



SAN FRANCISCO PLANNING DEPARTMENT

November 7, 2018

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

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**Re: Transmittal of Planning Department Case Number 2018-010552PCA:
Prohibiting Employee Cafeterias within Office Space
Board File No. 180777
Planning Commission Recommendation: *Disapproval***

Dear Ms. Calvillo, Supervisor Safai, and Supervisor Peskin,

On October 23, 2018, the Planning Commission conducted duly noticed public hearings at regularly scheduled meetings to consider the proposed Ordinance, introduced by Supervisors Safai and Peskin that would amend the Planning Code to prohibit employee cafeterias, as defined in the Health Code, within Office spaces, except for existing employee cafeterias. At the hearing the Planning Commission recommended disapproval and recommended exploring alternatives to a prohibition on employee cafeterias within Office space.

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "Aaron D. Starr", with a long horizontal line extending to the right.

Aaron D. Starr
Manager of Legislative Affairs

cc:
Judy Boyajian, Deputy City Attorney
Suha Sandoval, Aide to Supervisor Safai

Transmittal Materials

**CASE NO. 2018-010552PCA
Prohibiting Employee Cafeterias within Office Space**

Sunny Angulo, Aide to Supervisor Peskin
Erica Major, Office of the Clerk of the Board

Attachments:

Planning Commission Resolution
Planning Department Executive Summary



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 20327 HEARING DATE OCTOBER 25, 2018

Project Name: Prohibiting Employee Cafeterias within Office Space
Case Number: 2018-010552PCA [Board File No. 180777]
Initiated by: Supervisors Safai, Peskin / Introduced July 24, 2018
Staff Contact: Diego R Sánchez, Legislative Affairs
diego.sanchez@sfgov.org, 415-575-9082
Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 415-558-6362

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RESOLUTION DISAPPROVING A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO PROHIBIT EMPLOYEE CAFETERIAS, AS DEFINED IN THE HEALTH CODE, WITHIN OFFICE SPACES, EXCEPT FOR EXISTING EMPLOYEE CAFETERIAS; ADOPTING FINDINGS, INCLUDING ENVIRONMENTAL FINDINGS, PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.

WHEREAS, on July 24, 2018 Supervisors Safai and Peskin introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 180777, which would amend the Planning Code to prohibit Employee Cafeterias, as defined in the Health Code, within Office space, except for existing Employee Cafeterias;

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on October 25, 2018; and,

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

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

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

MOVED, that the Planning Commission hereby **disapproves** the proposed ordinance and recommends the Board of Supervisors explore alternatives to a prohibition on employee cafeterias within Office space.

FINDINGS

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

1. Measures taken to bolster the City's pedestrian environment should be supported, especially in nascent neighborhoods. This includes Ordinances that attempt to help induce patronage of ground floor retail establishments.
2. However a prohibition on employee cafeterias within office spaces is too blunt of a regulation. Employee cafeterias often hire locally, contract with local vendors and can be used by local organizations for after-hours events. In this way they are beneficial to the City. In this light, new regulations on employee cafeterias, if pursued, should include geographic considerations, cafeteria size, and an enhanced entitlement process, among other alternative regulations.
3. **General Plan Compliance.** The proposed Ordinance and the Commission's recommended modifications are inconsistent with the following Objectives and Policies of the General Plan:

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 1

MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL LIVING AND WORKING ENVIRONMENT.

Policy 1.2

Assure that all commercial and industrial uses meet minimum, reasonable performance standards.

The proposed Ordinance would prevent new employee cafeterias from locating into Office spaces where they would be regulated to lessen negative effects upon existing eating and drinking establishments.

URBAN DESIGN ELEMENT

OBJECTIVE 4

IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE, AND OPPORTUNITY.

Fundamental Principles for Neighborhood Environment: Principle #16

Continuity of interest and activities at ground level in commercial buildings adjacent to pedestrian ways creates rich street life and enhances pedestrian experiences.

The proposed Ordinance would prohibit new ground-level employee cafeterias within office buildings. This results in a lost opportunity to boost street life and enhance the pedestrian experience.

DOWNTOWN AREA PLAN

OBJECTIVE 3

IMPROVE DOWNTOWN SAN FRANCISCO'S POSITION AS THE REGION'S PRIME LOCATION FOR SPECIALIZED RETAIL TRADE.

Policy 3.5

Meet the convenience needs of daytime downtown workers.

By prohibiting new employee cafeterias that may be open to the public,, the proposed Ordinance does not meet the convenience of downtown workers.

