



# SAN FRANCISCO PLANNING DEPARTMENT

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## Executive Summary Planning Code Text Amendment

HEARING DATE: FEBRUARY 2, 2017

EXPIRATION DATE: N/A

Project Name: **Article 7: Phase 2 of the Planning Code Reorganization**  
Case Number: **2014-001965PCA** [Board File No. TBD]  
Initiated by: Planning Department  
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Recommendation: **Recommend Approval with Modifications**

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### PLANNING CODE AMENDMENT

Ordinance amending the Planning Code to reorganize Article 7 and to update, correct, clarify, and simplify Code language in other Planning Code Sections; requiring Conditional Use authorization for Bars, and Liquor Stores on the first floor in the Noriega, Irving, Taraval, and Judah Neighborhood Commercial Districts; enacting permanent controls requiring Conditional Use authorization for Medical Cannabis Dispensaries in the Noriega, Irving, Taraval, and Judah Neighborhood Commercial Districts; require Conditional Use authorization for Personal Services on the second floor in the Noriega, Irving, Taraval, and Judah Neighborhood Commercial Districts; prohibit Kennels, Large Scale Urban Agriculture, Business Hours from 2 a.m. to 6 a.m., and the demolition or merge of units on the second story and above in the North Beach Neighborhood Commercial District; preserve the small storefronts, street frontage and prohibit vehicular access on certain streets within the North Beach NCD and SUD; create the definition of Special Food Manufacturing and amending the Eating and Drinking Controls for the North Beach SUD; and requiring Conditional Use for Bars and Principally Permitting Restaurants in the Broadway NCD.

#### The Way It Is Now:

##### Main Amendments

1. Article 7 of the Planning Code contains land use controls, development standards, and density controls for the City's Neighborhood Commercial Districts (NCD). These controls are outlined in zoning control tables.
2. All uses allowed in NCDs are defined in Section 790 of the Planning Code.
3. The Conditional Use (CU) mailed notice requirement is 20 days for NCD and Mixed Use Districts (MUD) and 10 days for all other zoning districts. The General Plan, and Variance mailing requirement is 10 days for all zoning districts.
4. Section 316 contains CU procedures and findings for NCDs and MUDs, which are essentially the same as the controls in Section 306 of the Planning Code.

### **Definition Changes**

5. Other Entertainment; Public Use; Other Institution, Larger; Other Institution Small; Business or Professional Services; and Other Retail Sales and Service are all use definitions that group together several other uses. These “sub-uses” are regulated separately in zoning districts found in Article 2.
6. Massage Establishment, as defined in Section 790.60, includes the following uses defined in Section 102: Massage Establishment and Foot/Chair Massage. Per the definition, Foot and Chair Massage is allowed without a CU if it is visible to the public.
7. Personal Services, as defined in Section 790.116, includes the following uses defined in Section 102: Personal Service and Instructional Services.
8. Takeout Food Use is defined in Section 102 as an individual Retail Sales and Service Use; it is also defined in Section 790.122 as an individual use.
9. Mobile Food Facilities are currently listed as a separate use in the Article 2 zoning control tables, and defined as a distinct and separate use in Section 102 of the Planning Code.
10. Use Characteristic is a term used in the Article 2 zoning control tables but not currently defined in the Planning Code.
11. Accessory Uses are defined in Section 204 of the Planning Code.

### **Sunset NCD Amendments**

12. Bars and Liquor Stores are principally permitted on the first floor in the Noriega, Irving, Taraval, and Judah NCDs;
13. An interim control requires CU authorization for Medical Cannabis Dispensaries in the Noriega, Irving, Taraval, and Judah NCDs.
14. Personal Services are principally permitted on the second floor in the Noriega, Irving, Taraval, and Judah NCDs.

### **North Beach NCD and SUD<sup>1</sup> Amendments**

15. Ground Floor Commercial is not required in the North Beach NCD and SUD per Section 145.4.
16. There are no limits on lot mergers within the North Beach NCD and SUD per Section 121.7.
17. There are no limits on storefront consolidation in the North Beach NCD and SUD.
18. Per Section 155, vehicular access (driveway) is prohibited on Columbus between Washington and North Point Streets, but permitted on Grant Avenue, and Green Street.
19. Large Scale Agriculture and Kennels require CU authorization within the North Beach NCD.
20. Within the North Beach NCD and SUD, Business Hours may be extended from 2:00 AM to 6:00 AM with CU authorization.

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<sup>1</sup> The North Beach NCD and SUD are coterminous.

21. Within the North Beach NCD and SUD, Restaurants are exempt from the 18-month abandonment period per Section 186.1. Instead, Restaurants are considered abandoned after three years, which is the standard throughout the Code.
22. Within the North Beach NCD and SUD, Movie Theaters are exempt from the non-residential use size limits in Section 121.2.
23. Limited-Restaurants are permitted as an accessory use in all NCDs, including the North Beach NCD and SUD.
24. Bakeries and other specialty food manufacturing businesses are considered Limited Restaurants in the North Beach NCD and SUD and require CU authorization.
25. Eating and Drinking uses in the North Beach SUD are permitted with CU authorization only if they do not take over a space previously occupied by a Basic Neighborhood Sale or Service use, as defined in Planning Code Section 780.3.

