



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: April 4, 2013
TO: Honorable Members of the Planning Commission
FROM: John Rahaim - Director of Planning
STAFF CONTACT: Daniel A. Sider - Planning Department Staff
RE: Proposed Commission Policy
Small Business Priority Processing Pilot Program

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On April 11, 2013, the Planning Commission will conduct a public hearing on a proposed Small Business Priority Processing Pilot Program ("SB4P" or "Policy") that would streamline the Conditional Use process for certain small businesses applications.

Approximately 95 percent of San Francisco's registered businesses have fewer than 100 employees and are considered small businesses by the Office of Small Business ("OSB"). Small businesses account for half of the City's employment and tens of millions of dollars in sales tax revenue. Moreover, small businesses are critical ingredients in our unique civic character; they help create the neighborhood commercial districts that make San Francisco vibrant and distinctive.

Strategic informal discussions. Beginning in late 2011, individual members of the Planning Commission ("Commission") and Small Business Commission ("SBC") along with Staff from the Planning Department ("Department") and OSB have been informally working together to develop strategies to assist small businesses, especially with regard to the city planning review process. The following Commissioners were participants:

- *Planning Commission President Rodney Fong* is a fourth-generation San Franciscan who has served on the Commission since 2010. President Fong is the owner of the Wax Museum at Fisherman's Wharf, a well-known San Francisco small business which is celebrating its 50th year this year.
- *Former Planning Commissioner Ron Miguel* is a long-time San Francisco small businessman and ongoing contributor to civic affairs in the City. When Past-President Miguel stepped down from the Commission last year, Planning Commission Vice-President Cindy Wu assumed his role.
- *Planning Commission Vice-President Cindy Wu* is the Community Planning Manager at the Chinatown Community Development Center. Vice President Wu holds a Masters degree in Urban Planning from MIT and has worked closely with the community in Chinatown and elsewhere as part of the Central Subway, Broadway Street Design and other planning efforts.
- *Planning Commissioner Kathrin Moore* has served on the Commission since 2007 and is a registered architect and certified planner. Over the course of nearly 40 years as a design professional, Commissioner Moore has been a professor, author and critic, and has held numerous positions on industry and civic boards.

- *Small Business Commission President Stephen Adams* is the Senior Vice President for Sterling Bank and Trust, a Bay Area-focused bank dedicated to supporting small businesses. President Adams has held various leadership roles in a number of local civic and business groups, including serving as the President of the Merchants of Upper Market and Castro (“MUMC”).
- *Small Business Commissioner Kathleen Dooley* is a 25-year resident of Telegraph Hill and a longtime North Beach small business owner. Commissioner Dooley has been an active neighborhood organizer for years, serving in leadership roles for the Telegraph Hill Dwellers and as the co-founder and current president of the North Beach Business Association.
- *Small Business Commissioner Luke O’Brien* has managed and grown companies in various sectors of the economy including electronic engineering, telecommunications and real estate. Commissioner O’Brien is a real estate expert involved in construction and civic affairs in San Francisco and beyond.

Impacts of land use regulation. Over the years, the breadth and complexity of the City’s land use regulatory scheme has grown dramatically. For example, since 1987, when the Neighborhood Commercial (“NC”) zoning controls were adopted, more than 80 amendments have been made. While these changes support many of the City’s core goals, including preserving unique neighborhood character and bolstering small businesses, the expanded scope and scrutiny has had the unintended consequence of creating an environment in which small businesses frequently struggle to secure required permits, let alone become profitable.

For most small businesses, Conditional Use (“CU”) authorizations are the most common approval type that requires a Commission hearing. The Department has a goal of holding a hearing on every CU application within 120 days of filing. Owing to real estate industry practices, this delay typically means that a small business must execute a lease and make lease payments for many months prior to Commission action. The typical four-month processing time, when viewed in context of market rents and typical small business space needs, can cost a small business anywhere between \$12,000 and \$34,000. This is a financial commitment that is generally not feasible for many small businesses – but one that ironically *is* feasible for most Formula Retail uses. Accordingly, reducing this length of time has been identified as the most pressing, achievable improvement to the land use review process for small businesses.