TRANSIT CENTER DISTRICT PLAN

OBJECTIVE 1.4

ENSURE THE DISTRICT MAINTAINS AREAS THAT CONTAIN CONCENTRATION OF GROUND-LEVEL PUBLIC-SERVING RETAIL AND CONVENIENCE USES FOR WORKERS AND VISITORS.

OBJECTIVE 2.12

ENSURE THAT DEVELOPMENT IS PEDESTRIAN-ORIENTED, FOSTERING A VITAL AND ACTIVE STREET LIFE.

The proposed Ordinance would prevent new private eating facilities from locating at the street level where they may bolster the street life.

4. **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 help preserve existing neighborhood-serving retail or help new neighborhood-serving retail because it does not propose any Planning Code amendments that would proactively benefit 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 help conserve or protect neighborhood character because it does not propose any Planning Code amendments that bolster neighborhoods.

3. That the City's supply of affordable housing be preserved and enhanced;

The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing because it concerns itself with accessory uses within Office spaces.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

Because the Ordinance proposes to restrict new cafeterias within Office spaces, it would not negatively affect MUNI transit service or overburden the streets or neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired because the Ordinance proposes to restrict allowed accessory uses within Office spaces.

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 because the Ordinance proposes to restrict accessory uses within Office spaces.

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 because the Ordinance proposes to restrict accessory uses within Office spaces.


8. That our parks and open space and their access to sunlight and vistas be protected from development;

The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas because the Ordinance proposes to restrict accessory uses within Office spaces.

5. **Planning Code Section 302 Findings.** The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare do not require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby DISAPPROVES the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on October 25, 2018.



Jonas P. Ionin
Commission Secretary

AYES: Hillis, Johnson, Koppel, Melgar, Richards

NOES: None

ABSENT: Fong, Moore

ADOPTED: October 25, 2018



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Planning Code Text Amendment

HEARING DATE: OCTOBER 11, 2018
90-DAY DEADLINE: OCTOBER 29, 2018

Project Name: **Prohibiting Employee Cafeterias within Office Space**
Case Number: **2018-010552PCA** [Board File No. 180777]
Initiated by: Supervisors Safai, Peskin / Introduced July 24, 2018
Staff Contact: Diego R Sánchez, Legislative Affairs
diego.sanchez@sfgov.org, 415-575-9082
Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 415-558-6362
Recommendation: **Approval with Modifications**

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PLANNING CODE AMENDMENT

The proposed Ordinance would amend the Planning Code to prohibit Employee Cafeterias, as defined in the Health Code, within Office Space. Existing Employee Cafeterias would be allowed to remain as a legal nonconforming Accessory Use.

The Way It Is Now:

Employee Cafeterias, as defined in the Health Code, are allowed within Office Uses¹ as an Accessory Use.

The Way It Would Be:

Employee Cafeterias would be prohibited within Office Uses. Existing Employee Cafeterias lawfully existing or finally approved as of July 24, 2018 would be allowed to continue and maintained as a legal nonconforming Accessory Use but could not be expanded or re-installed if abandoned.

BACKGROUND

With the approval of the Central Market Payroll Tax Exclusion in 2011 the City has eagerly awaited the revitalization of the Mid-Market Area. Many prominent technology firms located within the Mid-Market Area to take advantage of the payroll tax relief, bringing with them thousands of new employees.² Soon

¹ Per Section 102 of the Planning Code an Office Use is defined as: A grouping of uses that includes General Office, Retail Professional Services, and Non-Retail Professional Services. This use shall exclude: retail uses other than Retail Professional Services; repair; any business characterized by the physical transfer of tangible goods to customers on the premises; wholesale shipping, receiving and storage; and design showrooms or any other space intended and primarily suitable for display of goods.

² Mayor Lee's Statement on Central Market/Tenderloin Payroll Tax Exclusion Report. October 27, 2014. Accessed September 24, 2018. <https://sfmayor.org/article/mayor-lees-statement-central-markettenderloin-payroll-tax-exclusion-report>

thereafter several restaurants followed.³ Combined with hundreds of new residential units, new and renovated hotel units, and adjacent theater and arts uses, there was a general expectation that the Mid-Market Area retail and pedestrian life would be revitalized. Unfortunately, many of the restaurants attracted to the area have since closed or continue to struggle.⁴ Further, many still perceive the area as undesirable or blighted. Some attribute, at least partially, the neighborhood's shortcomings to employee cafeterias installed by the new tenants in the area. These cafeterias typically provide free food to their employees disincentivizing them from going out and patronizing nearby businesses.

