

**LEGISLATIVE DIGEST**  
*(Substituted 9/23/2014)*

[Planning Code - Establishing the Divisadero Street Neighborhood Commercial District and Deleting the Divisadero Street Restricted Use District]

**Ordinance amending the Planning Code to establish the Divisadero Street Neighborhood Commercial District (NCD) along Divisadero Street between Haight and O'Farrell Streets, delete the Divisadero Street Alcohol Restricted Use District (RUD), amend various other Code sections to make conforming and other technical changes, amend the Zoning Map to add the Divisadero Street NCD and delete the Divisadero Street RUD, affirming the Planning Department's California Environmental Quality Act determination; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.**

**Existing Law**

An NC-2 District (Small-Scale Neighborhood Commercial) currently extends along Divisadero Street between Haight and O'Farrell Streets. The Divisadero Street Alcohol RUD encompasses the NC-2 parcels on Divisadero Street between Haight and O'Farrell Streets. It restricts new Liquor Store uses but permits existing Liquor Store uses to relocate from within or outside the RUD with conditional use authorization, establishes certain "good neighbor" policies for Liquor Stores within the RUD, and establishes certain limitations on the sorts of alcoholic beverages that may be sold by small general grocery and specialty grocery uses within the RUD. The RUD is within the Fringe Financial Special Use District, which prohibits new Fringe Financial uses.

**Amendments to Current Law**

This ordinance establishes a new Divisadero Street Neighborhood Commercial District (NCD) which (1) modifies certain of the former NC-2 district controls, (2) incorporates the controls from the RUD, which is repealed except that the transfer of Liquor Store uses from outside the District is not permitted and restrictions on the sorts of beverages that may be sold by small general grocery and specialty grocery uses are removed, and (3) retains the Fringe Financial Special Use District controls that were in the RUD.

Bars, Restaurants, Limited-Restaurants, Movie Theaters, Other Entertainment, Philanthropic Administrative Services and Trade Shops, which otherwise are not permitted on the second floor, are permitted on the second floor of existing buildings with no prior residential use. Buildings on lots located in the 40-X height district are permitted an additional 5 feet in height, if that additional height is used to provide a tall ground floor housing active street-fronting residential or non-residential uses. Minimum parking requirements for all uses are eliminated from the district. Maximum permitted parking for residential and non-residential uses are reduced to that of a Neighborhood Commercial Transit (NCT) District. Controls on new

Formula Retail uses will be consistent with Citywide policy for Neighborhood Commercial Districts.

Background Information

Divisadero Street between Haight and O'Farrell Streets has a dense mixed-used character consisting of buildings with residential units above ground-story commercial use. It has an active and continuous commercial frontage for most of its length. Divisadero Street is an important public transit corridor and throughway street. The commercial district provides convenience goods and services to the surrounding neighborhoods as well as limited comparison shopping goods for a wider market.

The controls for the Divisadero Street NCD are designed to encourage and promote development that enhances the walkable, mixed-use character of the corridor and surrounding neighborhoods. Most neighborhood-serving businesses are strongly encouraged and controls on new Formula Retail uses will be consistent with Citywide policy for Neighborhood Commercial Districts.

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