#### **Broadway NCD Amendments**

26. Within the Broadway NCD, Bars are principally permitted and Restaurants require CU authorization.

#### **The Way It Would Be:**

#### **Main Amendments**

1. Article 7 of the Planning Code will still contain land use controls, development standards, and density controls for the City's NCDs; however the proposed ordinance would revise the zoning control tables to match the tables in Article 2.
2. Use definitions in Section 790 of the Planning Code would be deleted. NCDs would use the standardized use definitions in Section 102.
3. The CU, General Plan, and Variance mailing noticing requirement would be 20 days for all zoning districts.
4. Section 316 would be deleted. Conditional Use procedures and findings for CUs in NCDs and MUDs would be found in Section 306 of the Planning Code along with all other zoning districts.

#### **Definition Changes**

5. The following use groupings would be split-up into more discrete uses so that they can be regulated separately. The control for the use would be the same as the control for the use grouping. For example, if Other Entertainment requires Conditional Use authorization, then General Entertainment and Nighttime Entertainment would also require a Conditional Use authorization.
  - a. **Other Entertainment:** General Entertainment, and Nighttime Entertainment.
  - b. **Public Use:** Public Facilities, Open Recreation Area, Passive Outdoor Recreation, Community Recycling Center, Internet Service Exchange, Public Transportation Facility, Utility Instillation, and Wireless Telecommunications Services Facility.

- c. **Other Institution, Small:** Childcare Facilities with 12 or fewer children and Residential Care Facilities with six or fewer persons (Please note that the numerical distinctions would be maintained as they relate to how the use is regulated, but there would only be one definition for these uses in Section 102).
  - d. **Other Institutions, Large:** Child Care Facilities with 13 or more children, Residential Care Facilities with seven or more people, Community Facilities, Private Community Facilities, Job Training, Post-Secondary Educational Institution, School, Religious Institution, Social Service or Philanthropic Facility, and Trade School.
  - e. **Other Retail Sales and Service:** General Retail Sales & Service, General Grocery, Specialty Grocery, Cat Boarding, Tourist Oriented Gift Store, Jewelry Store, Non-Auto Vehicle Sales/Rental, and Pharmacy.
  - f. **Business or Professional Services:** Retail Professional Service, Design Professional, and Trade Office.
6. Massage Establishment and Foot/Chair Massage will be regulated separately in the zoning control tables in Article 7. Currently, Foot and Chair Massage is allowed without a CU if it is visible to the public; therefore if a Massage use is permitted with a CU in that zoning district, Foot and Chair massage would be principally permitted on the ground floor and require CU on the upper floors. If Massage use is not permitted in that district, Foot and Chair Massage would not be permitted.
  7. Personal Services and Instructional Service will be regulated separately in the zoning control tables in Article 7; however, they will both have the same controls that Personal Service currently has in that district.
  8. Takeout Food Use would be removed from the Planning Code as a separately defined use.
  9. The definition for Mobile Food Facilities would be amended so that it is no longer a within the Retail Sales and Service use category. The new definition would indicate how the use is regulated (either as a temporary use or a permanent restaurant use).
  10. A definition for "Use Characteristic" would be added to Section 102.
  11. The definition of Accessory Uses in Section 204 would be moved to Section 102.

#### **Sunset NCD Amendments**

12. Bars and Liquor Stores would require CU authorization on the first floor in the Noriega, Irving, Taraval, and Judah NCDs;
13. The existing interim control that requires CU authorization for Medical Cannabis Dispensaries in the Noriega, Irving, Taraval, and Judah NCDs would become permanent.
14. Personal Services would require CU authorization to establish on the second floor in the Noriega, Irving, Taraval, and Judah NCDs.

#### **North Beach NCD and SUD**

15. Ground Floor Commercial would be required in the North Beach NCD and SUD per Section 145.4; however this requirement could be amended with CU authorization.
16. Per Section 121.7, lot mergers within the North Beach NCD and SUD of over 25 feet in width would require CU authorization or a waiver by the Zoning Administrator per Section 121.7.

