



EXECUTIVE SUMMARY PLANNING CODE TEXT AMENDMENT

HEARING DATE: February 18, 2021

90-Day Deadline: March 4, 2021

Project Name: Chinatown Mixed Use Districts
Case Number: 2020-011581PCA [Board File No. 201326]
Initiated by: Mayor Breed / Introduced December 1, 2020
Staff Contact: Veronica Flores, Legislative Affairs
 Veronica.Flores@sfgov.org, 628-652-7525
Reviewed by: Aaron Starr, Manager of Legislative Affairs
 aaron.starr@sfgov.org, 628-652-7533

Recommendation:	Approval
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Planning Code Amendment

The proposed Ordinance would amend the Planning Code to prohibit Retail Workspace in Chinatown Mixed-Use Districts, which is comprised of the Chinatown Community Business District, the Chinatown Visitor Retail District, and the Chinatown Residential Neighborhood Commercial District.

The Way It Is Now:

The Chinatown Mixed Use Districts permit Retail Workspace as a principal use, but do not permit it as an Accessory Use.

The Way It Would Be:

The Chinatown Mixed Use Districts would prohibit Retail Workspace use as a principal use. Accessory Use controls would not change.

Background

[Proposition H](#) is a voter-initiated Ordinance intended to support small businesses by streamlining City review processes and by providing existing businesses with greater flexibility to adapt their operations in response to

the COVID-19 pandemic and shifting retail landscape. The San Francisco Chronicle reported last summer that more than 2,000 Bay Area businesses have permanently closed since March 2020 and approximately an additional 3,000 more businesses have temporarily closed. Proposition H was a direct response of these closures and to help small businesses thrive overall. This initiative was submitted to the Department of Elections on November 3, 2020 and became effective on December 25, 2020.

Proposition H added a new use definition called “Retail Workspaces”, which is limited to co-working in conjunction with Eating and Drinking Establishments. The full definition is as follows:

A Retail and Service Use open to the general public that provides space to work that is made available on a daily or hourly basis. Such use is only permitted as a principal use in conjunction with the concurrent operation of a principally or conditionally permitted Eating and Drinking Use, which Eating and Drinking Use shall (a) occupy no less than one-third of the gross floor area of the premises and (b) face the street. A Retail Workspace may provide services to the business community along with service to the general public. If the Retail Workspace exclusively provides services to the business community, it shall be considered a General Office Use as defined in the Planning Code.

Such Retail Workspaces are permitted in the following circumstances:

- As a principal use anywhere retail is allowed in the city, so long as it operates in conjunction with an Eating and Drinking use that occupies at least the front 1/3 of the space.
- As an Accessory use in Neighborhood Commercial and Neighborhood Commercial Transit Districts (regardless of square footage Accessory Use limits pursuant to Planning Code Section 204) so long as the Retail Workspace use’s hours of operation are limited from 9am to 5pm and only if the Eating and Drinking Establishment is also open for business to the general public the same days as Retail Workspace.

Issues and Considerations

Principal Use vs Accessory Use

This Ordinance only prohibits Retail Workspace as a principal use in the Chinatown Mixed Use Districts. Because Proposition H only amended the definition of Accessory Uses in Neighborhood Commercial Districts, the Chinatown District Accessory Use controls were not impacted by Proposition H. Therefore, there is no need to prohibit Retail Workspace as an Accessory Use in the Chinatown Mixed Use Districts as the use is not currently allowed.

Chinatown and Tourism

San Francisco has the oldest and second largest Chinese American community in the United States, second only to New York. The general boundaries are Broadway to the north, Powell Street to the west, Columbus Avenue along the east, with the southern-most boundary going from Grant Avenue to Bush Street. The specific boundaries are featured in the following map.

