

File No. 240169

Committee Item No. 1

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

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Committee: Land Use and Transportation

Date: March 4, 2024

Board of Supervisors Meeting: \_\_\_\_\_

Date: \_\_\_\_\_

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- \_\_\_\_\_

Prepared by: John Carroll

Date: March 1, 2024

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

1 [Planning Code - Parcel Delivery Service]

2

3 **Ordinance amending the Planning Code to require Conditional Use authorizations for**  
4 **establishing Parcel Delivery Service uses, prohibit Non-Cannabis Parcel Delivery**  
5 **Service as an accessory use, and revise zoning control tables to reflect these changes;**  
6 **affirming the Planning Department’s determination under the California Environmental**  
7 **Quality Act; and making public necessity, convenience, and welfare findings under**  
8 **Planning Code, Section 302, and findings of consistency with the General Plan and the**  
9 **eight priority policies of Planning Code, Section 101.1.**

10 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
11 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
12 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
13 **Board amendment additions** are in double-underlined Arial font.  
14 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
15 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
16 subsections or parts of tables.

17 Be it ordained by the People of the City and County of San Francisco:

18

19 Section 1. Findings.

20 (a) The Planning Department has determined that the actions contemplated in this  
21 ordinance comply with the California Environmental Quality Act (California Public Resources  
22 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of  
23 Supervisors in File No. 240169 and is incorporated herein by reference. The Board affirms  
24 this determination.

25 (b) On February 8, 2024, the Planning Commission, in Resolution No. 21509, adopted  
findings that the actions contemplated in this ordinance are consistent, on balance, with the  
City’s General Plan and eight priority policies of Planning Code Section 101.1. The Board

1 adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the  
2 Board of Supervisors in File No. 240169, and is incorporated herein by reference.

3 (c) Pursuant to Planning Code Section 302, this Board finds that these Planning Code  
4 amendments will serve the public necessity, convenience, and welfare for the reasons set  
5 forth in Planning Commission Resolution No. 21509, and the Board adopts such reasons as  
6 its own. A copy of said resolution is on file with the Clerk of the Board of Supervisors in File  
7 No. 240169 and is incorporated herein by reference.

8  
9 Section 2. The Planning Code is hereby amended by revising Sections 102, 204.3,  
10 210.1, 210.2, 210.3, 210.4, 303, 703, 712, 803.2, 830, 831, 832, 833, 836, 838, 839, and 840,  
11 to read as follows:

12  
13 **SEC. 102. DEFINITIONS.**

14 \* \* \* \*

15 **Service, Parcel Delivery.** A Non-Retail Automotive Use limited to facilities for the  
16 unloading, sorting, and reloading of local retail merchandise for deliveries, including but not  
17 limited to cannabis and cannabis products, where the operation is conducted entirely within a  
18 completely enclosed building, including garage facilities for local delivery trucks, but excluding  
19 repair shop facilities. ~~Within Where permitted in~~ PDR Districts, this use is not required to be  
20 operated within a completely enclosed building. Parcel Delivery Service for merchandise or  
21 products other than cannabis and cannabis products ~~use requires a Conditional Use~~  
22 ~~authorization pursuant to Section 303(cc) and~~ is not allowed as an accessory use to any other  
23 principal use.

24 \* \* \* \*

1           **SEC. 204.3. ACCESSORY USES FOR USES OTHER THAN DWELLINGS IN C, RC,**  
 2 **M, AND PDR DISTRICTS.**

3           \* \* \* \*

4           (e) **Accessory Storage in C Districts.** Accessory storage on the second floor and  
 5 above is permitted for stock and trade relating to retail uses with street level storefronts in the  
 6 same building. There shall be no limitation on the square footage of accessory storage as  
 7 long as the storage supports a ground floor use in the same building.

8           (f) Prohibition of Non-Cannabis Parcel Delivery Service as Accessory Use.  
 9 Parcel Delivery Service, as defined in Section 102 of the Planning Code, for merchandise or  
 10 products other than cannabis and cannabis products is not allowed as an accessory use to  
 11 any other principal use.

12  
 13           **SEC. 210.1. C-2 DISTRICTS: COMMUNITY BUSINESS.**

14           \* \* \* \*

15           **Table 210.1**

16           **ZONING CONTROL TABLE FOR C-2 DISTRICTS**

<b>Zoning Category</b>	<b>§ References</b>	<b>C-2</b>
* * * *		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>		
* * * *		
<b>Automotive Use Category</b>		
* * * *		
Service, Parcel Delivery	§§ 102, 303(cc)	C
* * * *		

\* \* \* \*

**SEC. 210.2. C-3 DISTRICTS: DOWNTOWN COMMERCIAL.**

\* \* \* \*

**Table 210.2**

**ZONING CONTROL TABLE FOR C-3 DISTRICTS**

<b>Zoning Category</b>	<b>§ References</b>	<b>C-3-O</b>	<b>C-3-O(SD)</b>	<b>C-3-R</b>	<b>C-3-G</b>	<b>C-3-S</b>
* * * *						
<b>NON-RESIDENTIAL STANDARDS AND USES</b>						
* * * *						
<b>Automotive Use Category</b>						
* * * *						
Service, Parcel Delivery	§§ 102, 303(cc)	C	C	C	C	<u>CP</u>

\* \* \* \*

**SEC. 210.3. PDR DISTRICTS.**

\* \* \* \*

**Table 210.3**

**ZONING CONTROL TABLE FOR PDR DISTRICTS**

<b>Zoning Category</b>	<b>§ References</b>	<b>PDR-1-B</b>	<b>PDR-1-D</b>	<b>PDR-1-G</b>	<b>PDR-2</b>
* * * *					
<b>NON-RESIDENTIAL STANDARDS AND USES</b>					

* * * *					
<b>Automotive Use Category</b>					
* * * *					
Service, Motor Vehicle Tow	§ 102	P	P	P	P
<u>Service, Parcel Delivery</u>	<u>§§ 102, 303(cc)</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>
* * * *					

\* \* \* \*

**SEC. 210.4. M DISTRICTS: INDUSTRIAL.**

\* \* \* \*

**Table 210.4**

**ZONING CONTROL TABLE FOR M DISTRICTS**

<b>Zoning Category</b>	<b>§ References</b>	<b>M-1</b>	<b>M-2</b>
* * * *			
<b>NON-RESIDENTIAL STANDARDS AND USES</b>			
* * * *			
<b>Automotive Use Category</b>			
* * * *			
Parking Lot, Public	§§ 102, 142, 156	C	C
<u>Service, Parcel Delivery</u>	<u>§§ 102, 303(cc)</u>	<u>C</u>	<u>C</u>
* * * *			

1 \* \* \* \*

2 **SEC. 303. CONDITIONAL USES.**

3 \* \* \* \*

4 (bb) **Social Service and Philanthropic Facilities in Chinatown Visitor Retail,**  
5 **Chinatown Residential Neighborhood Commercial, and Chinatown Community**  
6 **Business Districts.** With regard to a Conditional Use application for a Social Service or  
7 Philanthropic Facility use pursuant to Section 121.4 of this Code, in addition to consideration  
8 of the criteria set forth in subsection (c) above, the Planning Commission shall, in order to  
9 grant a Conditional Use Authorization, find that the proposed use will primarily serve the  
10 Chinatown neighborhood.