Analysis and opportunities. This delay is attributable to two primary factors: (1) backlogs at the Commission level owing to overly-full weekly agendas and (2) backlogs at the Staff level owing to demands on staff time, many of which relate to Department practice of drafting an exhaustive Executive Summary and Draft Motion for every Commission action.

With respect to the Commission backlog, the reintroduction of a Consent Calendar in 2007 has proven useful in adjudicating straightforward cases with minimum delay. On average, only a quarter of the cases placed on the Consent Calendar are moved to the regular calendar, and few Consent Calendar items - if any - have ever been disapproved. Nonetheless, and especially given the increasing overall quantity of applications, the Consent Calendar remains underutilized.

With respect to the Staff backlog, the highly detailed analysis and length of prose associated with conventional Executive Summaries and Draft Motions is not necessarily appropriate for many minor applications involving small businesses. No implicit value is conferred simply by the length of an approval

document. To wit, a Commission Motion from earlier this year approving a 900 square foot expansion to an existing Limited Restaurant was 17 pages long, while the 1997 Commission Motion authorizing construction of the 42,000-seat AT&T Park was just 10 pages long.

In addition to these mechanical impediments in the review process are the less-than-optimal communication channels between prospective small businesses and the City. Too many small businesses first learn of the need for a CU or other land use authorization far too late in their business-planning process (e.g. well after signing leases or procuring equipment and stock), when the economic impacts of City delays are significantly amplified. Moreover, once aware of such a requirement, businesses can find themselves lost in the City's byzantine planning process.

In order to provide focused and customized community development assistance, and to address issues including the aforementioned communication problem, the Mayor's Invest in Neighborhoods ("IIN") Initiative has recently begun work in select neighborhood corridors throughout the City. Administered by the Office of Economic and Workforce Development ("OEWD"), and using small business as a key catalyst, IIN is intended to strengthen and revitalize these corridors by strategically marshaling City resources and programs from across multiple departments. The IIN infrastructure thus presents a valuable opportunity to engage, encourage, and assist small businesses from the earliest possible stages.

Implementation mechanism. Enhancements to the review process for small business applications could be manifested most easily through either (1) amendments to the Planning Code or (2) a Planning Commission Policy. While an amendment to the Planning Code typically requires a minimum of six months of review and approval by the Planning Commission, Board of Supervisors and Mayor, a Planning Commission Policy can be put in place through a Commission Resolution adopted by majority vote at the Planning Commission.

The SB4P is proposed as a nimble Commission Policy adopted through Resolution (attached as Exhibit A). Should the Commission choose to adopt it, it could subsequently be amended or rescinded by the Commission at any properly noticed public hearing without the time or complexity associated with Board and Mayoral review. While this approach precludes actual changes to land use regulations themselves, the significant enhancement in *how* we implement those regulations - along with the 'adaptability' of a Commission Policy - makes this path preferable.

Provisions of the policy. The SB4P would streamline Commission review of certain types of CU applications for small businesses by guaranteeing SB4P projects (1) a Commission hearing within 90 days of filing and (2) placement on the Commission's Consent Calendar.

In furtherance of these goals, the Policy would direct Staff to prepare a two-page Project Summary and Motion ("PS&M"; sample attached as Exhibit B) in connection with each SB4P project rather than the typical 20-plus page Executive Summary and Draft Motion. The Policy also (1) directs Planning and OSB Staff to provide dedicated assistance to SB4P applicants and (2) requires sponsors of SB4P projects to conduct a Pre-Application Meeting, pursuant to established standards for such meetings.