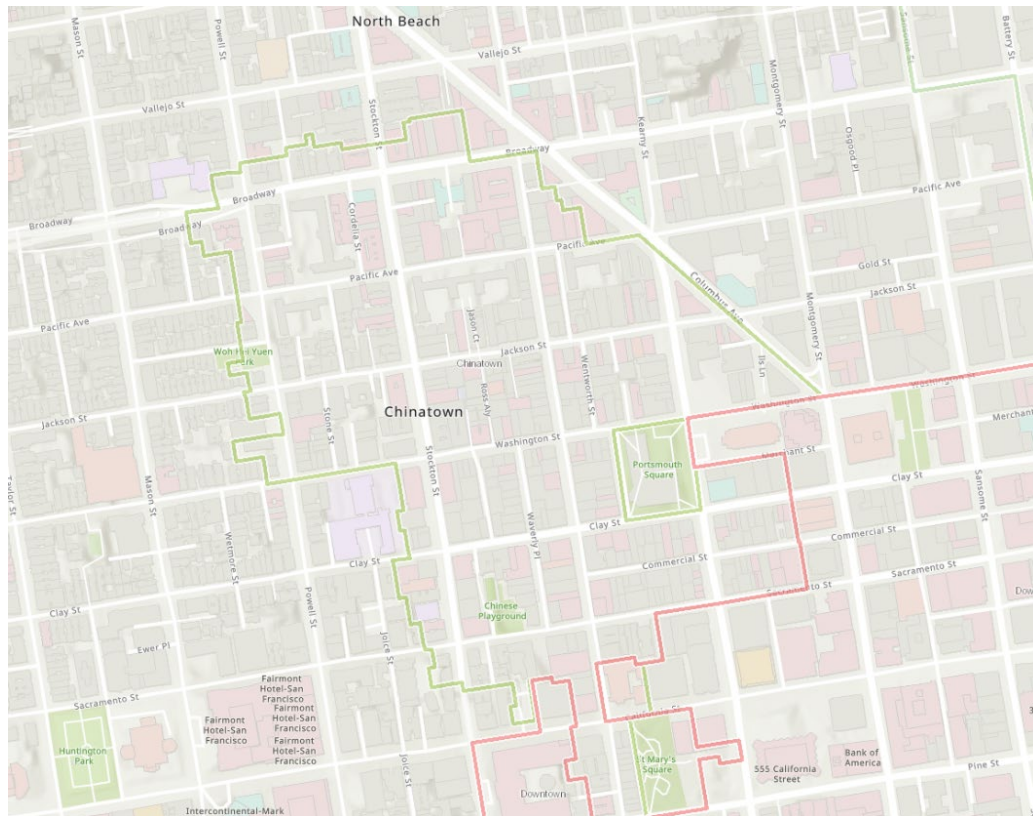


Figure A: Chinatown boundaries

Chinatown is adjacent to and shares borders with the Downtown area. But the two neighborhoods are distinct in character and purpose. Chinatown serves as a community-serving residential neighborhood and also as a tourist attraction, while the downtown is the city's major office district. When the Chinatown controls were added to the Code, one of the purposes of the rezoning was to keep the area distinct from the downtown office core.

Still today, Chinatown, which has stood in the same location for over a hundred years, serves as a destination for most visitors to the city. Chinatown plays a vital role in attracting tourists to the area because of the concentration of tourist-oriented restaurants and specialty gifts shops, including but not limited to tourist gifts shops, jewelry stores, art goods. Retail Workspace uses would not add value to the tourism-centered economy of Chinatown and could possibly blur the lines between this unique neighborhood and the downtown core.

General Plan Compliance

The proposed Ordinance aligns with the Commerce and Industry Element's Goal to preserve existing businesses. Additionally, the Ordinance meets the Chinatown Plan's intent to maintain traditional specialty retail stores further enhancing Chinatown's role as a visitor attraction. The Ordinance also preserves the existing character of the Chinatown Mixed Use Districts.

Racial and Social Equity Analysis

Understanding the benefits, burdens, and opportunities to advance racial and social equity that proposed Planning Code amendments provide is part of the Department's Racial and Social Equity Initiative. This is also consistent with the Mayor's Citywide Strategic Initiatives for equity and accountability and with the forthcoming Office of Racial Equity, which will require all Departments to conduct this analysis.