11 (cc) Parcel Delivery Services.

12 (1) Criteria. With respect to a Conditional Use application for Parcel Delivery  
13 Service use as defined in Section 102 of the Planning Code that is less than 5,000 square feet  
14 in size, the Planning Commission shall consider the criteria in subsections (c) and (d) above.  
15 With respect to a Conditional Use application for Parcel Delivery Service use that is 5,000 square  
16 feet or larger, as defined in Section 102 of the Planning Code, in addition to the criteria in  
17 subsections (c) and (d) above, the Planning Commission shall consider the following:

18 (A) The extent to which the use will adversely impact traffic patterns and  
19 queuing times and add total vehicle miles traveled, including by delivery drivers and couriers operating  
20 to and from the site;

21 (B) The greenhouse gas emissions resulting from operating of the site, including  
22 from indirect sources such as courier and delivery vehicles;

23 (C) The impact that the use will have on public transit, public safety, and  
24 emergency response, with particular attention paid to the rate of workplace injury associated with the  
25 use and moving violations and traffic accidents requiring public safety or emergency service response;

1                                    (D) An economic impact study. The Planning Department shall prepare an  
2 economic impact study using City staff or shall, consistent with the Charter, select a consultant from a  
3 pool of pre-qualified consultants to prepare the economic impact study required by this subsection (cc).  
4 The economic impact study shall be considered by the Planning Commission in its review of the  
5 application. In the event a consultant is used, the applicant shall bear the cost of paying the consultant  
6 for their work preparing the economic impact study, and any necessary documents prepared as part of  
7 that study. The study shall evaluate the potential economic impact of the applicant's proposed project,  
8 including:

9                                    (i) **Employment Analysis.** The report shall include the following  
10 employment information: a projection of both construction-related and permanent employment  
11 generated by the proposed project, and a discussion of whether the employer of the proposed project  
12 will pay a living wage, inclusive of non-salary benefits expected to be provided, relative to San  
13 Francisco's cost of living. The employment analysis shall also include a discussion of the past  
14 employment practices of the proposed operator, if any.

15                                    (ii) **Fiscal Impact.** The report shall itemize public revenue created by the  
16 proposed project and public services needed because of the proposed project, relative to net fiscal  
17 impacts to the General Fund. The impacts to the City's public facilities and infrastructure shall be  
18 estimated using the City's current assumptions in existing nexus studies (including area plan, transit,  
19 open space in-lieu fee and other impact fees), and should account for any contributions the proposed  
20 project would make through such impact fee payments.

21                                    (2) **Required Additional Conditions.** All Parcel Delivery Service facilities shall be  
22 subject to at least the following conditions of project approval:

23                                    (A) **Electrification.** Facilities shall include necessary infrastructure and  
24 electrical capacity to accommodate and charge electric vehicles—including electric heavy-duty  
25 delivery trucks, employee vehicles, and all other zero-emission vehicles accessing the facility; power



1 refrigeration for refrigerated spaces; and serve any other processes that would otherwise rely upon  
2 fossil fuel combustion. Facilities shall install battery storage to address power disruption. Diesel  
3 back-up generators shall only be permitted if the facility demonstrates battery storage is infeasible and  
4 shall meet CARB's Tier 4 emission standards or meet the most stringent in-use standard, whichever has  
5 the least emissions.

6 (B) **Idling of Vehicles.** To reduce idling emissions from transport trucks, the  
7 facility shall have signage placed at truck access points, loading docks, and truck parking areas that  
8 clearly notes idling for more than three minutes is strictly prohibited on the subject property. The  
9 facility shall fund placement of similar signs installed by the City in the adjacent streets used for  
10 access. Each sign placed outside the property should note the California Air Resources Board idling  
11 prohibitions on the adjacent streets and include telephone numbers of the building facilities manager  
12 and the California Air Resources Board to report violations. All signage should be made of weather-  
13 proof materials. All site and architectural plans submitted to the City shall note the locations of these  
14 signs.

15 **SEC. 703. NEIGHBORHOOD COMMERCIAL DISTRICT REQUIREMENTS.**

16 \* \* \* \*

17 **(d) Accessory Uses.** Subject to the limitations set forth below and in Sections 204.1  
18 (Accessory Uses for Dwellings in All Districts), 204.4 (Dwelling Units Accessory to Other  
19 Uses), and 204.5 (Parking and Loading as Accessory Uses) of this Code, Accessory Uses as  
20 defined in Section 102 shall be permitted when located on the same lot. Notwithstanding the  
21 foregoing, a Retail Workspace, as defined in Section 102, shall be permitted as an Accessory  
22 Use in connection with any Eating and Drinking Use regardless of the floor area occupied by  
23 such Accessory Use, so long as (1) the hours of operation for the accessory Retail  
24 Workspace use are limited to 9 a.m. to 5 p.m. and (2) such Eating and Drinking Use is also  
25 open for business to the general public on each day during which the accessory Retail

1 Workspace use is open. Any Use that does not qualify as an Accessory Use shall be  
 2 classified as a Principal or Conditional Use unless it qualifies as a temporary use under  
 3 Sections 205 through 205.4 of this Code. Parcel Delivery Service, as defined in Section 102  
 4 of the Planning Code, for merchandise or products other than cannabis and cannabis  
 5 products is not allowed as an accessory use to any other principal use.

