

# Central SoMa Draft Policy Document

## Retail

November 2014

### Introduction

The Land Use chapter (Chapter 2) of the draft Plan states that the Plan should support “creating an active street life while helping meet the needs of residents, workers, and visitors” (Land Use Policy 5.2). The discussion below seeks to convey how retail could be used to fulfill this goal.

### Summary

Retail will continue to be permitted in throughout the Plan Area, and be required and certain streets. Formula retail will be largely permitted, whereas stand-alone big-box stores will not.

### Background

Retail uses, including restaurants, help make a neighborhood vibrant. The organic nature of these enterprises makes them dynamic, and requires that they not be overly scripted. There are also legal constraints on what can be controlled – for example, we can’t allow Turkish restaurants but ban Greek restaurants. And if we allow shoe stores, we can’t regulate how much those shoes must cost (or that they match our wardrobe, for that matter). In that way, it becomes very difficult – if not impossible – to regulate retail to ensure that it be “neighborhood serving.” Instead, cities typically rely on market forces – if community members require a certain service, it is likely to appear in the area.

That being said, the City does have a few tools around how to shape retail:

- We can control where retail is permitted. For example, retail is not permitted in the residential-only neighborhoods that predominate in the western half of the city.
- We can control the type of retail that is permitted. This is typical in the neighborhood commercial districts, where such uses as restaurants, bars, movie theaters, and liquor stores are all controlled separately. In SoMa and downtown, those uses are largely smeared together with the shoe stores and cell phone merchants, etc. as “retail”.
- We can require retail in new development, to foster a commercial “corridor”. This is done in many of the city’s neighborhood commercial districts. This is not overdone, however, because there is finite demand for retail, and retail vacancy is one of the easiest ways for a neighborhood to become blighted.

- We can control whether “formula retail” (i.e., chain stores) are permissible administratively (“as-of-right”), require Planning Commission approval through a Conditional Use permit, or not permitted at all.
- We can decide how big the individual retail spaces are allowed to be as-of-right or with a Conditional Use.

The current zoning in the Central SoMa Plan Area handles retail as follows:

- Retail is permitted everywhere, except for a handful of residential parcels along alleys.
- “Retail” is broadly defined to include all of the potential sub-categories like restaurants, etc.
- New retail is required on 4<sup>th</sup> Street between Bryant and Townsend Streets and 6<sup>th</sup> Street between Market and Folsom.
- Formula retail is permitted as-of-right in all districts except the WMUO and SALI districts, where it requires a Conditional Use.
- There are generally no controls on retail size up to 25,000 square feet, though stand-alone big box stores are permitted only in the SLI. Slightly tighter restrictions apply in the WMUO and SALI districts.

## **Proposal**

The Central SoMa Plan proposes to handle retail as follows:

- Retail will continue to be permitted everywhere.
- “Retail” will continue to be broadly defined to include all of the potential sub-categories like restaurants, etc.
- Retail will continue to be required on 6<sup>th</sup> Street between Market and Folsom. In addition, the retail requirement along 4<sup>th</sup> Street will be extended from Townsend to Folsom, and along Folsom from 4<sup>th</sup> to 6<sup>th</sup> Streets.
- Formula retail is permitted as-of-right in all districts except the WMUO and SALI districts, where it requires a Conditional Use.
- There would generally no controls on retail size up to 25,000 square feet, slightly tighter restrictions apply in the WMUO and SALI districts. With the removal of the SLI zoning, stand-alone big box stores would not be possible.