The Planning Code amendments in the proposed Ordinance helping preserve the Chinatown culture and tourist industry would further racial and social equity. Chinatown was the first neighborhood of its kind in the United States and serves as a safe haven for Chinese immigrants and generations of descendants. For more than 100 years, Chinatown has prospered despite attempts to be relocated or being reduced due to encroachment from the Financial District. The Ordinance helps maintain the community-serving aspect of Chinatown. In combination, the Ordinance preserves the Chinatown culture and heritage and these amendments complement goals in the Chinatown Area Plan.

Implementation

The Department has determined that this ordinance will not impact our current implementation procedures.

Recommendation

The Department recommends that the Commission *approve* the proposed Ordinance and adopt the attached Draft Resolution to that effect.

Basis for Recommendation

The Department is recommending approval of the proposed Ordinance because it supports the Commerce and Industry Element's Goal to preserve existing businesses. Further, the Ordinance enhances Chinatown's role as a visitor attraction, a key principle in the Chinatown Plan. Retail Workspaces are not desirable for the Chinatown Mixed Use Districts because these districts were meant to protect and encourage new housing and preserve the streets' character and scale to attract visitors with retail spaces (e.g. tourist gifts shops, jewelry stores, art goods, large restaurants).

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 Sections 15378 and 15060(c)(2) 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. 201326

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PLANNING COMMISSION DRAFT RESOLUTION

HEARING DATE: February 18, 2021

Project Name: Chinatown Mixed Use Districts
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RESOLUTION APPROVING A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO PROHIBIT RETAIL WORKSPACE IN CHINATOWN MIXED-USE DISTRICTS; 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 AND CONVENIENCE UNDER PLANNING CODE, SECTION 302.

WHEREAS, on December 1, 2020 Mayor Breed introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 201326, which would amend the Planning Code to prohibit retail workspace in Chinatown Mixed-Use Districts;

WHEREAS, The Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on February 18, 2021; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Sections 15378 and 15060(c)(2); 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 49 South Van Ness Avenue, Suite 1400, 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 **approves** the proposed ordinance.

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:

The proposed Ordinance will preserve the existing character of retail businesses in the Chinatown Mixed Use Districts.

General Plan Compliance

The proposed Ordinance is consistent with the following Objectives and Policies of the General Plan and the Chinatown Area Plan:

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 2

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 2.1

Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

Policy 2.3

Maintain a favorable social and cultural climate in the city in order to enhance its attractiveness as a firm location.

CHINATOWN AREA PLAN

OBJECTIVE 2

RETAIN AND REINFORCE CHINATOWN'S MUTUALLY SUPPORTIVE FUNCTIONS AS NEIGHBORHOOD, CAPITAL CITY AND VISITOR ATTRACTION.

Policy 2.1

Define mixed use subdistricts based on the predominant type of ground level use.

OBJECTIVE 5

RETAIN AND ENHANCE CHINATOWN'S ROLE AS A VISITOR ATTRACTION.

Policy 5.1

Maintain Grant Avenue as the traditional specialty retailing area.

The proposed Ordinance aligns with the Commerce and Industry Element's Goal to preserve existing businesses. Additionally, the Ordinance meets the Chinatown Plan's intent to maintain traditional specialty retail stores further enhancing Chinatown's role as a visitor attraction. The Ordinance also preserves the existing character of the Chinatown Mixed Use Districts.

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 have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of 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 have a negative effect on housing or neighborhood character.

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.

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

The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening 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.

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.

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.

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.

Planning Code Section 302 Findings.

The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

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

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on February 18, 2021.

Jonas P. Ionin
Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED: February 18, 2021

1 [Planning Code - Chinatown Mixed Use Districts]

2

3 **Ordinance amending the Planning Code to prohibit retail workspace in Chinatown**
 4 **Mixed-Use Districts; affirming the Planning Department's determination under the**
 5 **California Environmental Quality Act; making findings of consistency with the General**
 6 **Plan, and the eight priority policies of Planning Code, Section 101.1; and making**
 7 **findings of public necessity and convenience under Planning Code, Section 302.**

8

9 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
 10 **Additions to Codes** are in *single-underline italics Times New Roman font*.
 11 **Deletions to Codes** are in ~~*strikethrough italics Times New Roman font*~~.
 12 **Board amendment additions** are in double-underlined Arial font.
 13 **Board amendment deletions** are in ~~strikethrough Arial font~~.
 14 **Asterisks (* * * *)** indicate the omission of unchanged Code
 15 subsections or parts of tables.

