retail uses are desirable for a neighborhood. In NCDs and RCDs with hard use-size limits, such proposals cannot be considered. A hard cap on use size means the only way to allow larger uses is through legislation exempting a specific parcel, unit, or use from the hard limit. The Department has reviewed seven such ordinances in recent years, including in the Castro, Polk, and most recently, West Portal neighborhoods. These one-off ordinances highlight a broader issue with hard caps on Non-Residential Use size. Past cases show that larger commercial spaces can sometimes benefit a neighborhood. However, maximum Non-Residential Use size limits prevent any flexibility to consider this need. They also remove the Planning Commission's discretion to determine whether a larger space is appropriate for a given location.

> In recent years, the Department has reviewed seven proposed ordinances seeking to exempt specific businesses from strict use size limits in zoning districts with hard caps.

One example is the Health Clinic at 470 Castro Street, located within the Castro Street Neighborhood Commercial District (NCD). In 2013, the San Francisco AIDS Foundation aimed to consolidate three valued health programs into one comprehensive location. They identified 470 Castro Street, which included two ground-floor retail spaces and several offices on the second story. The project proposed to combine the upper offices into one unit and add a ~3,750 sqft expansion to support vital community services. The project was strongly supported by the neighborhood and seen as a highly desirable use of the space. However, because it exceeded 4,000 sqft, it was not permitted under existing size restrictions. The only way for the project to move forward was if legislation was passed to grant an exemption from the use size cap. As such, Supervisor Wiener introduced legislation to exempt certain Institutional uses from the Castro NCD's size limits. Only after the legislation passed could the AIDS Foundation seek Conditional Use authorization for a unit over 2,000 sqft. Without the hard size cap, the project could have directly applied for Conditional Use authorization and begun public review. It would still have been evaluated, publicly noticed, and conditioned to address impacts - without requiring special carveout legislation.

State of the Retail Sector

The Controller's Office of Economic Analysis released a report[2] in November of 2024 on the status of the City's economy. Among the key findings was the fact that new business formation (tracked by the number of business registration certificates filed) remained far below pre-pandemic rates, especially in the retail trades

[2] *www.sf.gov/sites/default/files/2024-12/Status%20of%20the%20San%20Francisco%20Economy%20November%202024.pdf*

and restaurant/bar categories. The report revealed that although tourism and office vacancies are slowly improving, they are still below pre-pandemic levels. Many businesses are still attempting to recover from the pandemic amidst a period of slow economic growth both locally and nationally.

> The reduction in economic activity results in less visitors to the neighborhood and harms the businesses that remain.

Citywide, the retail vacancy rate was approximately 7.7% in Q4 2024, rising to 22.1% in the Union Square District and ~50% in the Van Ness corridor. Economists typically consider a healthy commercial vacancy rate to be between 5% and 10%. This is because a small percentage of retail vacancies is healthy, preventing demand from exceeding supply and displacing less profitable businesses. However, vacancy rates above 10% typically harm surrounding neighborhoods. The reduction in economic activity results in less visitors to the neighborhood and harms the businesses that remain. High vacancy rates can trigger a downward spiral: fewer businesses stay, which creates an ever-increasing number of vacancies. The decrease in demand for retail spaces not only results in reduced property values, but also deters potential investors and leads to increased crime and vandalism. These factors can create retail deserts like the one seen along the Van Ness Avenue corridor and in Union Square - where essential goods and services have become scarce, further harming nearby communities.

Two sectors with particularly acute increases in vacancies are financial institutions and pharmacies. Over the past 10 years, at least 64 pharmacies have closed across the city, with more expected in the coming years.[3] In the first ten months of 2024, 20 bank branches closed across the city, affecting neighborhoods like the Richmond, Mission Bay, Fort Mason, and the Bayview.[4] These closures leave behind large, expensive spaces that small businesses often cannot afford or utilize. As with the Lombardi Sports example, it can also be difficult to subdivide many of these larger units due to the use size cap. These factors further exacerbate the problem of commercial vacancies across the city.

General Plan Compliance

Objective 2 of the Commerce and Industry Element is to “Maintain and enhance a sound and diverse economic base and fiscal structure for the City”. Policy 2.1 of this Objective is to “Seek to retain existing commercial and industrial activity and to attract new such activity to the City”. Policy 4.2 is to “Promote and attract those economic activities with potential benefit to the City”. The proposed Ordinance removes unnecessary barriers to new business formation by ensuring that spaces can be created that serve a businesses’ needs. As the retail landscape continues to shift, and the City continues to struggle with commercial vacancies, any proposal that will make it easier for businesses to open and for commercial vacancies to be reduced should be supported.