The City is also poised to approve the Central SoMa Plan, which will bring millions of square feet of new office space to the City. Central SoMa Plan is a comprehensive plan for the area surrounding much of southern portion of the Central Subway transit line. The Plan would change allowable land uses and zoning controls, increase heights on many parcels within the Plan area, proposes substantial changes to the street network to accommodate multiple modes of travel, and would provide additional recreational resources. The plan is projected to provide approximately 8,570 housing units and 32,500 jobs. The hope is that this new plan will create a vibrant new neighborhood in this area of the city; however one of the concerns is that the new office spaces in this area will also come with free employee cafeterias, which may repeat the situation we currently have in the Mid-Market.

ISSUES AND CONSIDERATIONS

Other jurisdictions

A similar proposal to this ordinance was recently enacted in Mountain View, California, although it is limited to a proposed development. In Mountain View, there a 9.9-acre site, known as Phase 2 of the San Antonio Center, was recently approved for redevelopment. The project included 120,000 square feet of commercial, retail and restaurant use, 70,000 square foot cinema, a 167-unit hotel, and 397,000 square feet of office use. To help assure patronage of the restaurants, the office uses in this project are subject to operating conditions that encourage use of the food and retail services at the San Antonio Center. Employers may subsidize or pay for employee meals if they are patronizing restaurants at the San Antonio Center. However, employers are prohibited from subsidizing meals by more than fifty percent or providing free meals for employees in the office space on a regular daily basis. This project specific regulation may also be considered for amendment at the request of office tenants or other applicants over time.⁵

³ "As Twitter Tax Break Nears Its End, Mid-Market Restaurants Feel Glimmer of Hope." Carolyn Alburger. September 19, 2018. Accessed September 25, 2018.

<https://sf.eater.com/2018/9/19/17862118/central-market-tax-exclusion-restaurants-post-mortem-future>

⁴ "Mid-Market Needs to Find its Heart in order to Become a Real Neighborhood." Brock Keeling. September 19, 2018. Accessed September 25, 2018. <https://sf.curbed.com/2018/9/19/17861316/midmarket-neighborhood-development-mission>

⁵ San Antonio Center, Phase 2.

<https://www.mountainview.gov/depts/comdev/planning/activeprojects/sanantcenter.asp>

Condition 42: Cafeteria Condition: In order to foster synergy between office, restaurant, and retail uses in the Center and realize the economic vitality of the project, the project anticipates employees in the office space will utilize food and retail services available in the Center. The applicant will encourage tenants and employees of tenants to utilize food and retail services available in the Center. Neither the applicant

Health Code Definition of Employee Cafeterias

While the Planning Code has definitions for various food serving uses, it does not have a use definition for Employee Cafeterias; however, the Health Code does and defines an Employee Cafeteria as:

a food facility located within business premises where the business employees are provided or sold food on a regular basis. Food and drink are not regularly served to the public and the food establishment is not subject to tax. The operators of the food facility are either employees of the business or are contracted by that business.⁶

Employee cafeterias vary in their provision of food and drink. Some prepare food and drink in on-site full-service kitchens requiring an exhaust ventilation system. These often offer multiple choices in cuisine, sometimes made to order, and in many ways resemble private restaurants or food courts. Others offer pre-packaged snacks, breakfast items, and beverages but do not cook food in a kitchen facility requiring an exhaust ventilation system. These are akin to employee break rooms that are furnished with some food and small domestic appliances like toasters and coffee makers. Distinguishing between these two cafeteria types is essential when seeking to regulate employee cafeterias. Cafeterias with on-site full-service kitchens directly compete with nearby restaurants, while those with only small domestic appliances are less likely to compete. Department of Public Health (DPH) Staff also makes this type of distinction in their permitting, inspections and collaboration with other City agencies.

Catering

The proposed ordinance does not prohibit employers from having lunch delivered to the office for its employees, nor is there any mechanism for this Planning Department to prohibit this type of activity. It is conceivable that office tenants restricted by this Ordinance would create large employee break rooms for caterers to provide food to their employees during the work week. Creating spaces that are just short of a full-service kitchen could serve as a work around to the proposed cafeteria prohibition.

Impacts on Jobs

Another consideration is that employee cafeteria workers often enjoy better remuneration and working conditions than their counterparts in restaurants. One source notes that entry level pay for employee cafeteria workers can be up to 30% more than the minimum wage paid to kitchen staff in San Francisco restaurants.⁷ It is also reported that employee cafeteria workers have more predictable working hours,

nor tenant(s) will subsidize meals by more than fifty percent (50%) or provide free meals for employees in the office space on a regular daily basis. An employer can subsidize or pay for employee meals as long as they are patronizing restaurants in the Center. The applicant may make a request to amend this condition. The City Manager or a designee may make a recommendation to the City Council on this matter.