6 \* \* \* \*

7  
 8 **SEC. 712. NC-3 – MODERATE-SCALE NEIGHBORHOOD COMMERCIAL**  
 9 **DISTRICT.**

10 \* \* \* \*

11 **Table 712. MODERATE-SCALE NEIGHBORHOOD COMMERCIAL DISTRICT NC-3**  
 12 **ZONING CONTROL TABLE**

		<b>NC-3</b>		
<b>Zoning Category</b>	<b>§ References</b>	<b>Controls</b>		
* * * *				
<b>NON-RESIDENTIAL STANDARDS AND USES</b>				
* * * *				
<b>NON-RESIDENTIAL USES</b>		<b>Controls by Story</b>		
		<b>1st</b>	<b>2nd</b>	<b>3rd+</b>
* * * *				
<b>Automotive Use Category</b>				
<b>Automotive Uses*</b>	§§ 102, 187.1, 202.2(b), <u>303(cc)</u>	C	NP	NP
* * * *				

25 \* \* \* \*

**SEC. 803.2. USES PERMITTED IN CHINATOWN MIXED USE DISTRICTS.**

\* \* \* \*

**(d) Accessory Uses.** Subject to the limitations set forth below and in Sections 204.1 (Accessory Uses for Dwelling Units in All Districts), 204.4 (Dwelling Units Accessory to Other Uses), and 204.5 (Parking and Loading as Accessory Uses) of this Code, an Accessory Use as defined in Section 102, shall be permitted in Chinatown Mixed Use Districts when located on the same lot. Any Use not qualified as an Accessory Use shall only be allowed as a Principal or Conditional Use, unless it qualifies as a temporary use under Sections 205 through 205.4 of this Code. Parcel Delivery Service, as defined in Section 102 of the Planning Code, for merchandise or products other than cannabis and cannabis products is not allowed as an accessory use to any other principal use.

\* \* \* \*

**SEC. 830. CMUO—CENTRAL SOMA MIXED USE-OFFICE DISTRICT.**

\* \* \* \*

**Table 830**

**CMUO—CENTRAL SOMA MIXED USE-OFFICE DISTRICT ZONING CONTROL TABLE**

Central SoMa Mixed Use-Office District Controls		
Zoning Category	§ References	Controls
<b>NON-RESIDENTIAL STANDARDS &amp; USES</b>		
* * * *		
<b>Automotive Use Category</b>		
* * * *		
Service, Motor Vehicle Tow	§ 102	C
<u>Service, Parcel Delivery</u>	<u>§§ 102, 303(cc)</u>	<u>C</u>
* * * *		

\* \* \* \*

**SEC. 831. MUG – MIXED USE-GENERAL DISTRICT.**

\* \* \* \*

**Table 831**

**MUG – MIXED USE-GENERAL DISTRICT ZONING CONTROL TABLE**

Zoning Category	§ References	Mixed Use-General District Controls
* * * *		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>		
* * * *		
<b>Automotive Use Category</b>		
* * * *		
Service, Motor Vehicle Tow	§ 102	C(1)
<i>Service, Parcel Delivery</i>	<i> §§ 102, 303(cc)</i>	<u>C</u>
* * * *		

\* \* \* \*

**SEC. 832. MUO – MIXED USE-OFFICE DISTRICT.**

\* \* \* \*

**Table 832**

**MUO – MIXED USE-OFFICE DISTRICT ZONING CONTROL TABLE**

Zoning Category	§ References	Mixed Use-Office District Controls
* * * *		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>		
* * * *		

<b>Automotive Use Category</b>		
* * * *		
Public Parking Lot	§ 102	NP
<i>Service, Parcel Delivery</i>	<i>§§ 102, 303(cc)</i>	<u>C</u>
* * * *		

\* \* \* \*

**SEC. 833. MUR – MIXED USE-RESIDENTIAL DISTRICT.**

\* \* \* \*

**Table 833**

**MUR – MIXED USE-RESIDENTIAL DISTRICT ZONING CONTROL TABLE**

<b>Zoning Category</b>	<b>§ References</b>	<b>Mixed Use-Residential District Controls</b>
* * * *		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>		
* * * *		
<b>Automotive Use Category</b>		
* * * *		
Public Parking Lot	§ 102	NP
<i>Service, Parcel Delivery</i>	<i>§§ 102, 303(cc)</i>	<u>C</u>
* * * *		

\* \* \* \*

**SEC. 836. SALI – SERVICE/ARTS/LIGHT INDUSTRIAL DISTRICT.**

\* \* \* \*

**Table 836**

**SALI – SERVICE/ARTS/LIGHT INDUSTRIAL DISTRICT ZONING CONTROL TABLE**

Zoning Category	§ References	Service/Arts/Light Industrial District Controls
* * * *		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>		
* * * *		
<b>Automotive Use Category</b>		
* * * *		
Public Parking Lot	§ 102	NP
<i>Service, Parcel Delivery</i>	<i> §§ 102, 303(cc)</i>	<u>C</u>
* * * *		

\* \* \* \*

**SEC. 838. UMU – URBAN MIXED USE DISTRICT.**

\* \* \* \*

**Table 838**

**UMU – URBAN MIXED USE DISTRICT ZONING CONTROL TABLE**

Zoning Category	§ References	Urban Mixed Use District Controls
* * * *		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>		
* * * *		
<b>Automotive Use Category</b>		
* * * *		
Public Parking Lot	§ 102	NP

1	<i>Service, Parcel Delivery</i>	<u>§§ 102, 303(cc)</u>	<u>C</u>
2	* * * *		

3  
4 \* \* \* \*

5 **SEC. 839. WMUG – WSOMA MIXED USE-GENERAL DISTRICT.**

6 \* \* \* \*

7 **Table 839**

8 **WMUG – WSOMA MIXED USE-GENERAL DISTRICT ZONING CONTROL TABLE**

9	Zoning Category	§ References	Western SoMa Mixed Use- General District Controls
10			
11	* * * *		
12	<b>NON-RESIDENTIAL STANDARDS AND USES</b>		
13	* * * *		
14	<b>Automotive Use Category</b>		
15	* * * *		
16	Public Parking Lot	§ 102	NP
17	<i>Service, Parcel Delivery</i>	<u>§§ 102, 303(cc)</u>	<u>C</u>
18	* * * *		

19 \* \* \* \*

20 **SEC. 840. WMUO – WSOMA MIXED USE-OFFICE DISTRICT.**

21 \* \* \* \*

22 **Table 840**

23 **WMUO – WSOMA MIXED USE-OFFICE DISTRICT ZONING CONTROL TABLE**

24	Zoning Category	§ References	Western SoMa Mixed Use- Office District Controls
25			

* * * *		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>		
* * * *		
<b>Automotive Use Category</b>		
* * * *		
Public Parking Lot	§ 102	NP
<i>Service, Parcel Delivery</i>	<i> §§ 102, 303(cc)</i>	<u>C</u>
* * * *		

\* \* \* \*

Section 3. Effective Date; Retroactivity.

