

Planning Code Interpretations Update – August 23, 2017

NOTE: Additions are single-underline italics Times New Roman;

Deletions are ~~strike-through italics Times New Roman~~.

Code Section: 102

Subject: Definition of a Restaurant – Type 87 ABC License

Effective Date: 8/23/17

Interpretation:

This definition allows a Restaurant to sell beer, wine, and/or liquor for drinking on the premises with ABC license types 41, 47, 49, 59, or 75. In 2016, the California Legislature adopted SB 1285 to create a new type of “neighborhood-restricted” restaurant liquor license, which the California Department of Alcohol Beverage Control (ABC) designated a “Type 87” liquor license.

Under the law, Type 87 licenses are only available for restaurants, not bars or liquor stores. These licenses are generally subject to the same requirements and privileges as existing restaurant full liquor licenses (“Type 47” licenses).

Type 87 licenses are initially only available for new or existing restaurants located within a set of enumerated census tracts around seven target San Francisco commercial corridors. Those corridors are Third Street in the Bayview, Mission Street in the Excelsior, Ocean Avenue, San Bruno Avenue, Noriega Street, Taraval Street, and Visitacion Valley.

A neighborhood-restricted license may not be sold or transferred to any other business or location. When a restaurant with a Type 87 license closes, and its license is cancelled, the ABC is authorized to subsequently issue a new neighborhood-restricted license to a new business, subject to all of the same geographic and other limitations.

Under the new law, five Type 87 licenses will be available for San Francisco businesses beginning in late summer 2017. These licenses will be available directly from the ABC, and will be issued as part of their annual process of issuing new full liquor licenses for counties statewide.

The law specifies that application fee for a Type 87 license is set to be the same as for a new Type 47 license, currently set at approximately \$14,000. Applicants for Type 87 licenses are required to go through the same application process as for Type 47 licenses, although Type 87

applicants will also be required to hold a pre-application community meeting prior to submitting a completed liquor license application.

Therefore, because the new Type 87 liquor license is designed to mirror the Type 47 liquor license, and because a Type 47 is permitted as part of a Restaurant, the definition of a Restaurant shall include a Type 87 liquor license and it shall be regulated in the same manner as a Type 47 license.