17. Storefront mergers would be prohibited within in the North Beach NCD and SUD.
18. In addition to the prohibitions on vehicular access on Columbus Avenue, vehicular access would also be prohibited on Grant Avenue between Columbus Avenue and Filbert Street, and Green Street between Grant Avenue and Columbus/Stockton Streets.
19. Large Scale Agriculture and Kennels would be prohibited within the North Beach NCD.
20. Business Hours between 2:00 AM to 6:00 AM would be prohibited.
21. Within the North Beach NCD, Restaurants would be subject to the 18-month abandonment period per Section 186.1.
22. Within the North Beach NCD, Movie Theaters would no longer be exempt from the non-residential use size limits in Section 121.2.
23. Limited-Restaurants would no longer be permitted as an Accessory Use in the North Beach NCD.
24. The definitions “Specialty Food Manufacturing” would be added to the North Beach SUD and require CU for approval within the SUD. This use would cover bakeries and other such businesses.
25. The North Beach SUD would be amended to permit Eating and Drinking uses with CU authorization on the ground floor only if the following is met: A Bar may occupy a space that is currently or last legally occupied by a Bar; a Restaurant may occupy a space that is currently or was last legally occupied by a Restaurant or Bar; and a Limited Restaurant may occupy a space that is currently or was last legally occupied by a Limited Restaurant, Restaurant or Bar.
26. Within the Broadway NCD, Bars would require CU authorization and Restaurants would be principally permitted.

## **BACKGROUND**

### **Planning Code’s Evolution**

In 1921 The City established its first citywide zoning district system, later titled “a City Planning Code.” The Code consisted of 14 maps, which divided every parcel into one of six permitted categories or districts: First Residential, Second Residential, Commercial, Light Industrial, Heavy Industrial, and Unrestricted. There were literally no constraints placed on the use of land in the “Unrestricted” district. Over time, the Planning Code grew in complexity, and by 1974 it consisted of 134 pages and 20 zoning Districts. By 1996, the Code had gone through a tremendous amount of change including the establishment of RH, RM, RC, Downtown, Chinatown, South of Market, and Mission Bay Districts. It included two volumes and contained 443 pages excluding the index, and temporary zoning controls. Since 1996 PDR, RTO, and Eastern Neighborhood’s MUDs have been added to the Planning Code. Today, the Code contains over 1,300 pages and 111 zoning districts.

With each new addition came a different way of promulgating zoning information. By the 1940s, the zoning district’s use controls were shown in a table with the zoning districts arranged at the top of the table and the uses, including the definition of the use, arranged on the side of the table. Inside the chart contained the control, indicating whether the use was permitted, required conditional use or was not permitted. When the NCDs were added in the mid-1980s, zoning control tables were introduced to the Code. This new way of organization information moved the definitions out of the tables and into a separate section (Section 790), and introduced vertical zoning, which controlled the use by floor. It also

gave each district its own chart that included development requirements like height and bulk restrictions, parking requirements, hours of operation, etc.

When Chinatown and the South of Market Districts were added to the Code they followed a similar format as Article 7, using zoning control tables and adding another set of use definitions (Section 890). Many of these definitions duplicated the use definitions in Article 7. Some exceptions include Chinatown specific definitions like Jewelry Store, and Tourist Oriented Gift-Store, and in the South of Market Districts Design Professional, Laboratory and Life Sciences. Article 9, which controls the land uses in Mission Bay, also has its own set of definitions. At the start of this project there were three separate sets of use definitions in the Code (Section 2, 7, and 8) one set of general definitions in Article 1, fee specific definitions in Article 4, sign specific definitions in Article 6, and Mission Bay specific definitions in Article 9. By the end of the project there will only be one set of use definitions and general definitions, located in Section 102. Article specific definitions will still live in their respective sections.

### **Overall Goals and Phasing**

Initiated in 2013, the Code Reorganization Project seeks to restructure the Planning Code so that it's easier to read, understand, and use. This Ordinance includes Phase 2 of the Planning Code Reorganization project and focuses on Article 7 of the Planning Code. Phase 1 was adopted by the Board of Supervisor on February 10, 2016 (Board File 141253), and signed by the Mayor on February 20, 2015 (Enactment Number 022-15).

Phase 1 of the Code Reorganization Project consolidated all use definitions into Section 102 of the Code. It also reorganized Article 2, which includes Residential (RH, RM, and RC), Downtown (C-3), and Industrial (PDR, and M) zoning districts, by creating zoning control tables similar to the ones already used in our NCDs. The benefit to zoning control tables is that they allow the users to obtain building standards and use controls for a particular zoning district in one easy to use chart. The Planning Commission unanimously recommended approval of the Phase 1, the Article 2 Reorganization Ordinance, in October of 2014.

Having successfully completed Phase 1 with significant community support, the Department moved on to Phase 2. This phase of the project focuses on Article 7 of the Planning Code, which contains controls for NCDs. Phase 2 deletes the definitions in Article 7 (Planning Code Section 790) so that NCDs use the same consolidated definitions in Section 102 created in Phase 1, and updates the format of the Zoning Control Tables. The final phase, Phase 3, will do the same thing for Article 8 of the Planning Code (Mixed Use Districts), and will be initiated once Article 7 is complete.