(a) This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor’s veto of the ordinance.

(b) It is the intent of this Board of Supervisors that the interim controls imposed by the resolution in Board of Supervisors File No. 230817, which will expire on March 8, 2024, and which will be made permanent by this ordinance, continue without interruption. Therefore, upon the effective date of this ordinance, the ordinance shall be retroactive to March 8, 2024.

Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment



1 additions, and Board amendment deletions in accordance with the “Note” that appears under  
2 the official title of the ordinance.

3

4

5 APPROVED AS TO FORM:  
6 DAVID CHIU, City Attorney

7 By:  /s/ Robb Kapla  
8 ROBB KAPLA  
Deputy City Attorney

9 n:\legana\as2023\2300343\01739763.docx

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**REVISED LEGISLATIVE DIGEST**  
*(Amended in Committee – February 26, 2024)*

[Planning Code - Parcel Delivery Service]

**Ordinance amending the Planning Code to require Conditional Use authorizations for establishing Parcel Delivery Service uses, prohibit Non-Cannabis Parcel Delivery Service as an accessory use, and revise zoning control tables to reflect these changes; affirming the Planning Department’s determination under the California Environmental Quality Act; and making public necessity, convenience, and welfare findings under Planning Code, Section 302, and findings of consistency with the General Plan and the eight priority policies of Planning Code, Section 101.1.**

Existing Law

Section 102 of the Planning Code includes many definitions of uses that are permitted, conditional, or not permitted under the City’s zoning and planning regulations. Parcel Delivery Service (“PDS”) is defined as a non-retail automotive use where parcels can be loaded, unloaded, and sorted for delivery. PDS is either permitted or subject to a conditional use authorization in most manufacturing, PDR, mixed use, and commercial districts and not permitted in all other zoning districts. PDS is currently subject to interim controls that require a conditional use authorization in all areas where, under the code, it would otherwise be principally permitted. The interim controls expire on March 30, 2024.

Amendments to Current Law

The Proposed Legislation would amend the definition of PDS and all applicable zoning districts to require a conditional use authorization where formerly it was principally permitted. The Proposed Legislation lists specific criteria the Planning Commission must consider and findings it must make in determining whether to grant a conditional use authorization for PDS uses that are greater than 5,000 square feet in size. The criteria include assessing transit and traffic impacts, greenhouse gas emissions, and public and worker safety of the PDS use, and the results of an economic impact study of the proposed project. The Proposed Legislation would also require that conditional authorization include electrification measures and adherence to vehicle idling limitations. PDS uses smaller than 5,000 square feet would use the standard conditional use criteria. Additionally, the Proposed Legislation would prohibit PDS as an accessory use, except for PDS for cannabis or cannabis products.

# INITIAL POLICY REVIEW: Parcel Delivery Service (#231223)

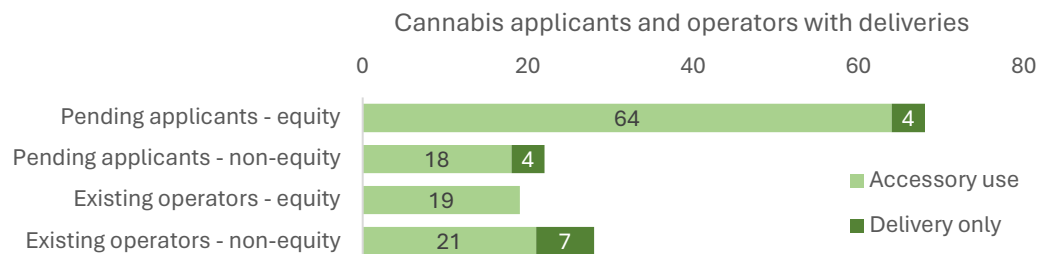
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## Recommendations

- Strike cannabis from the existing definition of “parcel delivery service.”
- Allow cannabis operators to have “parcel delivery service” as an accessory use.

## Key issues for consideration

- **The proposed ordinance would impose new costs and permitting processes on any local cannabis business that wants to provide delivery service.** In December 2017, just before the Adult Use of Marijuana Act took effect statewide, the Board of Supervisors changed the definition of “parcel delivery service” to include any business that loads retail cannabis products for deliveries. In contrast, grocery stores, pharmacies, restaurants, and other retailers with delivery services were not added to the definition and will not be affected by this ordinance.
- **As of February 2024, according to the Office of Cannabis:**
  - **Pending applications.** Out of 144 pending cannabis applicants, 90 have included delivery as part of their business. Of the pending applicants with a delivery component, over 75% are equity applicants.
  - **Existing operators.** Out of 107 existing cannabis operators in San Francisco, 47 have delivery as part of their business. Of those existing operators that provide delivery, 40% are equity operators.
  - **Facility size.** There are 13 pending cannabis applicants and 2 existing cannabis operators that are over 5,000 square feet and have delivery as part of their business.



- **The city’s laws and policies have intentionally concentrated industrial lands and low-wage work in the neighborhoods that are home to the most Black, Pacific Islander, and Latine residents.** Many of these residents and their families have been and continue to be disproportionately targeted for cannabis-related offenses as part of the “War on Drugs.” We cannot trade off one harm – environmental pollution and unsafe work conditions – for another harm – exclusion from the legal cannabis market. As policymakers seek to repair these racial harms, we encourage them to bring those “closest to the pain... closest to the power” to refine this ordinance and other accompanying legislation.