13

14 Be it ordained by the People of the City and County of San Francisco:

15

16 Section 1. Environmental and Land Use Findings.

17 (a) The Planning Department has determined that the actions contemplated in this
 18 ordinance comply with the California Environmental Quality Act (California Public Resources
 19 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of
 20 Supervisors in File No. 201326 and is incorporated herein by reference. The Board affirms
 21 this determination.

22 (b) On _____, the Planning Commission, in Resolution No. _____,
 23 adopted findings that the actions contemplated in this ordinance are consistent, on balance,
 24 with the City's General Plan and eight priority policies of Planning Code Section 101.1. The
 25

1 Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of
2 the Board of Supervisors in File No. _____, and is incorporated herein by reference.

3 (c) Pursuant to Planning Code Section 302, this Board finds that this Planning Code
4 amendment will serve the public necessity, convenience, and welfare for the reasons set forth
5 in Planning Commission Resolution No. _____, and the Board adopts such reasons as
6 its own. A copy of said resolution is on file with the Clerk of the Board of Supervisors in File
7 No. _____ and is incorporated herein by reference.

8
9 Section 2. Article 8 of the Planning Code is hereby amended by revising Sections 810,
10 811, and 812, to read as follows:

11
12 **SEC. 810. CHINATOWN COMMUNITY BUSINESS DISTRICT.**

13 The Chinatown Community Business District, located in the northeast quadrant of San
14 Francisco, extends along Broadway from the eastern portal of the Broadway Tunnel to
15 Columbus Avenue and along Kearny Street from Columbus to Sacramento Street. This district
16 also includes portions of Commercial Street between Montgomery Street and Grant Avenue
17 and portions of Grant Avenue between Bush and California Streets. It is part of the larger core
18 area of Chinatown.

19 The portions of Broadway, Kearny, and Commercial Streets and Grant Avenue in this
20 district are transitional edges or entries to Chinatown. North and east of the two blocks of
21 Broadway contained in this district are North Beach and the Broadway Entertainment Districts.
22 Kearny and Columbus Streets are close to intensive office development in the Downtown
23 Financial District. Both Grant Avenue and Commercial Street provide important pedestrian
24 entries to Chinatown. Generally, this district has more potential for added retail and
25 commercial development than other parts of Chinatown.

1 This zoning district is intended to protect existing housing, encourage new housing,
 2 and accommodate modest expansion of Chinatown business activities as well as street-level
 3 retail uses. The size of individual professional or business office use is limited in order to
 4 prevent these areas from being used to accommodate larger office uses spilling over from the
 5 financial district.

6 Housing development in new buildings is encouraged at upper stories. Existing housing
 7 is protected by limitations on demolitions and upper-story conversions. Accessory dwelling
 8 units are permitted within the district pursuant to Subsection 207(c)(4) of this Code.

9
 10 **Table 810**
 11 **CHINATOWN COMMUNITY BUSINESS DISTRICT ZONING CONTROL TABLE**

12 * * * *

NON-RESIDENTIAL USES	§ References	Controls by Story		
		1st	2nd	3rd+
Sales and Service Use Category				
Retail Sales and Service Uses*		P	P	P
* * * *				
Restaurant	§102	C (1)(3)	C (1)(3)	C (1)(3)
<u>Retail Workspace</u>	<u>§102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
* * * *				

23
 24 * Not listed below

1 (1) C for Use Size is not required for Restaurants larger than 5000 sq. ft., but C to
2 establish the Use is required as indicated.

3 * * * *

4 (3) Formula Retail Restaurants and Limited Restaurants are NP in all Chinatown
5 MUDs.