## **ISSUES AND CONSIDERATIONS**

### **Two Ordinances, One Goal**

The proposed "ordinance" is split into two separate ordinances. One ordinance deletes all of the Article 7 zoning control tables and Article 7 use definitions in Section 790. The other ordinance adds the new zoning control tables back and makes other proposed changes. This was done to make the changes easier to identify and understand, and to make the ordinance more manageable. It also cuts down on the number of pages that the public has to print out.

### **Use Consolidation and Changes**

Phase 1 of the Code Reorganization project consolidated all use definitions and definitions that are used universally throughout the Planning Code into Section 102. Repeating use definitions that apply to all zoning districts in multiple places needlessly complicated the Planning Code, especially when many of those definitions are identical or overlap. At the end of this project there will no longer be use definitions in Articles 2, 7, or 8. Instead all zoning districts will use the definitions in Section 102.

In consolidating the definitions into Section 102, Staff was careful to preserve all existing use definitions so that existing land use controls could be preserved. To achieve this, use groupings (definitions that include multiple discrete uses) were broken up into their more discrete uses (see items 5-7 in "The Way It Is/Will Be" section). For example, in Article 2 Institutional Uses like Hospitals, Schools, and Social Services are all regulated and defined separately; however, in Articles 7 and 8 these uses are combined into a definition called Other Large Institution. Conversely Articles 7 and 8 are very specific when it comes to Retail Sales and Services Uses, whereas Article 2 made few distinctions in this category. Under the new Section 102 definition the Use Category Retail Sales and Service includes 33 different uses, the vast majority of which came from Articles 7 and 8. The new consolidated set of use definitions ensure that existing finely grained controls in all districts can be maintained, while reducing redundancy in the Code by eliminating multiple sets of definitions.

The following Section 790 definitions have been broken up into their more discrete uses in Section 102:

- **Public Use:** Public Facilities, Open Recreation Area, Passive Outdoor Recreation, Community Recycling Center, Internet Service Exchange, Public Transportation Facility, Utility Installation, and Wireless Telecommunications Services Facility.
- **Other Institution, Small:** Childcare Facilities with 12 or fewer children and Residential Care Facilities with six or fewer persons.
- **Other Institutions, Large:** Child Care Facilities with 13 or more children, Residential Care Facilities with seven or more people, Community Facilities, Private Community Facilities, Job Training, Post-Secondary Educational Institution, School, Religious Institution, Social Service or Philanthropic Facility, and Trade School.
- **Other Retail Sales and Service:** General Retail Sales & Service, General Grocery, Specialty Grocery, Cat Boarding, Tourist Oriented Gift Store, Jewelry Store, Non-Auto Vehicle Sales/Rental, and Pharmacy.
- **Massage Establishment:** Massage Establishment and Foot/Chair Massage
- **Personal Services:** Personal Service and Instructional Services.
- **Business or Professional Services:** Retail Professional Service, Design Professional, and Trade Office.
- **Other Entertainment:** General Entertainment, and Nighttime Entertainment.

### **Organizing Structure**

The organizational system that this ordinance uses was developed as part of Phase 1 of the Code Reorganization Project. As stated earlier, one of the goals of this project is to bring consistency to the Planning Code. This consistency extends not only to the use definitions, but also to how those controls are promulgated. The organization system is based on eight defined use categories. This system allows

for all uses to be accounted for in each zoning district without having to list each use in every chart. Each use definition starts by indicating which use category it belongs to, and each use category is defined in Section 102 and includes all the uses that are within that category.

All of the Planning Code’s 116 uses definitions have been placed in one of the following eight use categories:

1. **Agriculture**
2. **Industrial**
3. **Institutional:** Education, Healthcare and Community
4. **Sales and Service:** Retail, Non-Retail
5. **Residential**
6. **Entertainment, Arts and Recreation:** Non-Commercial, Retail
7. **Automotive:** Non-Retail, Retail
8. **Utility and Infrastructure**

These categories then inform how the zoning control tables are organized. Each use category has its own section in the table in which the category is listed first, followed by any use in that category that has a different land use control. Below is an example of how this works in the zoning control tables (the “\*” indicates “Not Listed Below”):

Controls by Story				
Industrial Use Category	Section	1st	2nd	3rd+
<b>Industrial Uses</b>	§§102, 202.2(d)	NP	NP	NP
Institutional Use Category				
<b>Institutional Uses*</b>	§102	P	C	C
Child Care Facility	§102	P	P	P
Hospital	§102	NP	NP	NP
Medical Cannabis Dispensary	§§102, 202.2(e)	DR	NP	NP
Philanthropic Admin. Services	§102	NP	NP	NP
Public Facilities	§102	C	C	C
Residential Care Facility	§102	P	P	P

As shown in the table above, instead of listing all 21 Industrial Uses in the zoning control table, the chart only lists the Industrial Use category, and then indicates that the uses under this category are NP (not permitted). Under Institutional Uses, instead of listing all 14 different Institutional Uses, the chart only lists those uses that have controls different from the overall use category. This organizational system helps reduce the length and complexity of the tables. If the reader wants to know what uses are included in the category, they can look it up in Section 102. Conversely, if someone wants to know what category a use is in they can look at the definition of the use in Section 102.