CANNABIS APPLICANTS AND OPERATORS WITH PARCEL DELIVERY SERVICE – AS OF FEBRUARY 16, 2024  
 (data provided by the Office of Cannabis)

Zip code and neighborhood		Applicants with parcel delivery service					Operators with parcel delivery service				
		Current total	Accessory use		Delivery only		Current total	Accessory use		Delivery only	
			Equity	Non-equity	Equity	Non-equity		Equity	Non-equity	Equity	Non-equity
94124	Bayview-Hunters Point	19	13	2	3	1	5	1	1	0	3
94103	South of Market	18	10	7	1	0	7	1	5	0	1
94107	Potrero Hill	9	8	0	0	1	6	1	2	0	3
94110	Inner Mission / Bernal Heights	6	4	1	0	1	3	1	2	0	0
94109	Polk / Russian Hill (Nob Hill)	5	4	1	0	0	3	2	1	0	0
94102	Hayes Valley / Tenderloin / North of Market	5	3	2	0	0	2	2	0	0	0
94112	Ingleside-Excelsior / Crocker-Amazon	4	3	1	0	0	2	0	2	0	0
94114	Castro / Noe Valley	3	3	0	0	0	3	2	1	0	0
94108	Chinatown	3	2	1	0	0	0	0	0	0	0
94133	North Beach / Chinatown	2	2	0	0	0	2	2	0	0	0
94123	Marina	2	2	0	0	0	1	1	0	0	0
94134	Visitacion Valley / Sunnydale	2	2	0	0	0	2	1	1	0	0
94121	Outer Richmond	2	2	0	0	0	0	0	0	0	0
94111	Financial District / North Beach	4	1	2	0	1	0	0	0	0	0
94105	Financial District / South of Market	2	1	1	0	0	1	0	1	0	0
94118	Inner Richmond	1	1	0	0	0	3	2	1	0	0
94117	Haight-Ashbury	1	1	0	0	0	4	1	3	0	0
94116	Parkside / Forest Hill	1	1	0	0	0	0	0	0	0	0
94127	St Francis Wood / Miraloma / West Portal	1	1	0	0	0	0	0	0	0	0
94113	North Waterfront	0	0	0	0	0	1	1	0	0	0
94122	Sunset	0	0	0	0	0	2	1	1	0	0
<b>Total</b>		<b>90</b>	<b>64</b>	<b>18</b>	<b>4</b>	<b>4</b>	<b>47</b>	<b>19</b>	<b>21</b>	<b>0</b>	<b>7</b>

“Equity”: VEA

“Non-equity”: MCD, TMP, INC



February 13, 2024

Ms. Angela Calvillo, Clerk  
Honorable Supervisor Chan  
Board of Supervisors  
City and County of San Francisco  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

Re: Transmittal of Planning Department Case Number 2024-000027PCA:  
Parcel Delivery Service  
Board File No. 231223

**Planning Commission Recommendation: Approval**

Dear Ms. Calvillo and Supervisor Chan,

On February 8, 2024, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance, introduced by Supervisor Chan that would amend the Planning Code to require Conditional Use authorizations for establishing Parcel Delivery Service uses, prohibit Parcel Delivery Service as an accessory use. At the hearing the Commission recommended approval of the proposed Ordinance as proposed and recommends the Board of Supervisors consider the following issues:

1. Amend the Accessory Use prohibition to exclude cannabis delivery.
2. Technical corrections to follow the Planning Code structure:
  - a. Remove the CUA controls from Section 102.
  - b. Revise the Accessory Use controls to match the Accessory Use prohibition included in Section 102.
3. Incorporate the temporary Parcel Delivery Services exception from the current interim controls.
4. Include an exemption for off-site uses from the idling signage requirement.

5. For smaller uses: amend the electrification to be a criteria for consideration rather than a condition, create a simpler CUA process, and remove the additional studies.
6. Conduct a Citywide economic analysis.

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c) and 15378 because they do not result in a physical change in the environment.

Please find attached documents relating to the actions of the Commission. If you have any questions or require further information, please do not hesitate to contact me.

Sincerely,



Aaron D. Starr  
*Manager of Legislative Affairs*

cc: Robb Kapla, Deputy City Attorney  
Angelina Yu, Aide to Supervisor Chan  
John Carroll, Office of the Clerk of the Board

**Attachments :**

Planning Commission Resolution  
Planning Department Executive Summary



# PLANNING COMMISSION RESOLUTION NO. 21509

**HEARING DATE: FEBRUARY 8, 2024**

**Project Name:** Parcel Delivery Service  
**Case Number:** 2024-000027PCA [Board File No. 231223]  
**Initiated by:** Supervisor Chan / Introduced November 28, 2023  
**Staff Contact:** Veronica Flores, Legislative Affairs  
veronica.flores@sfgov.org, 628-652-7525  
**Reviewed by:** Aaron D Starr, Manager of Legislative Affairs  
aaron.starr@sfgov.org, (628) 652-7533

**RESOLUTION APPROVING A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO REQUIRE CONDITIONAL USE AUTHORIZATIONS FOR ESTABLISHING PARCEL DELIVERY SERVICE USES, PROHIBIT PARCEL DELIVERY SERVICE AS AN ACCESSORY USE, AND REVISE ZONING CONTROL TABLES TO REFLECT THESE CHANGES; AFFIRMING THE PLANNING DEPARTMENT’S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND MAKING PUBLIC NECESSITY, CONVENIENCE, AND WELFARE FINDINGS UNDER PLANNING CODE, SECTION 302, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN, AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1.**

WHEREAS, on November 28, 2023 Supervisor Chan introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 231223, which would amend the Planning Code to require Conditional Use authorizations for establishing Parcel Delivery Service uses, prohibit Parcel Delivery Service as an accessory use, and revise zoning control tables to reflect these changes;

WHEREAS, the Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on February 8, 2024; and,

WHEREAS, the proposed Ordinance are not defined as a project under CEQA Guidelines Section 15378 and 15060(c)(2) because they do not result in a physical change in the environment; and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the Custodian of Records, at 49 South Van Ness Avenue, Suite 1400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed amendment; and

MOVED, that the Planning Commission hereby **approves** the proposed ordinance as proposed and recommends the Board consider the following issues:

1. Amend the Accessory Use prohibition to exclude cannabis delivery.
2. Technical corrections to follow the Planning Code structure:
  - a. Remove the CUA controls from Section 102.
  - b. Revise the Accessory Use controls to match the Accessory Use prohibition included in Section 102.
3. Incorporate the temporary Parcel Delivery Services exception from the current interim controls.
4. Include an exemption for off-site uses from the idling signage requirement.
5. For smaller uses: amend the electrification to be a criteria for consideration rather than a condition, create a simpler CUA process, and remove the additional studies.
6. Conduct a Citywide economic analysis.

## Findings

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

The proposed Ordinance will conditionally permit Parcel Delivery Services in districts to allow for closer review of each proposed project.