⁶ San Francisco Health Code Article 8 Section 451: Food Preparation and Service Establishment

⁷ Arvanitidis, Laurel. e-mail message from the Office of Workforce and Economic Development regarding correspondence with sf.citi, October 1, 2018

Sciaccia, Annie. "The highest-paid restaurant workers are in San Francisco, survey says." Bizjournals. February 11, 2015. Accessed October 2, 2018.

have work hours amenable to child rearing and family life, and some enjoy unionization. The Ordinance would not remove these existing jobs, it would prevent new jobs like these by prohibiting new employee cafeterias.

Alternatives to a Complete Ban

As an alternative to an outright prohibition on new Employee Cafeterias, the Department believes that there are ways to incentivize businesses to not add employee cafeterias to new office space, and help encourage employees to patronize local restaurants. This approach could include relaxing certain Planning Code requirements on Office use in exchange for not adding an employee cafeteria. Conversely, when an Employee Cafeteria is added, additional requirements to encourage employees to venture out into the neighborhood could be required as conditions of approval. The following are some possible alternatives to a complete ban on cafeterias:

Incentives for foregoing an Employee Cafeteria

1. Allow Office uses at the First Story and below in zoning districts where Office uses require Conditional Use authorization

In most Downtown Commercial Districts (C-3), Office Uses at or below the ground floor require Conditional Use authorization. As an incentive to not add an Employee Cafeteria, new office space would be allowed as of right at the first story and below and could even be excluded from the FAR requirements in new buildings. To ensure an active street frontage any first story office uses should be required to be set back 10-25 feet in accordance with the Planning Code standards. Further, Landmark buildings and buildings in the C-3-R (Downtown Retail, aka Union Square) should not be allowed to avail themselves of this exemption.

2. Exempt from Gross Floor Area up to 15,000 square feet of first story space if that first story space is devoted to personal services, restaurants, and retail sales of goods intended to meet the convenience shopping and service needs of downtown workers and residents.

The definition of Gross Floor Area in Planning Code Section 102 currently exempts up to 5,000 square feet from the Gross Floor Area calculation in C-3 zoning districts if it is devoted to retail uses at the first story. Increasing the exempted amount could serve as an incentive for new buildings to not provide an employee cafeteria and allows that increased area to be used for office activities. This definition could also be amended to provide this exception to zoning districts within the Central SoMa plan area.

3. Allow Employee Cafeterias on the first story if they are open to the public

Since Employee Cafeterias are accessory uses to a principle Office Use, their allowed location is subject to the underlying zoning district's regulations on Office Uses. Allowing an Employee Cafeteria on the first story would allow an activity regulated as an Office Use where it typically is

<https://www.bizjournals.com/sanfrancisco/blog/2015/02/restaurants-san-francisco-bars-minimum-wage.html>

prohibited. The Planning Department, however, believes that the Employee Cafeteria should be open to the public. This public accessibility would help enliven the street and contribute to the quality of the public realm.

Requirements for Establishing an Employee Cafeteria

1. Require the provision of meal vouchers to employees for use at nearby restaurants.

To help offset the effect that subsidized Employee Cafeteria meals have upon local restaurants, office tenants would be required to provide their employees meal vouchers. These would be used to patronize nearby restaurants and help contribute to an enlivened pedestrian realm.

2. Require reporting to Office of Economic and Workforce Development (OEWD) as part of the DPH annual licensing for food facilities

DPH requires an annual licensing of all food facilities, including Employee Cafeterias. At the time of licensing it would be valuable to confirm the number of vouchers distributed to employees for use at local restaurants. Further, if an office has provided a cafeteria on the ground floor open to the public, it would also be valuable to know the extent to which the public is served by the employee cafeteria.

3. Amend the considerations under Planning Code Section 321 that the Planning Commission makes when considering approval of an Office development.

When the Planning Commission reviews office projects of 25,000 square feet or larger, it evaluates how well the project promotes the public welfare, convenience and necessity. When an office building project intends to allow Employee Cafeterias for future tenants, the Planning Commission should also consider how an Employee Cafeteria would promote the public welfare, convenience and necessity. Specific considerations should be made regarding existing restaurant concentration within a 300-foot radius of the office project; whether a future Employee Cafeteria will be at the first story and accessible to the public; and whether the Employee Cafeteria will provide workforce opportunities for local residents by coordinating with the OEWD to engage with the City's workforce system to provide employment opportunities and career trainings.

