



July 17, 2025

Lydia So, President
 San Francisco Planning Commission
 49 South Van Ness Avenue, Suite 1400
 San Francisco, CA 94103
 (Via email: lydia.so@sfgov.org)

RE: OPPOSITION TO PROPOSED USE SIZE LIMIT ORDINANCE
 2025-005221PCA [Board File No. 250634]

Dear President So and Commissioners,

On behalf of the West Portal Merchants Association, the North Beach Business Association, and the Castro Merchants Association we are writing to express our strong opposition to elimination of the existing limits on Non-Residential Use sizes in the Castro Street Neighborhood Commercial District (NCD), Pacific Avenue NCD, Polk Street NCD, West Portal Avenue NCD, North Beach NCD, and North Beach Special Use District (SUD).

The justifications set forth in Planning Department's staff report in support of the eliminating the existing size limits on Non-Residential Use sizes simply do not apply to the commercial corridors in our respective neighborhoods, which have been leading the way to economic recovery in the City as evidenced by their lower vacancy rates today than before the pandemic.

We note that the Department's staff report on this item states that with the *exception of Union Square and Van Ness Avenue* the vacancy rates in our commercial corridors are "healthy" with a citywide vacancy rate of 7.1%. Further, it is important to note that Union Square and Van Ness Avenue do not have Use Size limits and are largely characterized by larger ground floor commercial spaces. The staff report states that these are "*large, expensive spaces that small businesses often cannot afford or utilize.*" So why is the City proposing to allow for such spaces to be created in neighborhood commercial districts that have relatively healthy vacancy rates and use size limits that have proven effective in keeping the small business space typology?

The existing limits on non-retail use sizes are largely responsible for the successes of our commercial corridors by preventing the incursion of larger retail uses likely to catalyze rent increases that would result in displacement of our existing businesses. As a result, our small business, many of them Legacy Businesses, are thriving. And because of the vibrancy of our commercial corridors, any vacancies are filled up quickly. Local and out of town visitors alike fill our streets, drawn by our lively coffee shops, restaurants and bars, and our unique small shops and businesses.

As to the specific proposal to allow specified Non-Residential Uses that exceed the use size limits to divide into smaller spaces, we suggest this provision be amended to *only* apply to pre-existing spaces which exceed the Non-Residential Use sizes as of the effective date of the legislation. This suggestion addresses staff's case examples such as Lombardi's on Polk Street while preserving the intent and proven effectiveness of the existing Use Size limits to foster a healthy small businesses environment. This is especially important given the proposed massive upzoning of the City's commercial corridors which will undoubtedly result in the demolition of buildings that house multiple small businesses. It is critical that these buildings be replaced with the spaces that accommodate multiple small businesses and not extremely large spaces over 4,000 sq. ft. that will be unaffordable to small businesses that characterize these neighborhoods and make them thrive.

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Please reject the Planning Department's recommendations to eliminate the existing limits on Non-Residential Use sizes in the Castro Street Neighborhood Commercial District (NCD), Pacific Avenue NCD, Polk Street NCD, West Portal Avenue NCD, North Beach NCD, and North Beach Special Use District (SUD). And please support limiting, only to pre-existing spaces, the proposal to allow uses exceeding the use size limits to divide into smaller spaces.

Thank you very much for your consideration.

Sincerely,

Stuart Watts, President
North Beach Business Association

Nate Bourg, President
Castro Merchants Association

Deidre Von Rock, President
West Portal Merchants Association

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