## General Plan Compliance

The proposed Ordinance is consistent with the following Objectives and Policies of the General Plan:

## ENVIRONMENTAL JUSTICE FRAMEWORK

### SECTION 2

#### WHAT IS ENVIRONMENTAL JUSTICE?

Environmental Justice is the equitable distribution of environmental benefits and elimination of environmental burdens to promote healthy communities where everyone in San Francisco can thrive.

Government should foster environmental justice through processes that address, mitigate, and amend past injustices while enabling proactive, community-led solutions for the future.



## SECTION 3

### ENVIRONMENTAL JUSTICE PRIORITIES

#### Healthy & Resilient Environments

*The proposed Ordinance conditionally permits new Parcel Delivery Service uses in districts where it once was principally permitted. This could help ensure that Parcel Delivery Service uses and their impacts be more evenly distributed throughout the city through a public hearing process. This supports the Environmental Justice Framework that is included in the General Plan Introduction. The Environmental Justice Framework recognizes that in San Francisco, as in many other communities, people of color, low-income residents, and other vulnerable groups are disproportionately exposed to hazards, such as unsafe housing conditions, illegal dumping, polluting industries, high-risk traffic conditions, among other factors. Specifically, the Environmental Justice Framework emphasizes the importance of the equitable distribution of environmental benefits and elimination of environmental burdens to promote healthy communities where everyone in San Francisco can thrive. Additionally, requiring Parcel Delivery Service uses to go through the full CUA process allows closer review of each project. This supports one of the Environmental Justice Framework's primary reasons of why environmental justice is important: government should foster environmental justice through processes that address, mitigate, and amend past injustices. Parcel Delivery Services have been predominantly principally permitted within the Environmental Justice Communities as described in the next section, "Racial and Social Equity Analysis". The proposed Ordinance would conditionally permit Parcel Delivery Services in the relevant zoning districts.*

#### Planning Code Section 101 Findings

The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

*The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.*

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

*The proposed Ordinance would not have a negative effect on housing or neighborhood character.*

3. That the City's supply of affordable housing be preserved and enhanced;

*The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing.*

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

*The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or*

*overburdening the streets or neighborhood parking.*

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

*The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.*

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

*The proposed Ordinance would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake.*

7. That the landmarks and historic buildings be preserved;

*The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings.*

8. That our parks and open space and their access to sunlight and vistas be protected from development;

*The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas.*

### **Planning Code Section 302 Findings.**

The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby APPROVES -the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on February 8, 2024.



Jonas P. Ionin  
Commission Secretary

**Jonas P Ionin**

Digitally signed by Jonas P  
Ionin  
Date: 2024.02.13 09:37:03  
-08'00'

AYES: Braun, Ruiz, Tanner, Imperial, Koppel, Moore, Diamond  
NOES: None  
ABSENT: None  
ADOPTED: February 8, 2024



# EXECUTIVE SUMMARY **(REVISED)** PLANNING CODE TEXT AMENDMENT

**HEARING DATE: February 8, 2024**

**90-Day Deadline: April 9, 2024**

**Project Name:** Parcel Delivery Service  
**Case Number:** 2024-000027PCA [Board File No. 231223]  
**Initiated by:** Supervisor Chan / Introduced November 28, 2023  
**Staff Contact:** Veronica Flores, Legislative Affairs  
 veronica.flores@sfgov.org, (628) 652-7525  
**Reviewed by:** Aaron D Starr, Manager of Legislative Affairs  
 aaron.starr@sfgov.org, (628) 652-7533  
**Environmental Review:** Not a Project Under CEQA

**Recommendation:** Approval with Modifications

## Planning Code Amendment

The proposed Ordinance would amend the Planning Code to require a Conditional Use Authorization (CUA) for establishing Parcel Delivery Service uses, prohibit Parcel Delivery Service as an Accessory Use, and revise zoning control tables to reflect these changes.

<b>The Way It Is Now:</b>	<b>The Way It Would Be:</b>
Section 102 defines Parcel Delivery Service as a Non-Retail Automotive Use which unloads, sorts, and reloads local retail merchandise for deliveries.	The definition of Parcel Delivery Service would be amended to state that Parcel Delivery Service uses require a CUA. Additionally, Parcel Delivery Services would not be allowed as an Accessory Use and would thus be regulated as a Principal Use.
A Parcel Delivery Service is generally permitted in the Production, Distribution, and Repair (PDR); M: Industrial; and C-3 districts. See Exhibit C for a map of today's Use controls for Parcel Delivery Services.	A Parcel Delivery Service would require a CUA in these districts. A Parcel Delivery Service would also be conditionally permitted in the C-2 and PDR-1-B districts, where it is currently not permitted today. Additional criteria and conditions would also be added to Section 303(cc).

## Background

A Parcel Delivery Service is defined in Planning Code Section 102 as follows:

*A Non-Retail Automotive Use limited to facilities for the unloading, sorting, and reloading of local retail merchandise for deliveries, including but not limited to cannabis and cannabis products, where the operation is conducted entirely within a completely enclosed building, including garage facilities for local delivery trucks, but excluding repair shop facilities. Where permitted in PDR Districts, this use is not required to be operated within a completely enclosed building.*

Historically, Parcel Delivery Service Uses have been clustered in the southeast sector of the city, especially in Supervisorial District 10. ~~Former~~ Supervisor Walton expressed concern about the size of these facilities and the increase of additional trucks and trips generated by this use. In response, he introduced interim controls,<sup>1</sup> which were effective for 18 months between April 1, 2022, and September 30, 2023. These interim controls did not prohibit businesses from opening a new Parcel Delivery Service; however, they did require a CUA application. Additionally, the interim controls included a CUA exemption for temporary Parcel Delivery Services for up to 60 days within a 12-month period, without the possibility of a renewal or subsequent approval within the same 12-month period.

The Planning Department's post-passage report from March 30, 2023 noted that several cannabis delivery businesses were impacted by the interim controls. This is because cannabis delivery uses are classified under the Parcel Delivery Service use definition. In response, the Department recommended that the interim controls only apply to Parcel Delivery Service uses greater than 10,000 square feet. This would have exempted all pending cannabis delivery uses from the interim controls.

As Supervisor Walton's interim controls were to expire, Supervisor Dorsey introduced a resolution<sup>2</sup> to extend and modify the subject interim controls to March 30, 2024. Supervisor Dorsey's amendment modified the controls so that only Parcel Delivery Service Uses greater than 5,000 square feet in size would trigger the CUA. The temporary Parcel Delivery Services Use provisions from Board File 220159 did not change under Board File 230817. The proposed Ordinance seeks to make the interim controls permanent, however, without the 5,000 square foot exception. Additionally, the proposed Ordinance requires additional CUA criteria and conditions for any proposed Parcel Delivery Service.