6
7 **SEC. 811. CHINATOWN VISITOR RETAIL DISTRICT.**

8 The Chinatown Visitor Retail Neighborhood Commercial District extends along Grant
9 Avenue between California and Jackson Streets. This district contains a concentration of
10 shopping bazaars, art goods stores, and restaurants, which attract visitors and shoppers and
11 contribute to the City's visual and economic diversity. Grant Avenue provides an important link
12 between Downtown retail shopping and the Broadway, North Beach, and Fisherman's Wharf
13 areas.

14 This district is intended to preserve the street's present character and scale and to
15 accommodate uses primarily appealing to visitors (e.g. tourist gifts shops, jewelry stores, art
16 goods, large restaurants). In order to promote continuous retail frontage, entertainment,
17 financial services, medical service, automotive, and drive-up uses are restricted. Most
18 commercial uses, except financial services, are permitted on the first two stories.
19 Administrative services, (those not serving the public) are prohibited in order to prevent
20 encroachment from downtown office uses. There are also special controls on restaurants and
21 tourist hotels. Building standards protect and complement the existing small-scale
22 development and the historic character of the area.

23 The height limit applicable to the district will accommodate two floors of housing or
24 institutional use above two floors of retail use. Existing residential units are protected by
25

1 prohibition of upper-story conversions and limitation on demolition. Accessory dwelling units
 2 are permitted within the district pursuant to Subsection 207(c)(4) of this Code.

3 **Table 811**

4 **CHINATOWN VISITOR RETAIL DISTRICT ZONING CONTROL TABLE**

5 * * * *

NON-RESIDENTIAL USES	§ References	Controls by Story		
		1st	2nd	3rd+
Sales and Service Use Category				
Retail Sales and Service Uses*		P	P	P
* * * *				
Restaurant	§102	C (1)	C (1)	NP
<i>Retail Workspace</i>	<u>§102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
* * * *				

17 * Not listed below

18 (1) C for Use Size is not required for Restaurants larger than 2,500 sq. ft., but C to
 19 establish the Use is required as indicated.

20 * * * *

21
 22 **SEC. 812. CHINATOWN RESIDENTIAL NEIGHBORHOOD COMMERCIAL**
 23 **DISTRICT.**
 24
 25

1 The Chinatown Residential Neighborhood Commercial District extends along Stockton
 2 Street between Sacramento and Broadway and along Powell Street between Washington
 3 Street and Broadway. It is generally west and uphill from Grant Avenue and is close to the
 4 relatively intensely developed residential areas of lower Nob and Russian Hills. Stockton
 5 Street is a major transit corridor which serves as "Main Street" for the Chinatown
 6 neighborhood. Both Stockton and Powell Streets contain a significant amount of housing as
 7 well as major community institutions supportive to Chinatown and the larger Chinese
 8 community. This daytime-oriented district provides local and regional specialty food shopping
 9 for fresh vegetables, poultry, fish, and meat. Weekends are this area's busiest shopping days.

10 Because Stockton Street is intended to remain principally in its present character, the
 11 Stockton Street controls are designed to preserve neighborhood-serving uses and protect the
 12 residential livability of the area. The controls promote new residential development compatible
 13 with existing small-scale mixed-use character of the area. Consistent with the residential
 14 character of the area, commercial development is directed to the ground story. Daytime-
 15 oriented use is protected and tourist-related uses and financial services are limited.

16 Housing development in new and existing buildings is encouraged above the ground
 17 floor. Institutional uses are also encouraged. Existing residential units are protected by limits
 18 on demolition and conversion. Accessory Dwelling Units are permitted within the district
 19 pursuant to subsection 207(c)(4) of this Code.

20 **Table 812**

21 **CHINATOWN RESIDENTIAL NEIGHBORHOOD COMMERCIAL DISTRICT ZONING**
 22 **CONTROL TABLE**

23 * * * *

NON-RESIDENTIAL USES	§ References	Controls by Story
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		1st	2nd	3rd+
Sales and Service Use Category				
Retail Sales and Service Uses*		P	P	P
* * * *				
Restaurant	§102	C (2)	NP	NP
<u>Retail Workspace</u>	<u>§102</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
* * * *				

* Not listed below

* * * *

(2) Formula Retail Restaurants and Limited Restaurants are NP in all Chinatown MUDs.

Section 3. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment

