

**REVISED LEGISLATIVE DIGEST**

(3/24/2015, Substituted)

[Planning Code - Castro Street Neighborhood Commercial District, 24th Street - Noe Valley Neighborhood Commercial District, Upper Market Street Neighborhood Commercial Transit District, and Parcels Zoned Neighborhood Commercial Transit on Market Street]

**Ordinance amending the Planning Code to require that certain uses obtain Conditional Use authorization in the Castro Street Neighborhood Commercial District, the 24th Street - Noe Valley Neighborhood Commercial District, the Upper Market Street Neighborhood Commercial Transit District, and the Moderate-Scale Neighborhood Commercial Transit (NCT-3) District for parcels on Market Street west of Octavia Boulevard; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.**

Existing Law

Article 7 of the Planning Code establishes various Neighborhood Commercial Districts (NCDs) and Neighborhood Commercial Transit Districts (NCTs). These Districts have Zoning Control Tables that specify the applicable controls for various uses in the District.

Section 715.1 establishes the Castro Street NCD in Eureka Valley between the Mission District, Twin Peaks, and Upper Market Street. The controls in this District are designed to "maintain existing small-scale development and promote a balanced mix of uses." They currently permit a Business or Professional Service use (defined in Section 790.108 as a "retail use which provides to the general public, general business or professional services") on the first or second story and require a conditional use on or above the third story.

Section 728.1 establishes the 24th Street - Noe Valley NCD along 24th Street between Chattanooga and Diamond. The controls in this District are designed to "allow for development that is compatible with the existing small-scale, mixed-use neighborhood and surrounding residential area." They currently permit a Business or Professional Service use on the first story and require a conditional use on the second story; it is not permitted on the third story and above. A Medical Service (defined in Section 790.114 as "a retail use which provides medical and allied health services to the individual by physicians, surgeons, dentists, podiatrists, psychologists, psychiatrists, acupuncturists, chiropractors, or any other [State-licensed] health-care professionals") is permitted on the first story and requires a conditional use on the second story; it is not permitted on or above the third story.

Section 731.1 establishes the Moderate-Scale NCT Districts. These Districts are transit-oriented moderate to high-density mixed-use neighborhoods of varying scale concentrated near transit services and are intended in most cases to offer a wide variety of comparison and specialty goods and services to a population greater than the immediate neighborhood. A diversified commercial environment is encouraged and a wide variety of uses are permitted.

Section 733.1 establishes the Upper Market NCT on Market Street from Church to Noe Streets and on side streets off Market. The controls in this District are designed to “promote moderate-scale development which contributes to the definition of Market Street’s design and character” and are intended to “preserve the existing mix of commercial uses and maintain the livability of the district and its surrounding residential areas.” They currently permit a Business or Professional Service use on the first or second story and require a conditional use on the third story or above. A Limited Financial Service (defined in Section 790.112 as a “retail use which provides banking services, when not occupying more than 15 feet of linear frontage or 200 square feet of gross floor area”) is permitted on the first story and not permitted on or above the second story.

#### Amendments to Current Law

The Zoning Control Table for the Castro Street NCD, the 24th Street - Noe Valley NCD, and the Upper Market Street NCT are all amended to require a conditional use in order to establish a new Business or Professional use on the first story. The 24th Street - Noe Valley NCD controls are amended to allow this use to be permitted on the second story and requires a conditional use on the third story and above, consistent with the current controls for the Castro Street NCD and the Upper Market Street NCT.

The Zoning Control Table for the Upper Market Street NCT is amended to require a conditional use to establish a new Limited Financial Service on the first story; the prohibition of such use above the first story is retained. In the 24th Street - Noe Valley NCD, the Zoning Control Table is amended to require a conditional use to establish a new Medical Service on the first story, permits such use on the second story; the prohibition of such use on the third story and above is retained.

A special provision has been added to the Zoning Control Table for the NCT-3 District that would require a conditional use for a Limited Financial Service use and for a Business or Professional Service use on the first story for those parcels zoned NCT-3 that are on Market Street West of Octavia Boulevard.

#### Background Information

On July 16, 2013, the Board of Supervisors adopted Resolution No. 254-13 imposing interim controls in the Upper Market Street NCT to require a conditional use for any new Limited Financial Service and Business or Professional Service use; Resolution No. 5-15 extended the interim controls for an additional six-month period. The Board adopted Resolution No. 41-15 on February 10, 2015, imposing similar controls on parcels zoned NCT-3 on Market Street West of Octavia Boulevard. The proposed legislation will make both these interim controls permanent.

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