Not all applications would be eligible to participate in the SB4P. Enrollment would be limited to CU applications that:

- are for a property within both (1) an NC District and (2) an IIN corridor (see Exhibit C); and
- are for a property that does not contain any parking spaces for non-residential use(s); and
- do not involve a Formula Retail Use; and
- do not involve the consolidation of multiple storefronts; and
- do not involve the removal of any dwelling units; and
- do not involve a Massage Establishment; and
- do not involve a Tobacco Paraphernalia Establishment; and
- do not involve an Adult Entertainment Establishment; and
- do not involve a Medical Cannabis Dispensary; and
- do not involve a Wireless Telecommunications Facility; and
- do not involve a request for hours of operation beyond those permitted as-of-right; and
- do not involve a request for a non-residential use size that is permitted as-of-right; and
- do not involve a request for an Outdoor Activity Area at the rear of the property; and
- are not related to a business that sells alcohol, excepting beer and wine at a bona fide restaurant; and
- relate primarily to work associated with businesses open the general public; and
- would be exempt from the California Environmental Quality Act (“CEQA”); and
- would be sent to the Planning Commission with a Staff recommendation for approval.

Administrative modification and sunset. Because the SB4P is an exploratory policy and because eventual enrollment may exceed - or fall short of - expectations, the Director of Planning is empowered to make minor modifications to the Policy and implementation thereof consistent with the overall intent. Specifically, the Policy would authorize the Director, without public hearing, to (1) modify the geographic eligibility of the SB4P so long as it remains within the NC Zoning Districts and/or (2) disqualify any application from participation in the SB4P if he feels that the proposal would be highly objectionable. Additionally, the SB4P contains a sunset date of 24 months from the date of adoption that can be modified or removed by the Commission at any point before then should it choose to do so.

Recommended Commission action. The Department urges the Commission to adopt the Policy. The SB4P would not only afford many small businesses relief from burdensome and often project-prohibitive delays in the planning process, but would also introduce a more efficient and appropriate Staff-level review of such projects. By substantially reducing the staff time required to bring a project to hearing, use of the proposed PS&M will effectively expedite small business application without having adverse effects on other applications.

Exhibits

- A - Draft Commission Resolution
- B - Sample PS&M
- C - Map of SB4P Applicability
- D - Letter from the Small Business Commission Recommending Adoption

EXHIBIT A

Draft Commission Resolution

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SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution Number _____

HEARING DATE: APRIL 11, 2013

Date: April 4, 2013
Staff Contacts: Daniel A. Sider, Planning Department – (415) 558-6697
dan.sider@sfgov.org
Regina Dick-Endrizzi, Office of Small Business – (415) 554-6481
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ADOPTING THE SMALL BUSINESS PRIORITY PROCESSING PILOT PROGRAM (“SB4P”) IN ORDER TO BOLSTER THE CITY’S SMALL BUSINESS COMMUNITY BY STREAMLINING THE REVIEW AND HEARING PROCESS FOR CERTAIN NEW AND/OR EXPANDING SMALL BUSINESSES.

WHEREAS, Approximately 95 percent of the City’s registered businesses are small businesses with fewer than 100 employees; and

WHEREAS, Small businesses account for half of all employment in the City; and

WHEREAS, San Francisco’s small businesses are critical ingredients in both our local economy and our unique civic character. They help create the neighborhood commercial districts that make San Francisco vibrant and distinctive. These districts, in turn, provide needed goods and services to residents and bolster our position with respect to visitor and tourist trade.

WHEREAS, In the 1987, the Neighborhood Commercial (“NC”) zoning controls were adopted in an effort to preserve and enhance the individual character and balance of uses unique to each NC District. Those controls have been built upon steadily, with more than 80 amendments to the NC controls in the last 25 years. While these changes were designed to support the original goals of the NC zoning, the steadily increasing quantity and scrutiny of regulations has had the unintended consequence of creating an environment in which small businesses frequently struggle to secure required permits, much less become profitable.

WHEREAS, Existing regulations require additional review and apply increased scrutiny to projects involving Formula Retail uses but do not affirmatively ease the regulatory burden for small businesses; and

WHEREAS, Existing back-logs for reviewing and adjudicating Conditional Use applications require that commercial leases be signed and repeated lease payments be made for many months prior to Planning

Commission ("Commission") action, during which time the commercial tenant is not open for business and receives no income; and

WHEREAS, At the present time, commercial rents in NC Districts can range from \$3,000 per month for 2,000 square feet on Ocean Avenue (\$1.50 per square foot) to \$8,500 per month for 2,500 square feet in Hayes Valley (\$3.40 per square foot). The typical four-month processing time for a Conditional Use authorization can therefore cost a small business between \$12,000 and \$34,000. This level of financial resources is generally not possessed by most small businesses; and

WHEREAS, The Invest in Neighborhoods Initiative, which is administered by the Office of Economic and Workforce Development ("OEWD"), provides focused, customized assistance that meets the specific needs of our NC corridors. The Invest in Neighborhoods Initiative strategically marshals City resources and programs from across multiple departments, with the intent to strengthen and revitalize commercial corridors around the City; and

WHEREAS, The 25 Invest in Neighborhoods Corridors currently generate \$14.5 million annually in sales tax revenue; and

WHEREAS, The Planning Department ("Department") prepares exhaustive staff reports for all Conditional Use applications, performing a detailed level of review not necessary for many projects involving small businesses. Moreover, these staff reports require substantial staff resources and create extended delays and associated hardship for small business applicants; and

WHEREAS, Efficient review of development applications leads to faster job creation and generation of tax revenues; and

WHEREAS, More than half of the requests for Commission authorization heard in 2011 were placed on the Commission's Consent Calendar. Only one-quarter of those were removed from the calendar and discussed on the Regular Calendar. None were ultimately disapproved; and

WHEREAS, Individual members of the Planning Commission and Small Business Commission ("SBC") along with Planning Department Staff and Staff from the Office of Small Businesses ("OSB") have been working together for the past year to develop strategies to assist small businesses, especially with regard to the Planning Department's review process.

NOW THEREFORE BE IT RESOLVED that the Commission hereby adopts an exploratory program known as the Small Business Priority Processing Pilot Program ("SB4P" or "Program"). The intent of the SB4P is to bolster the City's small business community by streamlining Commission review of certain projects that involve new and/or expanding small businesses.

AND BE IT FURTHER RESOLVED that the SB4P shall only remain in effect for twenty-four months following the date of this Resolution, or until such time as the Commission acts to repeal or extend the SB4P, should it choose to do so within that twenty-four month period.

AND BE IT FURTHER RESOLVED that the SB4P shall be administered by the Department as set forth below:

- A. **Eligibility.** Only applications meeting all of the following criteria shall be eligible to apply:
1. The application is for Conditional Use Authorization under Section 303 of the Planning Code; and
 2. the application does not involve a Formula Retail use, as defined in Planning Code Section 303(i); and
 3. the application does not seek to establish or expand a non-residential use size in excess of that which is allowed on an as-of-right basis in the subject zoning district; and
 4. the application does not involve the consolidation of multiple tenant spaces (e.g. storefronts) into a single tenant space; and
 5. the application does not seek to establish or expand an Outdoor Activity Area, as defined in Planning Code Section 790.70, other than one located at the front of a building at the ground level; and
 6. the property which is the subject of the application does not contain any off-street parking spaces for non-residential use; and
 7. the application does not seek to establish or expand a Massage Establishment, Tobacco Paraphernalia Establishment, Adult Entertainment establishment or Medical Cannabis Dispensary, as defined in Planning Code Sections 790.60, 790.123, 790.36 and 790.141, respectively; and
 8. the application does not involve the removal of any dwelling units; and
 9. the application does not involve a request for hours of operation beyond those permitted on an as-of-right basis in the subject zoning district; and
 10. the business with which the application is associated does not, nor does it presently seek to, sell alcoholic beverages for either on- or off-premises consumption, excepting beer and/or wine sold on or off-site in conjunction with the operation of a bona fide restaurant, as defined in Planning Code Section 790.142; and
 11. the property which is the subject of the application is located within both (1) a Neighborhood Commercial Zoning District and (2) a designated “Invest In Neighborhoods” corridor as shown in Exhibit A and as periodically amended by OEWD; and
 12. the application does not involve a Wireless Telecommunications Facility (“WTS”); and
 13. the application pertains exclusively, or in majority part, to changes of use, tenant improvements and/or similar work related to a non-residential use that is open to the general public; and
 14. the scope of the application is such that it would be considered categorically exempt from environmental review under the California Environmental Quality Act (“CEQA”).
- B. **Pre-Application Assistance.**
1. In order to provide guidance to SB4P-eligible applicants, the Department shall make available staff who are familiar with the Program and the Conditional Use authorization process at the Planning Information Center for at least 4 hours each business day. This staff shall assist SB4P-eligible applicants in identifying application requirements, understanding the review process, and developing suitable responses to all Conditional Use application requirements, including “general” Planning Code Section 303(c) findings [relating to overall necessity and desirability] along with “specific” findings [relating to use-specific issues] contained in Planning Code Sections 303(g) through (p) and elsewhere in the Planning Code. Staff shall not, however, write any application materials

for, or on behalf of, the applicant. Planning Department Staff shall also refer applicants or prospective applicants to OSB as appropriate.

2. OSB along with the Invest In Neighborhoods and “Job Squad” Divisions of OEWD shall screen and refer businesses eligible to participate in the SB4P to the Planning Department. OSB and OEWD staff shall provide additional guidance to eligible businesses on the Conditional Use process and shall assist businesses in the completion of required application materials, as appropriate.
- C. **Pre-Application Requirements.** The Pre-Application Meeting process, which otherwise would apply only to projects involving new construction or certain building expansions, must be completed by all SB4P-eligible projects prior to lodging a complete application. The Commission further urges applicants to the SB4P to employ additional outreach measures to nearby residents, property owners and merchants that may not have been identified through the Pre-Application Meeting process.
- D. **Enrollment.** The Planning Department shall enroll applications in the SB4P only after determining that all of the following criteria have been met:
1. An application for enrollment in the SB4P, on a designated form provided by the Department and indicating compliance with eligibility criteria, has been submitted; and
 2. an application for Conditional Use authorization, including complete and adequate responses to all required findings - in the sole determination of the Department - has been submitted; and
 3. the nature of the Conditional Use application is such that it would be submitted for Commission consideration with a Department recommendation for approval; and
 4. the applicant has paid all required application fees in full.
- E. **Priority Handling of Enrolled Applications.** Enrolled applications shall be processed by the Planning Department exactly as would other similar non-SB4P applications with the following specific exceptions:
1. *Hearing Timeline.* The Department shall endeavor to arrange for a Commission hearing within 90 days of submittal of a complete application. The Commission shall endeavor to accommodate SB4P projects on any agenda, regardless of other items on that agenda.
 2. *Consent Calendar.* The application shall be placed on the Commission’s consent calendar unless any opposition is received by mail, fax, or electronic mail more than seven days before the public hearing. Such opposition shall be attached by staff to the “Commission Packet” in connection with the item, however no written response shall be prepared. Rather, Department Staff should provide a verbal response to any opposition at the public hearing.
 3. *Project Summary and Motion.* Unlike typical projects heard by the Commission, no Staff Report, Executive Summary, conventional draft motion or similar documents shall be prepared in connection with the hearing on the application. Rather, a combined Project Summary and draft Motion of approval (“PS&M”) of no more than one double-sided page shall be provided stating (1) the project description, as it appeared in the required public notice along with any other essential descriptors, (2) that the application has qualified for review under the SB4P, (3) the action required of the Commission along with an acknowledgement that the case file contains adequate responses to all criteria prerequisite to that action and (4) any procedural information deemed absolutely necessary by the Zoning

Administrator and/or the Office of the City Attorney. While it may contain a generalized basis for approval of no more than one paragraph, the PS&M shall not rephrase, reiterate, or replace any project information, findings, or other arguments prepared by the applicant and contained in the application. .