This system also allows every use definition to be accounted for in each district. Currently, in Articles 7 and 8, if the definition is not listed it is not permitted with some exceptions. Staff has found that omitting the use from the table makes the Code vague, especially for members of the public who are not aware of



the rule. Also some charts list uses that others don't, only adding to the confusion. It also requires the Zoning Administrator to make interpretations about some missing uses. For example, Kennels are not listed in the Article 7 charts, but Animal Hospitals are listed. Because the question came up with a proposed project, the Zoning Administrator made an interpretation that Kennels are regulated like Animal Hospitals in NCDs. Accounting for every use in the Code in all zoning districts will help reduce the need to Zoning Administrator interpretations and make the Code clearer for users.

### **Deletion of Section 316 and the 20-Day Notice**

Planning Code Section 316 outlines the procedures for CU authorization in NCDs, and MUDs. The section is not substantially different than Section 306, which outlines the CU procedures for all other zoning districts in the City. In fact, in several instances the reader is directed back to Section 306. The one significant difference is the 20-day mailed notice required for CU applications in NCDs. In all other districts this mailed notice is required 10 days prior to the hearing. The Department is proposing to maintain the 20-day noticing period and use it for all mailed CU, General Plan, and Variance notices in all zoning districts. Further, other requirements for posted notices and newspaper notices are already 20 days in all zoning districts. This change will help standardize the noticing requirements in the Planning Code.

### **Take Out Food Amendments**

Take-Out food definition was created when the NCDs were added to the Code in order to clarify what it means to have an accessory takeout food use. It is also a holdover from the eating and drinking uses that existed prior to the Restaurant Rationalization Ordinance in 2011 (Board File 120084). This use was categorized as Retail Sales and Service use as part of Phase 1 of the Planning Code Reorganization project. The activities included in the Take-Out Food use are covered under the Limited Restaurant definition. With Limited Restaurants you can either serve food for on-site or off-site consumption and no seating is required; therefore, as a standalone use Take-Out Food is no longer needed. Further, the definitions for Restaurant, Grocery and Specialty Grocery have all been amended to clarify that a take-out food activity is permitted with these use types. Given that the definition is redundant and no longer needed, Staff has decided to remove it from the Planning Code as part of this ordinance. This change will not impact how we regulate take-out food in the Planning Code, but will remove a redundant use.

### **Mobile Food Facility Definition Changes**

Mobile Food Facilities is a use that is particular to the Public Works Code, which regulates this use within the public right-of-way. It only comes under the Planning Departments purview when it is outside of the public right-of-way. In those instances, if the use is temporary it is regulated as an intermittent temporary use in Planning Code Section 204.5. When it is not an intermittent temporary use per Section 204.5 it is then considered either a Limited-Restaurant or Restaurant. Therefore, the Department is amending the definition to remove it from the list of Retail Sales and Service use category so that it doesn't show up in the zoning control tables as a separate use. The definitions is also being amended to say that Mobile Food Facilities are either temporary uses, depending on how long they intend to operate, or permanent uses regulated as either Limited Restaurants or Restaurants. How this activity is regulated will not change.

### **Changes Requested by Supervisors**

The proposed ordinance does include some substantive changes, most which were requested by Supervisors Tang and Peskin. During the drafting of this ordinance, the Planning Department was in discussions with Supervisor Tang's office on amendments that she wanted to make to the NCDs within her District. Staff felt that it was possible to include these changes in the propose Article 7 reorganization. After initiation, at Supervisor Peskin's request, Staff worked with representatives from the North Beach neighborhood – Kathleen Dooley and Nancy Shanahan - on changes that they wanted to see in the North Beach and Broadway NCDs. The items listed below are supported by the Planning Department and included in the proposed ordinance; however, like proposed changes to the Planning Code initiated by a Supervisor's office, the Department assumes that the Supervisors have done their community outreach regarding the proposed changes.

#### Sunset Neighborhood Commercial Districts

1. **Make permanent the interim controls that require CU authorization for Medical Cannabis Dispensaries in the Sunset NCDs.** The CU requirement was inadvertently taken out as part of the Article 2 Reorganization. As a stop gap measure, the Supervisor passed interim controls that put them back. The changes in this ordinance would make them permanent.
2. **Require CU for Bars and Liquor Stores on the ground floor.** These uses are currently principally permitted in these districts; however, these uses typically require a CU authorization in most NCDs.
3. **Require CU approval for Personal Service uses on the ground floor and principally permit Instructional Services on the second floor.** These two uses were separated as part of the Phase 1 of the Code Reorganization project with the intention of regulating them separately in the Sunset NC Districts. The purpose of regulating them separately is to reduce the possibility of Personal Service uses located on the second floor from being used as a cover for illicit activities. This is an ongoing issue that the Supervisor has been trying to address in her district.