[3] *https://www.sfgate.com/bayarea/article/san-francisco-pharmacy-closures-getting-worse-20381895.php*
[4] *https://www.sfchronicle.com/bayarea/article/bank-branch-closings-sf-18299235.php*

Racial and Social Equity Analysis

Reducing restrictions on use size limits for commercial spaces could have positive racial and social equity impacts, especially in neighborhoods affected by disinvestment, limited services, and high commercial vacancy rates. Hard caps on use size often prevent the reuse of large vacant spaces like former pharmacies or banks, of which closures are more common in lower-income or historically underserved neighborhoods.[5] When these spaces remain empty for years, like the Lombardi Sports site, they contribute to blight and reduce access to goods and services. Easing use size limits will also better enable the establishment of community-serving businesses like grocery stores or clinics. As stated earlier, hard caps also remove the Planning Commission's ability to evaluate larger projects based on neighborhood needs. This inability to apply discretion based on the suitability of a particular use in a neighborhood can hinder communities with fewer resources from gaining essential services that require more space than current caps allow. Allowing more flexibility in commercial use sizes can support inclusive economic recovery and ensure marginalized neighborhoods are not left behind in the post-pandemic economy.

Implementation

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

Recommendation

The Department recommends that the Commission ***adopt a recommendation for approval*** of the proposed Ordinance and adopt the attached Draft Resolution to that effect.

Basis for Recommendation

The Department supports the overall goals of the proposed Ordinance to create increase flexibility in Non-Residential Use sizes across the city. Rigid use size limits have prevented both the reuse and effective subdivision of large vacant spaces, such as former pharmacies or financial institutions, which are often located in lower-income neighborhoods with limited access to essential goods and services. Removing hard caps on Non-Residential Use sizes restores the Planning Commission's ability to evaluate proposals based on neighborhood needs, helping to reduce long-term vacancies and support inclusive economic recovery. Additionally, facilitating the division of large commercial spaces not only assists small businesses and the city's economic recovery, but also brings these larger spaces into closer conformity with the Planning Code. Allowing both the consideration of larger commercial uses and increasing flexibility in the subdivision of large spaces creates new opportunities for community-serving businesses, attracts investment, and supports neighborhood stability. Providing the Commission with discretion to evaluate these proposals case by case is a more equitable and adaptive approach to land use, better aligning planning tools with the economic realities facing many commercial corridors today.

[5] *https://apnews.com/article/drugstore-closings-cvs-walgreens-independent-pharmacies-6b54d4bd1564b2bff7a55a624da61c19*

Required Commission Action

The proposed Ordinance is before the Commission so that it may adopt a recommendation of approval, disapproval, or approval with modifications.

Environmental Review

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

Public Comment

As of the date of this report, the Planning Department has not received any public comment regarding the proposed Ordinance.

ATTACHMENTS:

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

MEMORANDUM

Date: June 11, 2025

To: Planning Department/Planning Commission

From: John Carroll, Assistant Clerk, Land Use and Transportation Committee

Subject: Board of Supervisors Legislation Referral - File No. 250634
Planning Code - Use Size Limits

☒ California Environmental Quality Act (CEQA) Determination
(California Public Resources Code, Sections 21000 et seq.)
☒ Ordinance / Resolution
☐ Ballot Measure

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,

6/18/2025 Joy Navarrete

☒ Amendment to the Planning Code, including the following Findings:
(Planning Code, Section 302(b): 90 days for Planning Commission review)
☒ General Plan ☒ Planning Code, Section 101.1 ☒ Planning Code, Section 302

☐ Amendment to the Administrative Code, involving Land Use/Planning
(Board Rule 3.23: 30 days for possible Planning Department review)

☐ General Plan Referral for Non-Planning Code Amendments
(Charter, Section 4.105, and Administrative Code, Section 2A.53)
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)

☐ Historic Preservation Commission
☐ Landmark *(Planning Code, Section 1004.3)*
☐ Cultural Districts *(Charter, Section 4.135 & Board Rule 3.23)*
☐ Mills Act Contract *(Government Code, Section 50280)*
☐ Designation for Significant/Contributory Buildings *(Planning Code, Article 11)*

Please send the Planning Department/Commission recommendation/determination to John Carroll at john.carroll@sfgov.org.

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

M E M O R A N D U M

TO: Sarah Dennis-Phillips, Executive Director, Office of Economic and Workforce Development

FROM: John Carroll, Assistant Clerk, Land Use and Transportation Committee

DATE: June 11, 2025

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Melgar on June 3, 2025.