AND BE IT FURTHER RESOLVED that the SB4P is a new and exploratory program. Accordingly, the possibility exists that applications enrolled in the Program could present unanticipated situations suggestive of conventional processing. Additionally, and in light of the relatively unknown demand for Program participation, there is a need to ensure that the number of enrolled applications is sufficient but not excessive. Accordingly, and without Commission action, the Director of Planning may:

1. modify the geographic eligibility criteria of the SB4P as set forth in Section A(10), above, so long as the Program does not expand to include any zoning district other than a Neighborhood Commercial Zoning District; and/or
2. disqualify any application from enrollment in the Program based on the expectation that the proposal would be found highly objectionable or incompatible with the immediate or broader contexts, in his sole opinion.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on April 11, 2013.

Jonas P. Ionin
Acting Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED: April 11, 2013

EXHIBIT A
Invest in Neighborhoods Commercial District Boundaries as of October 18, 2012

Neighborhood	Corridor	Boundaries	District
Richmond	Geary Blvd.	Geary Blvd. from 14 th Ave. to 28 th Ave.	1
Marina	Union St.	Union St. from Steiner to Van Ness	2
Pacific Heights	Lombard St.	Lombard St. from Lyon St. to Van Ness	2
Chinatown	Chinatown	Broadway from Powell to Columbus, Grant from Broadway to Bush, all the streets between Stockton and Kearny and between Broadway and Pine (but not east of Columbus)	3
North Beach	North Beach	Columbus St. from Broadway to Greenwich, Grant from Columbus to Greenwich, Greenwich from Grant to Columbus, and the streets in between	3
Polk	Middle Polk	Polk from California to Broadway	3
Sunset	Noriega	Noriega from 19 th Ave. to 33 rd Ave., 45 th to 47 th Ave.	4
Sunset	Outer Irving	Irving from 19 th Ave. to 27 th Ave.	4
Sunset	Parkside Taraval	Taraval from 19 th Ave. to 48 th Ave.	4
Western Addition	Japantown	Post St. from Fillmore to Laguna, Buchanan St. from Post to Sutter (including parcels facing Sutter)	5
Western Addition	Fillmore St. (Lower)	Fillmore St. from Bush to McAllister	5
Central Market	Central Market	Market St. from 5 th St. to Van Ness	6
Tenderloin – Little Saigon	Larkin St.	Larkin St. from McAllister to Geary	6
Polk	Lower Polk	Polk from California to Golden Gate	6
OMI	Ocean Ave.	Ocean Ave. from Phelan to Manor	7
West Portal	West Portal	West Portal from 15 th Ave. to Ulloa/Claremont Streets	7
Noe Valley	24 th St.	24 th St. from Douglass to Dolores, Castro St. from 24 th to 25 th	8
Upper Market/Castro	Upper Market/Castro	CBD Boundaries, including Market St. from Octavia to Castro St., Castro from Market to 19 th St., 18 th St. from Hartford to Diamond	8
Mission	Lower 24 th St.	24 th St. from Mission to Potrero Ave.	9
Portola	San Bruno Ave.	San Bruno Ave. from Silver to Mansell	9
Outer Mission/College Hill	Mission St.	Mission St. from Cesar Chavez to Bosworth	9
Bayview	3 rd St.	3 rd St. from Evans to Williams	10
Visitacion Valley	Leland Ave.	Leland Ave. from Cora to Bayshore, Bayshore from Arleta to Sunnydale	10
Excelsior	Mission St.	Mission St. from Silver to Geneva	11
OMI	Broad St.	19 th Ave. from Chester to Randolph, Randolph from 19 th to Orizaba, Orizaba from Randolph to Broad, and Broad from Orizaba to Plymouth	11