#### Changes to North Beach NCD and SUD<sup>2</sup> and the Broadway NCD

Staff intentionally reached out to representatives from North Beach early in the process. The North Beach NC District with its coterminous Special Use District (SUD) and complicated list of specific provisions is by far the most complex NCD in the City, and provided the most opportunity for error or oversight. Staff initiated discussion in February of 2016 with representatives from North Beach and since then has had several meetings and numerous phone calls discussing the ordinance. Not all of the requested changes from Supervisor' Peskin's office were included in the proposed ordinance. In general, Staff did not include requested changes that extended beyond the boundaries and the North Beach NCD and SUD, or which we felt needed more analysis. The full list of requested changes is attached as Exhibit B.

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<sup>2</sup> The North Beach NCD and North Beach SUD are coterminous. The SUD allows more nuanced controls with regards to eating and drinking uses.

#### Neighborhood Character

1. **Required Ground Floor Commercial.** This change is intended to reinforce the existing character of the neighborhood, which has ground floor commercial and residential units above. Typically, Section 145.4 only requires ground floor uses on certain street of a particular NCD; however, in this case the entire NCD would be required to have the commercial uses that are listed in Table 145.4 and permitted in the District. This requirement could be modified with CU authorization.
2. **Prohibit Storefront Consolidation.** This change is intended to help preserve the fine-grained character of the neighborhood with its small storefronts. This tool is also being used in the proposed Calle 24 SUD to protect that district's unique fine-grained character.
3. **Prohibit vehicular access on Grant Avenue and Green Street.** This tool is utilized in several other neighborhoods to not only reduce pedestrian and traffic conflicts but to maintain an active street frontage. Further, North Beach does not have minimum parking requirements, and is well served by transit eliminating the need for driveway accesses in this District.
4. **Prohibit the loss of dwelling units on upper floors.** The Planning Code already places significant restrictions on the removal of existing housing units; this provision will provide additional protection for existing units in this neighborhood.

#### Use Control Changes

5. **Prohibit Large Scale Agriculture.** This use is unlikely to be located within the district as it applies to agricultural production on plots one acre or larger or on smaller parcels that cannot meet the physical and operational standards for Neighborhood Agriculture. North Beach is one of the City's oldest and densest neighborhoods, and it is unlikely that such a use would be able to locate within the district.
6. **Prohibit Kennels.** Kennel is not separately listed in Article 7; however a Zoning Administrator interpretation allows Kennels through the same method as Animal Hospitals in NCDs. This change will prohibit such a use form being allowed in this district. There are currently no Kennels in North Beach.

#### Other Modifications

7. **Prohibit Business Hours from 2:00 AM to 6:00 AM.** According to Ms. Shanahan and Ms. Dooley, there are no 24 hour businesses in North Beach, and the neighborhood would like to preserve this type of use for the Broadway NCD, which is next to the North Beach NCD. Other NCDs also prohibit business hours between 2:00 AM and 6:00 AM.
8. **Reestablish 18-month period for restaurant abandonment.** This provision was included for a specific business, but is no longer needed. As such, Supervisor Peskin's office has requested that it be removed.
9. **Remove the use size exception for Movie Theaters.** This provision was added so that the Palace Theater, the only movie theater in North Beach, could reopen should it ever be rehabilitated. Since then, the Palace Theater has been demolished and this provision is no longer needed. The demolished theater is expected to be replaced with a mixed-use development.

#### Changes to the North Beach SUD:

10. **Add "Specialty Food Manufacturing" definition and require CU for approval in the SUD.**

North Beach has long tried to maintain its small-scale food manufactures like bakeries and gelaterias, some of which still maintain a connection to the neighborhood's historic Italian past. Since 2011, bakeries have fallen under the definition of Limited Restaurant; this has allowed bakeries in North Beach to convert to different eating and drinking uses without any public oversight. Adding this definition to the SUD will help preserve existing special food manufactures, and allow new ones to open in the neighborhood.

- 11. Revise the SUD's Eating and Drinking controls to address change made under the 2011 Restaurant Ordinance.** The SUD is being amended to allow for more intensive Bar uses to convert to Restaurant Uses, and Restaurant Uses to convert to Limited-Restaurant Uses. Limited-Restaurant uses would not be able to convert to a Restaurant or Bar use. This is essentially what the SUD did prior to the 2011 Restaurant Ordinance; however, with the changes in the definitions the neighborhood was seeing more Limited Restaurants, which was not the original intent of the SUD's controls.

#### Changes to the Broadway NCD

- 12. Allow Restaurants as of right and require CU authorization for Bars.** The Broadway NCD currently allows Bars as of right and requires CU authorization for Restaurants. This is exactly the opposite of the controls in many NC Districts primarily because Bars are thought of as a more impactful use than Restaurants. Supervisor Peskin's proposed amendment would reverse these controls to require CU authorization for Bars and allow Restaurants as of right.