## Issues and Considerations

### Impacts of Growing Parcel Delivery Services

The Parcel Delivery Service industry has grown in recent years in response to more online shopping. This has resulted in new land use implications, including more trips for delivery vehicles and more land needed to store these vehicles and parcels. This has also created new jobs, potentially shifting jobs from brick-and-mortar shops or other employment opportunities. The proposed Ordinance seeks to moderate the proliferation of Parcel

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<sup>1</sup> [Board File 220159](#).

<sup>2</sup> [Board File 230817](#).

Delivery Services through the CUA process. This allows the Planning Commission and members of the public to consider the impacts posed by each proposed Parcel Delivery Service individually. It is likely that many of these CUA requests will be granted if they demonstrate compatibility with the surrounding neighborhood and uses. This is particularly applicable in districts where Parcel Delivery Services are already principally permitted, as they have been deemed suitable for those areas.

Projects are already reviewed for environmental impacts under the California Environmental Quality Act.

#### Environmental Review

All proposed Parcel Delivery Service projects are required to go through environmental review per the California Environmental Quality Act (CEQA). Parcel Delivery Services are reviewed for impacts to traffic, vehicle miles traveled, greenhouse gas emissions, public transit, public safety, and emergency response, among other considerations. This makes some of the proposed criteria in the subject Ordinance redundant. Additionally, the criteria related to idling vehicles outlined in the proposed Ordinance are already covered under CEQA. If a Parcel Delivery Service is found to have a significant impact through the CEQA process, mitigation measures would be required to reduce the significant impacts. Additionally, the CEQA review also studies the cumulative impacts of multiple Parcel Delivery Services proposed in the vicinity. Some of the criteria included in the proposed Ordinance already happen outside the entitlement process.

#### **Code Structure**

Terms and uses used generally in the Planning Code are defined in Section 102. The Planning Code then regulates these uses within the Zoning Control Tables for each zoning district. The Zoning Control Tables include whether the use is permitted, how large the use can be, and any other characteristic specific to that zoning district. These controls are intentionally not included within the definition in Section 102 to ensure that the definition of the use is not confused with how that use is regulated in each zoning district. This format was formalized in the Code Reorganization process, a multi-year effort that was intended to make the Code more usable and bring consistency to its format.

The proposed ordinance introduces controls into the definition of Parcel Delivery Service by stating that this use requires a CUA. This is in direct conflict with the format the public and planners have become accustomed to. It is also unnecessary given the zoning controls tables have been amended to show the use requires CUA. The best practice in determining what Uses are allowed within each district is by reviewing the appropriate Zoning Control Table itself, not by referencing the use definition.

#### Accessory Uses

General Accessory Use provisions for Uses other than dwellings in C, RC, M, and PDR districts are outlined in Section 204.3. Some of these provisions include the Use Size limitations or restrictions on specific Uses. This is mirrored in Section 703(d) for Neighborhood Commercial Districts and Section 803.2(d) for Mixed-Use Districts. Both sections also include more specific Accessory Use provisions within these districts.

#### **Accessory Parcel Delivery Service Uses**

The proposed Ordinance prohibits Parcel Delivery Services from being an accessory to any other Use. If enacted as drafted, cannabis businesses with some delivery aspect to their business model would need to establish a Parcel Delivery Service as a separate Principal Use. This is because cannabis delivery is specifically called out as

a Parcel Delivery Service use in the definition. However, other Uses, such as a Grocery Store, could continue to provide delivery services without establishing a separate Parcel Delivery Service use. This would greatly impact some of the Cannabis Retail businesses as they would not only need to obtain permission to operate a cannabis business, but also a Parcel Delivery Service Use. These impacts are further described in the next section, “Affected Projects”.

## **Affected Projects**

Prior to the original interim controls, Amazon filed a building permit for a “last mile” Parcel Delivery Service use at 900-7th Street. In August 2023, Amazon filed for a new CUA that is currently under staff review. Environmental review has not been completed yet and no public hearing date has been set.

Since the Board passed the original interim controls, several other applicants filed building permit applications that triggered the interim controls; however, after being informed that their proposed project would require a CUA due to the interim controls, only two applicants decided to move forward. One was a proposed Parcel Delivery Service use and Private Parking Lot at 290 San Bruno Avenue, which was approved with conditions by the Planning Commission on July 20, 2023. The other project at 1313 Armstrong Avenue is proposing a Parcel Delivery use in addition to other PDR, accessory office, and accessory parking uses. The Department is awaiting final confirmation from the applicant on what land use(s) they would like to move forward with to determine what approvals would be required. Pending this confirmation, other aspects of the proposal may still require a CUA, such as a curb cut, in which case the project sponsor would already be going through the CUA process. However, if the project includes Parcel Delivery Service, the applicant will need to provide materials to address the additional criteria in the proposed Ordinance. The resulting project would also be subject to the additional conditions of approval under the proposed Ordinance.

There is also a proposed project located at 749 Toland Street, which may be impacted by this proposed legislation. During the most recent Informational Hearing at Planning Commission on January 25, 2024, the sponsor shared the potential Parcel Delivery Service or Fleet Charging Station components. They also shared that the specific Use Sizes were unknown at this time. The associated Development Agreement and proposed Special Use District are still in progress and anticipated to appear before the Planning Commission in the spring.

## Cannabis Retail Uses

The interim controls and proposed Ordinance impact cannabis delivery businesses because this use is included in the Parcel Delivery Service use definition. The Office of Cannabis (OOC) has a hierarchy of eight applicant categories to process applications based on their equity tier and application date. OOC started their review of Tier 6 equity applications and higher priority tiers in summer 2023. Tier 6 includes applicants that were previously operating in compliance with the Compassionate Use Act of 1996 or that hold a Temporary Cannabis Business Permit; therefore, these are cannabis businesses that were operating prior to adult use cannabis being legalized.

The Department is not aware of any land use conflicts or enforcement complaints generated by these existing businesses; however, staff are concerned that requiring a CUA for these businesses would put their business and the jobs they provide in jeopardy. OOC has referred nine locations to the Planning Department to move forward with Planning approval. Of these nine locations, four locations are seeking Parcel Delivery Service alone. Additionally, only one of these locations is known to be greater than 5,000 square feet; however, the Parcel Delivery Service Use portion is likely less than 5,000 square feet. Despite their size and absence of complaints, all

these locations would trigger a CUA under the proposed Ordinance. The Department is also aware of at least five locations that have temporary business licenses from OOC for non-storefront retail but have yet to be referred to Planning. As such, the Department does not know the Use Sizes of these businesses or if the proposed Ordinance would impact them.