EXHIBIT B

Sample Project Summary & Motion

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SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Project Summary and Motion No. _____

SMALL BUSINESS PRIORITY PROCESSING PILOT PROGRAM

HEARING DATE: FEBRUARY 29, 2013

Date Prepared: February 21, 2013
Case No.: **2013.1234C**
Project Address: **1650 MISSION STREET**
Zoning: NCT-3 (Neighborhood Commercial Transit, Moderate Scale)
85-X Height and Bulk District
Block/Lot: 3512/008
Project Sponsor: Edwin M. Lee
123 Main Street
San Francisco, CA 94111
Staff Contact: Daniel A. Sider – (415) 558-6697
dan.sider@sfgov.org

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PROJECT DESCRIPTION

The project would convert 3,000 square feet of ground level space most recently used as a Limited Restaurant (DBA John's Café) into a 'doggie day care' facility (DBA Ed's Doggie Day Care). The project has qualified for review under the Planning Commission's Small Business Priority Processing Pilot Program ("SB4P").

REQUIRED COMMISSION ACTION

A Zoning Administrator Interpretation of Planning Code Section 312 from January 2007 states that a pet day care facility that cares for more than 12 dogs at once is to be regulated as if it were an Animal Hospital. The proposed facility would care for approximately 20 dogs at once. In the NCT-3 District, Planning Code Section 731.62 requires that Animal Hospitals obtain Conditional Use Authorization.

DECISION

Based upon information set forth in application materials submitted by the project sponsor and available in the case file (which is incorporated herein by reference as though fully set forth) and based upon the SB4P Checklist and findings below, the Commission hereby **APPROVES Conditional Use Application No. 2013.1234C** subject to conditions contained in the attached "EXHIBIT A" and in general conformance with plans on file, dated January 2, 2013, and stamped "EXHIBIT B."

SB4P CHECKLIST

	Required Criteria			Comments (if any)
	Complete & adequate	Incomplete and / or inadequate	Not required and / or not applicable	
Project Sponsor's application				
SB4P eligibility checklist				
Planning Code §101.1 findings				
Planning Code §303(c) findings				
Planning Code §303(p) findings for Eating and Drinking Uses				
Any additional Planning Code findings e.g. §303(k) findings for movie theater removals or §303(m) findings for grocery store removals				
<small>list specific §§</small>				
Photographs of the site and/or context				
Scaled and/or dimensioned plans				

Additional Information	
Notification Period	
Number and nature of public comments received	
Number of days between filing and hearing	

Generalized Basis for Approval (max. one paragraph)

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on February 29, 2013.

AYES:

NAYS:

ABSENT:

ADOPTED: February 29, 2013

Jonas P. Ionin
 Acting Commission Secretary

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion. The effective date of this Motion shall be the date of this Motion if not appealed (after the 30-day period has expired) OR the date of the decision of the Board of Supervisors if appealed to the Board of Supervisors.

EXHIBIT C

Map of SB4P Applicability

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Areas Subject to the Proposed SB4P

Properties shown in black are within both (1) a Neighborhood Commercial Zoning District and (2) an Invest in Neighborhoods corridor.



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EXHIBIT D

Letter from the Small Business Commission Recommending Adoption

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SMALL BUSINESS COMMISSION
OFFICE OF SMALL BUSINESS



CITY AND COUNTY OF SAN FRANCISCO
EDWIN M. LEE, MAYOR

April 4, 2013

Honorable Rodney Fong
San Francisco Planning Commission
1660 Mission Street, Suite 400
San Francisco, California 94103

Re: Small Business Priority Policy Pilot Program (SP4P)

Dear President Fong:

At the Small Business Commissions March 25, 2013 meeting, Commissioners held a hearing on the proposed Small Business Priority Policy Pilot Program (SP4P) and voted 6-0 recommend approval of this program to the Planning Commission.