#### Changes Since Initiation

Including clerical and other minor corrections and the changes to North Beach and Broadway listed above, staff made the following changes to the proposed ordinance since the Planning Commission initiation. Most of the changes are intended to make sure existing regulations are maintained, or to reconcile the ordinance with change made to the Code since initiation.

1. Reconciled Article 7 Ordinance with recently passed ADU legislation, Planning Code Section 317 changes, Upper Market NCT District Amendments, Sacramento Street NCD amendments, and WTS Facilities Ordinance.
2. Removed "Retail" designation from Art Entertainment and Recreation use category definition: some uses included in the category are not "retail," however those that are still identified as retail in their respective definitions.
3. Added back the controls by floor for Residential Uses to the zoning control tables. This allows all Residential Uses to be accounted for without having to list each one in the table.
4. Removed Arts Activities as permitted use in the NCDs. This is very broad use category and includes uses that are not currently permitted in NCDs. This use can still be permitted in NCDs on a case-by-case basis through the legislative process; however including them now would be a substantive change.
5. Added back Amusement Game Arcade use definition to the list of uses and to the NC District zoning control tables. This was the only use proposed for deletion; however, given the renewed interest in this use, staff has added it back to the Code.
6. Removed the changes to Section 182, 183, and 186.1, Non-conforming Use Controls. The proposed changes did not need to happen in this ordinance and a more thorough review and

reorganization of these sections is required. Staff removed this part of the ordinance based on community concerns.

7. Removed changes to Sections 204 and 204.3 Accessory Use Controls. The proposed changes were intended to consolidate all Accessory Use controls into these two sections of the Code. As a result the Accessory Use controls for Article 7 districts in Section 703.2 were added back into the Code as well. This was done in response to community concerns over unintended consequences, and to simplify the reorganization process. A consolidation could still happen in the future through its own separate ordinance.
8. Added the uses that were previously covered under Other Retail Sales and Service to the list of Formula Retail uses in Section 303.1. These uses include General Grocery, Specialty Grocery, Pharmacy, Jewelry Store, Tourist Oriented Gift Store, and Non-Auto Vehicle Sales or Rental. This change is intended to maintain existing controls on Formula Retail.
9. Modified the definition of Specialty Grocery to prohibit seating. This change is intended to distinguish this use from the Limited Restaurant use.
10. Removed Section 168, Baby Diaper Changing Stations, from the proposed ordinance. This section is proposed for deletions from the Planning Code, as such it does not need to be amended.
11. Added a provision to Section 177, "Legitimization of Certain Massage Establishments" that allows the City Attorney to remove this section once the provision for legitimization expires.
12. Removed a provision for RC District in Table 209.3 that prohibited uses above the second floor. This change is intended to correct an error from Phase 1 of the Code Reorganization project.

### **Outreach and Process to Date**

The Department originally presented the Planning Code Reorganization effort to the Planning Commission on June 20, 2013, while it was an informational presentation there was a general consensus from the Commission that the proposal should move forward. After, the Department held a series of community outreach meetings conducted before and after the ordinance was initiated by the Planning Commission. The Department spent the next few months further refining the proposed Ordinance based on feedback from the outreach meetings, comments from the Commission, and further analysis of the Planning Code. When it was finally adopted by the Planning Commission in October of 2013, those that had participated in the outreach meetings expressed their support for the proposed amendments.

For Phase 2, the Department has also done extensive public outreach, all of which have resulted in refinements and corrections to the proposed Ordinance. The following is a list of the Outreach conducted by staff:

- Staff hosted a pre-initiation outreach meeting on June 3, 2016.
- Staff hosted a post-initiation outreach meeting on September 7, 2016. The email invitation also included an offer to meet with individual neighborhood groups.
- Staff held an additional outreach meeting on January 4, 2017 that went over the proposed ordinance as well as the changes that had been made since the ordinance was initiated.
- Staff attended the CFSN membership meeting and present the proposal on July 19, 2016.
- Staff presented the proposal to the Small Business Commission.
- Staff presented the proposal to the Historic Preservation Commission.
- Staff met with representatives from the Pacific Avenue NCD, and the Polk Street NCD.
- Staff presented the proposal to the Mayor's Office of Economic and Workforce Development, Better Neighborhoods Program.

- Staff had several meetings and phone calls with representatives from Supervisor Peskin’s office, and the North Beach NCD.
- Staff met with Paul Wermer on September 14, 2016 to discuss monitoring issues related to Article 7 Districts and Upper Fillmore NCD.
- Staff briefed all Land Use Aides on the proposal, and had more in-depth briefings with Supervisors Mar, Tang, and Breed’s offices.

