

SAN FRANCISCO

PLANNING COMMISSION

RESOLUTION NO. 17547

**RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT A PROPOSED ORDINANCE THAT WOULD AMEND PLANNING CODE SECTIONS 725.1 AND 725.42 OF THE UNION STREET NEIGHBORHOOD COMMERCIAL DISTRICT TO PROVIDE FOR A LIMITED NUMBER OF NEW FULL-SERVICE RESTAURANTS THAT SATISFY SPECIFIC REQUIREMENTS AND OBTAIN CONDITIONAL USE AUTHORIZATION WITHIN THE UNION STREET NEIGHBORHOOD COMMERCIAL DISTRICT.**

WHEREAS, on October 16, 2007, Supervisor Alioto-Pier introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 07-1425 which would amend Planning Code Sections 725.1 and 725.42 in order to provide for a limited number of new full-service restaurants that satisfy specific requirements and obtain conditional use authorization within the Union Street Neighborhood Commercial District (hereinafter "Union Street NCD"). Under certain circumstances, the proposed Ordinance would (1) allow up to ten (10) new full-service restaurants to be authorized and (2) allow full-service restaurants to seek a permit from the Department of Alcoholic Beverage Control in order to serve liquor, beer, and wine on the premises.

The proposed zoning changes have been determined to be subject to a General Rule Exclusion (GRE) under CEQA Guidelines Section 15060(c)(2) (Non-physical Exemption).

The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on January 10, 2008.

The Union Street NCD Controls have not been substantially revised since their adoption in 1987.

The Union Street NCD prohibits the opening of new full-service restaurants.<sup>1</sup> Since the establishment of the Union Street NCD in 1987, several restaurants have closed and have not been replaced with neighborhood-servicing businesses. In addition, there has been a shift in recent years more towards food and drink facilities as being integral components of a thriving neighborhood. The result of the prohibition of new full-service restaurants has resulted in an accumulation of demand for these types of establishments. The proposed Ordinance would allow the addition of ten (10) new full-service restaurants to fulfill the needs of residents around the Union Street NCD.

Under Planning Code Section 790.92, the addition of a full-liquor license to any full-service restaurant use is considered to be an addition of a bar use. It should be noted that there is criteria included in the proposed Ordinance that would restrict any new bar use to one which is accessory to a bona-fide, full-service restaurant and which must operate the bar function as an integral portion of the primary food-service use.

New restaurants will be limited by number and conditional use criteria to avoid displacing neighborhood-servicing uses. Furthermore, the ten (10) full service restaurants which could be authorized under this legislation would not represent a significant increase to number of existing restaurants in the Union Street NCD.

Such new full-service restaurants will attract patrons who would support existing and future local businesses within the Union Street Neighborhood Commercial District.

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<sup>1</sup> The Union Street NCD runs the length of Union Street from Steiner Street to Van Ness Avenue, and north along Fillmore Street from Union to Lombard Streets.

The Commission is supportive of the proposed Ordinance. However, the Planning Commission recommends that the Ordinance be amended so that it permits these conditional use authorizations to be tracked by the Department more easily and to place a set cap on the total number of full service restaurants permitted. The Commission accordingly recommends that the total number of new full service restaurants be reduced to 5, and that the total number of full service restaurants that are permitted via Conditional Use Authorization is set at 32. Further, the Commission believes that these new restaurants should be eligible for full liquor licenses.

Along with the proposed changes, the proposed amendments to the Planning Code are consistent with the following provisions of the Commerce and Industry Element of the General Plan. Staff discussion is in italics.

**Objective 6:** Maintain and strengthen viable neighborhood commercial areas easily accessible to city residents.

1. Policy 6.2: Promote economically vital neighborhood commercial districts which foster small business enterprises and entrepreneurship and which are responsive to economic and technological innovation in the marketplace and society.

*The proposed Ordinance promotes small business enterprises by fostering the growth of full-service restaurants in the Union Street NCD.*

2. POLICY 6.3: Preserve and promote the mixed commercial-residential character in neighborhood commercial districts. Strike a balance between the preservation of existing affordable housing and needed expansion of commercial activity.

*The proposed Ordinance promotes the mixed commercial-residential character in the Union Street NCD by allowing a limited number of new full-service restaurant uses that will serve the residents in the neighborhood and contribute to the mix of businesses in the Union Street NCD.*

3. POLICY 6.10: Promote neighborhood commercial revitalization, including community-based and other economic development efforts where feasible.

*The character of the Union Street NCD has changed over the past 20 years. While there are few vacant storefronts along Union Street, permitting new full service restaurants, through the conditional use authorization process, should help this use spread out more evenly throughout the Union Street NCD. The proposed Ordinance seeks to remedy the existing conditions while also accommodating the demand for full-service restaurants for residents in the Union Street NCD.*

The proposed amendments to the Planning Code are consistent with Section 101.1(b) of the Planning Code in that:

1. The proposed reclassification would preserve and promote neighborhood-serving retail uses and future opportunities for resident employment in and ownership of such businesses because the proposed amendments would allow for the creation of new neighborhood-serving restaurants and wine and beer bars and enhancement of existing restaurants while maintaining safeguards necessary to preserve existing basic neighborhood services.
2. The proposed legislation contains criteria which would be used by the Planning Commission in the granting of any Conditional Use for a new restaurant, wine and beer bar or liquor license. These criteria would allow for the continued presence and economic viability of existing neighborhood

establishments while not negatively affecting existing residential development, housing or neighborhood character.

3. The City's supply of affordable housing would be unaffected by the proposed Code amendments, which are aimed primarily toward existing commercial spaces.
4. The scale of the restaurants which may result from the implementation of the proposed Ordinance is such that no new impacts to commuter traffic, MUNI transit service, or streets and neighborhood parking would occur.
5. By allowing for increases in the Union Street NCD stock of restaurants in respond to resident and merchant demand along with a package of appropriate safeguards against undesirable displacement, a diverse economic base and the viability of our service sector, as well as future opportunities for resident employment and ownership in this sector, would be enhanced.
6. Preparedness against injury and loss of life in an earthquake would be unaffected by the proposed amendments.
7. Landmarks and historic buildings would be unaffected by the proposed Ordinance.
8. Parks and open space and their access to sunlight and vistas would be unaffected by the proposed Ordinance.

NOW THEREFORE BE IT RESOLVED that the Commission hereby recommends that the Board ADOPT the proposed Ordinance with the proposed amendments.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting January 10, 2008.

Linda Avery  
Commission Secretary

AYES: ALEXANDER, ANTONINI, W. LEE, S. LEE, MOORE, OLAGUE

NOES: SUGUAY

ABSENT:

ADOPTED: FEBRUARY 7, 2008