San Francisco small businesses are key drivers of our economy. They represent over 95 percent of all businesses in the City of San Francisco and half of employment in the City. Small businesses are key contributors to the vitality of the City, and in addition to economic benefits; they provide character and vibrancy to our neighborhoods and communities. Without our small businesses, San Francisco would not be the destination city that it is today, nor would it be such a unique place to live and work in.

Unfortunately, the cost of doing business with the City is significant and the entitlement and permitting process over the years has become cumbersome and difficult for many of our small businesses to navigate. As noted in the findings of the SP4P proposal, the increasing quantity and scrutiny of regulations has had the unintended consequence of creating an environment in which small businesses frequently struggle to secure required permits. In particular, this becomes apparent during the Conditional Use process. The Conditional Use process is a timely endeavor, and typically small business tenants must sign and pay for leases during the time that a conditional use authorization is pending. As the findings in your resolution note, this may cost a business \$12,000 to \$34,000 or more just in rent costs during the time an application is being processed and pending before the Planning Commission. Time therefore, is the key factor that must be reduced when possible and appropriate, and the SP4P program will take a major step towards reducing this costly burden on small businesses.

The SB4P program is an exploratory program, of which the intent is to bolster the City's small business community by streamlining and speeding up Commission review of certain qualified projects. The Small Business Commission has reviewed the scope of these types of projects and agrees that the qualified projects are reasonable and attainable. By exempting projects such as Formula Retail, Adult Entertainment, Medical Cannabis Dispensaries, Antenna's, and Tobacco Paraphernalia Establishments, the Planning Department is targeting businesses in the SP4P program that have a high degree of likelihood of having minimal to no neighborhood opposition. Including beer and wine alcohol sales is pragmatic; excluding hard liquor removes a category that rightly requires extra scrutiny.

The Commission recognizes that pre-application assistance is a key component to the success of the program. The Commission thanks the Planning Department for agreeing to make available staff that is



SMALL BUSINESS COMMISSION
OFFICE OF SMALL BUSINESS



CITY AND COUNTY OF SAN FRANCISCO
EDWIN M. LEE, MAYOR

familiar with the SB4P program and Conditional Use authorization process for at least 4 hours each business day. The Office of Small Business will also be a resource that will be a key stakeholder in business education and will assist businesses with this program. Office of Economic and Workforce Development staff, through the Invest in Neighborhoods Program and “Job Squad” will provide additional assistance.

The SBC reviewed additional aspects of the program, including pre application requirements, the enrollment process, priority handling of enrolled applications, hearing timeline, consent calendar, and the project summary and motion and finds that these plans are all appropriate and targeted. These outlined plans will reduce delays in the entitlement process and will achieve efficiencies, allowing businesses to open sooner or expand/modify their operations with minimal delays, while potentially saving tens of thousands of dollars in costs during the Conditional Use process. This is money that they will be able to invest back into their business, including their employees.

I would like to extend my highest appreciation to Commission President Rodney Fong, Vice President Cindy Wu, and Commissioner Kathrin Moore for their participation in our joint meetings that led to the creation of this policy proposal. I also extend my gratitude to former Commissioner Ron Miguel for his early contributions to the process. The collaboration between the Small Business Commission and Planning Commission has resulted in this well thought out program and I look forward to future projects that our Commissions jointly engage on.

I would also like to extend my appreciation to Dan Sider of Planning Department staff for his great work and stewardship on this program and to Planning Director John Rahaim for his leadership in this project.

Sincerely,

A handwritten signature in black ink that reads 'Regina Dick-Endrizzi'.

Regina Dick-Endrizzi
Director, Office of Small Business

Cc: Dan Sider, Planning Department Staff