With this approach it is possible that new street enhancing retail spaces are created while also adding to the City's supply of office space. And when an Employee Cafeteria is established, adjacent restaurants may also see increased patronage through employer provided meal vouchers. In short, this approach can result in greater benefits to the City than a strict prohibition.

General Plan Compliance

Commerce and Industry Element

Objective 1: Manage economic growth and change to ensure enhancement of the total city living and working environment.

Policy 1.2: Assure that all commercial and industrial uses meet minimum, reasonable performance standards

The proposed Ordinance would help ensure that new employee cafeterias are regulated to lessen negative effects upon existing eating and drinking establishments.

Urban Design Element

Objective 4: Improvement of the neighborhood environment to increase personal safety, comfort, pride, and opportunity

Fundamental Principles for Neighborhood Environment: Principle #16 Continuity of interest and activities at ground level in commercial buildings adjacent to pedestrian ways creates rich street life and enhances pedestrian experiences.

The proposed Ordinance would help provide new patrons to ground level retail activity in office buildings. This will boost street life and enhance the pedestrian experience.

Downtown Area Plan

Objective 3: Improve Downtown San Francisco's position as the region's prime location for specialized retail trade.

Policy 3.5: Meet the convenience needs of daytime downtown workers

By limiting the number of new private eating facilities, the proposed Ordinance helps eating and drinking establishments open to all downtown workers thrive.

Transit Center District Plan

Objective 1.4 Ensure the District maintains areas that contain concentrations of ground-level public-serving retail and convenience uses for workers and visitors.

Objective 2.12 Ensure that development is pedestrian-oriented, fostering a vital and active street life.

The proposed Ordinance would limit the number of new private eating facilities and help ensure that ground-level eating and drinking establishments meet the demand for meals. This also bolsters the street life because many eating and drinking establishments will locate at ground-level.

Implementation

The Department has determined that this Ordinance will impact our current implementation procedures. It will require Planning Department Staff to coordinate with DPH Staff to determine if Building Permit Applications proposing tenant improvements that include a full-service kitchen with exhaust ventilation systems constitute an Employee Cafeteria as defined by the Health Code.

RECOMMENDATION

The Department recommends that the Commission *approve with modifications* the proposed Ordinance and adopt the attached Draft Resolution to that effect. The Department's proposed recommendations are as follows:

1. Assure that DPH has the proper procedures or Health Code amendments in place to differentiate between cafeterias with full-service kitchens requiring ventilation exhaust systems and those that do not.
2. From the various proposals outlined in this report, create a set of incentives to forego inclusion of an Employee Cafeteria in Office space and a set of additional requirements when including an Employee Cafeteria in Office space.

BASIS FOR RECOMMENDATION

The Department supports the Ordinance's intention to help maintain and enhance vibrant neighborhoods and pedestrian activity. The Department also supports the Ordinance's intention to induce patronage of neighborhood businesses; however, the Department finds that modifications should be made to better focus the proposed regulation's effects, and to provide flexibility to Office Uses regarding their decision on including an Employee Cafeteria. The modifications include the following:

Recommendation 1: Assure that DPH has the proper procedures or Health Code amendments in place to differentiate between cafeterias with full-service kitchens requiring ventilation exhaust systems and those that do not. There is a stark difference between employee cafeterias with full-service kitchens and those without. Full-service kitchens allow a cafeteria to resemble a restaurant and actively compete with the San Francisco's restaurants for patronage. Since the Ordinance seeks to control the proliferation of cafeterias that compete with restaurants, it is crucial that the implementing City agencies can focus on facilities with full-service kitchens requiring exhaust ventilation systems.

Recommendation 2: Create a set of incentives to forego inclusion of an Employee Cafeteria in Office space and a set of additional requirements when including an Employee Cafeteria in Office space. Rather than imposing a prohibition on Employee Cafeterias, the Department prefers creating a set of incentives for foregoing their inclusion and another set of additional requirements for their inclusion. The proposed alternatives listed above can help offset the negative impacts of adding Employee Cafeterias to office space by removing some of their competitive advantage of free meals through a voucher program. They can also help activate street frontages by allow employee cafeterias open to the general public on the ground floor, or they can disincentives the inclusion of cafeterias by providing incentives to office developers in the form of bonus gross floor area or additional office space.

REQUIRED COMMISSION ACTION

The proposed Ordinance is before the Commission so that it may approve it, reject it, or approve it with modifications.

ENVIRONMENTAL REVIEW

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

PUBLIC COMMENT

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

Attachments:

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: Board of Supervisors File No. 180777