File No. 250634

Ordinance amending the Planning Code to eliminate limits on Non-Residential Use Sizes in the Castro Street Neighborhood Commercial District (NCD), Pacific Avenue NCD, Polk Street NCD, West Portal Avenue NCD, North Beach NCD and North Beach Special Use District, Regional Commercial Districts, and Residential-Commercial District; allow specified Non-Residential Uses that exceed the Use Size limits to divide into smaller spaces that may continue to exceed the Use Size limits, without conditional use authorization; adjust the Use Size limit in all NCDs to a round number; 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.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: john.carroll@sfgov.org.

cc:
Office of Chair Melgar
Anne Taupier, Office of Economic and Workforce Development
Alesandra Lozano, Office of Economic and Workforce Development

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

M E M O R A N D U M

TO: Katy Tang, Director
Small Business Commission, City Hall, Room 448

FROM: John Carroll, Assistant Clerk, Land Use and Transportation Committee

DATE: June 11, 2025

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

The Board of Supervisors' Land Use and Transportation Committ3ee 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. 250634

Ordinance amending the Planning Code to eliminate limits on Non-Residential Use Sizes in the Castro Street Neighborhood Commercial District (NCD), Pacific Avenue NCD, Polk Street NCD, West Portal Avenue NCD, North Beach NCD and North Beach Special Use District, Regional Commercial Districts, and Residential-Commercial District; allow specified Non-Residential Uses that exceed the Use Size limits to divide into smaller spaces that may continue to exceed the Use Size limits, without conditional use authorization; adjust the Use Size limit in all NCDs to a round number; 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.

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.

c: Office of Chair Melgar
Kerry Birnbach, Senior Policy Analyst/Commission Secretary

****

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

____ No Comment
____ Recommendation Attached

_____
Chairperson, Small Business Commission

Member, Board of Supervisors
District 7

City and County of San Francisco

MYRNA MELGAR

DATE: July 23, 2025

TO: Angela Calvillo
Clerk of the Board of Supervisors

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

RE: Land Use and Transportation Committee
COMMITTEE REPORTS

Pursuant to Board Rule 4.20, as Chair of the Land Use and Transportation Committee, I have deemed the following matters are of an urgent nature and request them be considered by the full Board on Tuesday, July 29, 2025

File No. 250760	**Commemorative Plaques - San Francisco Little Italy Honor Walk Expansion** Sponsors: Sauter; Dorsey
File No. 240803	**Planning, Building Codes - Unauthorized and Rent-Controlled Dwelling Units** Sponsor: Melgar
File No. 250634	**Planning Code - Use Size Limits** Sponsors: Melgar; Sherrill and Sauter
File No. 250702	**Building Code - All-Electric Major Renovations** Sponsors: Mandelman; Mahmood, Fielder and Melgar
File No. 240796	**Administrative Code - Ban on Automated Rent-Setting** Sponsors: Chan; Melgar

These matters will be heard in the Land Use and Transportation Committee at a Regular Meeting on Monday, July 28, 2025.

City Hall · 1 Dr. Carlton B. Goodlett Place, Room 244 · San Francisco, California 94102-4689 · (415) 554-6516
TDD/TTY (415) 554-5227 · E-mail: Myrna.Melgar@sfgov.org

Introduction Form

(by a Member of the Board of Supervisors or the Mayor)

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

- [x] 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- [ ] 2. Request for next printed agenda (For Adoption Without Committee Reference)
  (Routine, non-controversial and/or commendatory matters only)
- [ ] 3. Request for Hearing on a subject matter at Committee
- [ ] 4. Request for Letter beginning with "Supervisor _____ inquires…"
- [ ] 5. City Attorney Request
- [ ] 6. Call File No. _____ from Committee.
- [ ] 7. Budget and Legislative Analyst Request (attached written Motion)
- [ ] 8. Substitute Legislation File No. _____
- [ ] 9. Reactivate File No. _____
- [ ] 10. Topic submitted for Mayoral Appearance before the Board on _____

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission

☒ Planning Commission ☐ Building Inspection Commission ☐ Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

☐ Yes ☐ No

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

Sponsor(s):

Supervisors Melgar; Sherrill, and Sauter

Subject:

Planning Code - Use Size Limits

Long Title or text listed:

Ordinance amending the Planning Code to eliminate limits on Non-Residential Use Sizes in the Castro Street Neighborhood Commercial District (NCD), Pacific Avenue NCD, Polk Street NCD, West Portal Avenue NCD, North Beach NCD and North Beach Special Use District, Regional Commercial Districts, and Residential-Commercial District; allow specified Non-Residential Uses that exceed the Use Size limits to divide into smaller spaces that may continue to exceed the Use Size limits, without conditional use authorization; adjust the Use Size limit in all NCDs to a round number; 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.

Signature of Sponsoring Supervisor: /s/Myrna Melgar