FILE NO. 250799

LEGISLATIVE DIGEST

(Duplicated in Committee – July 28, 2025)

[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