## **IMPLEMENTATION**

The Department has determined that this ordinance will help the Department implement the Planning Code by standardizing the Planning Code, making it easier to use and understand. Overall, Current Planning Staff, Citywide Staff and Enforcement Staff have found the recent changes to Article 2 very helpful in clarifying controls and making the Code much easier to use.

## **REQUIRED COMMISSION ACTION**

The proposed Resolution is before the Commission so that it may recommend approval or disapproval to initiate the Planning Code amendments.

## **RECOMMENDATION**

The Department recommends that the Commission recommend approval with modifications of the proposed ordinance with the following recommendations:

1. Staff shall continue to review and refine the proposed ordinance to ensure that the existing land use controls will be maintained.

## **BASIS FOR RECOMMENDATION**

At over 1336 pages and including 111 zoning districts, the Planning Code is a large and complicated document. This complexity, some of which is necessary, can make it difficult to effectively implement and interpret the City’s land use regulations. It also makes it difficult for members of the community to effectively engage in the City’s development process. The Department strongly believes that consolidating use definitions and making the Planning Code easier to use by creating zoning control tables for all zoning districts will help mitigate these issues. Further, standardizing how zoning districts are organized will aide future community planning efforts by providing a clear framework for existing land use regulations and use definitions.

**Recommendation 1: Staff shall continue to review and refine the proposed ordinance to ensure that the existing land use controls will be maintained.** While staff can continue to make non-substantive changes to the ordinance as it moves through the legislative process, there may be changes that the City Attorney’s office considers substantive changes to the ordinance, but which are intended to preserve existing Planning Code controls. Staff respectfully asks that the Commission include this recommendation in their motion in case any such changes need to occur.

## **ENVIRONMENTAL REVIEW**

The proposal to amend the Planning Code is anticipated to result in no physical impact on the environment. Evaluation under CEQA will be complete prior to the initiation hearing.

## **PUBLIC COMMENT**

The Department has received several letters from the CSFN expressing their concerns about the proposed ordinance. Their letters and responses are attached to this report (Exhibit C). In general they are concerned over the length of time they have been given to review the proposed ordinance (now over 7 months), changes that they see as significant and/or substantive, and the quality of the outreach meetings.

Staff also received a letter from Inga Horton (Exhibit C), which is also attached. She would like to see the controls for the Taraval Street Restaurant Sub-district integrated into the zoning control table for the Taraval NCD. She also requests that the names of the districts in the header above the tables be spelled out. Regarding Ms. Horton's first request, this sub-district applies to more than just the Taraval NCD, so it's not easily integrated into the zoning control table beyond what staff has already done; however, in consultation with the District Supervisor, Staff will continue to look at this issue and see if the information can be better integrated into the Taraval Street NCD or if the restaurant sub-district is still needed. Regarding Ms. Horton's second request, staff will continue to refine the ordinance to address her concerns as these are not substantive changes.

Staff also met with Paul Wermer who had concerns about the proposed deletion of the monitoring and reporting requirement for Article 7 in Section 701.2. Staff originally proposed removing this section because it is outdated. Mr. Wermer felt that if it is removed it should be replaced with something that is more up to date and meaningful than a "report to the Board of Supervisors on the Neighborhood Commercial Zoning controls... every twenty-four months..." Mr. Wermer raised some very good ideas on how this provision could be improved upon; however they far exceeded the scope of this ordinance. In recognition of this concern, staff has put back Section 701.2 into the Code until such time as a suitable and more effective replacement can be added.

Staff has worked extensively with Kathleen Dooley and Nancy Shanahan, who are representatives from North Beach and Telegraph Hill. As a result of these conversations, Supervisor Peskin requested the changes listed above to the North Beach NCD and SUD and the Broadway NCD. Ms. Dooley and Shanahan were also extremely helpful in identifying errors and omissions in the draft ordinance, which staff has corrected.

Outstanding concerns of Ms. Dooley and Shanahan include how the new Nighttime Entertainment and General Entertainment definitions replace the old Other Entertainment definition in Section 790.38. In general, The Nighttime Entertainment covers the more impactful uses that were listed under Other Entertainment, such as discos and theater productions where alcohol is served during performances. The General Entertainment definition covers those uses that are less impactful, such as bowling alleys, mini-golf, and skating rinks. Both of these uses are being regulated the same way that Other Entertainment was regulated.

Ms. Dooley and Ms. Shanahan also expressed concern that some of the proposed changes requested by Supervisor Peskin were not included in the proposed ordinance. Staff discusses this issue with them and said that we would include the requested changes in the Staff's case report (see exhibit B) so that the Commission had the opportunity to discuss them; however the changes the Department did not support would not be in the ordinance presented to the Planning Commission.

<b>RECOMMENDATION:</b> <b>Approval with Modifications</b>
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**Attachments:**

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: List of requested amendments from Supervisor Peskin's Office via Nancy Shanahan and Kathleen Dooley
- Exhibit C: Public Comment Letters
- Exhibit D: Proposed Ordinance