### **General Plan Compliance**

The proposed Ordinance conditionally permits new Parcel Delivery Service uses in districts where it once was principally permitted. This could help ensure that Parcel Delivery Service uses and their impacts be more evenly distributed throughout the city through a public hearing process. This supports the Environmental Justice Framework that is included in the General Plan Introduction. The Environmental Justice Framework recognizes that in San Francisco, as in many other communities, people of color, low-income residents, and other vulnerable groups are disproportionately exposed to hazards, such as unsafe housing conditions, illegal dumping, polluting industries, high-risk traffic conditions, among other factors. Specifically, the Environmental Justice Framework emphasizes the importance of the equitable distribution of environmental benefits and elimination of environmental burdens to promote healthy communities where everyone in San Francisco can thrive. Additionally, requiring Parcel Delivery Service uses to go through the full CUA process allows closer review of each project. This supports one of the Environmental Justice Framework's primary reasons of why environmental justice is important: government should foster environmental justice through processes that address, mitigate, and amend past injustices. Parcel Delivery Services have predominantly been principally permitted within the Environmental Justice Communities as described in the next section, "Racial and Social Equity Analysis". The proposed Ordinance would conditionally permit Parcel Delivery Services in the relevant zoning districts.

### **Racial and Social Equity Analysis**

Parcel Delivery Services have historically been focused on the southeast sector of the city. Exhibit C shows that while Parcel Delivery Services are allowed elsewhere in the city such as the Financial District, they currently require a CUA in those areas. Exhibit C also shows that Parcel Delivery Services are mostly principally permitted in the South of Market and Bayview today. These areas of the city are classified as Environmental Justice Communities, which are areas of San Francisco that have higher pollution than other parts of the city and are predominantly low-income.<sup>3</sup> Because these uses include heavy diesel trucks, an over-concentration could further deteriorate air quality in these neighborhoods and, as a result, reduce life expectancy for residents.

While the proposed Ordinance would still allow Parcel Delivery Services within generally the same districts, these projects would be required to submit a CUA. This additional process allows the Planning Commission to review each proposal more closely. It also provides the public an opportunity to bring up community concerns to the Planning Commission. This is not widely available today since PDR, M, or C districts do not trigger neighborhood notification. The proposed Ordinance requires the full CUA process, which guarantees public notice and a public forum. It also provides an opportunity for any major concerns to be resolved prior to permit approval. For example, concerns related to proximity or quantity of Parcel Delivery Services can be raised through the CUA process. Additionally, members of the public can voice opinions on traffic or pollution concerns and ways to lessen those impacts on these burdened neighborhoods. Some of these items are already reviewed under CEQA, but specific project concerns may be further elaborated upon during the public hearing.

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<sup>3</sup> [San Francisco Planning Department, Environmental Justice Framework.](#)

### Financial Impacts

The proposed Ordinance adds additional application fees for prospective Parcel Delivery Services. This disproportionately impacts small businesses and low-income applicants. Further, the proposed Ordinance requires an economic impact study. The Planning Department does not have the expertise to complete such economic impact studies and would likely need to hire a consultant to complete this work. The proposed Ordinance requires the applicant to pay the costs of hiring these consultants and any required materials, further adding to the financial burden of the application. Some larger corporations may have the budget to do so. However, this presents an unnecessary burden on small businesses and may be detrimental to opening or expanding their Parcel Delivery Service.

### Impacts to Cannabis Retail

The Planning Code amendments add constraints on the cannabis industry, which is already subject to stringent regulations at both the state and local levels. This includes safeguards to reduce youth access and exposure to cannabis. Equity participants already face challenges in applying for planning and conditional use permits for such businesses. The application process is lengthy, and applicants must pay for a location throughout the process. In 2019, the City Controller's Office reported an average duration of 18-24 months for the cannabis business permitting process. Despite recent efforts to expedite the permitting timeline, this often means years of paying rent in addition to application fees and construction costs that bar many equity participants from eventually opening their businesses. Some of these businesses could be put at risk if the Ordinance was enacted as drafted. Because of the lengthy process, many cannabis businesses determine their required approvals months or even years in advance. The proposed Ordinance may result in a very different permitting pathway than what the applicant was originally told. This may make the approval path unviable, especially because applicants must continue to pay rent during the entire approval process.

Additionally, the cannabis industry provides employment opportunities for entry-level labor and semi-skilled workers in retail and the supply chain segment of the industry. For many cannabis employees, their work offers a path to stability and gainful employment, which is increasingly hard to find in San Francisco. Many well-paying jobs in the city require advanced degrees and specific experience, which non-white individuals often struggle to obtain due to institutional racism. Moreover, many Equity Applicants who now own businesses in the city started in the industry through apprenticeship programs that are prevalent in the cannabis industry but increasingly uncommon in many other industries. The proposed Ordinance does not appear to respond or acknowledge this additional burden since it eliminated the 5,000 square foot CUA exception under the interim controls.

### **Implementation**

The Department has determined that this ordinance will impact our current implementation procedures in the following ways:

- Zoning Districts where Parcel Delivery Services are currently principally permitted would require a CUA. This includes those Parcel Delivery Service uses that are 5,000 square feet or less, which do not currently trigger a CUA under the interim controls.
- Parcel Delivery Services are not allowed to be accessory to any other uses and thus must be established



as a Parcel Delivery Service as a Principal Use. These would also require a CUA.

- The CUAs moving forward require additional criteria. Staff do not have the technical expertise to review these items.

## Recommendation

The Department recommends that the Commission *approve with modifications* the proposed Ordinance and adopt the attached Draft Resolution to that effect. The Department's proposed recommendations are as follows:

1. Eliminate the additional criteria and conditions proposed under Section 303(cc).
2. Incorporate the 5,000 square foot CUA exception from the current interim controls.
3. Amend the Accessory Use prohibition to exclude cannabis delivery.
4. Technical corrections to follow the Planning Code structure:
  - a. Remove the CUA controls from Section 102.
  - b. Revise the Accessory Use controls to match the Accessory Use prohibition included in Section 102.
5. Incorporate the temporary Parcel Delivery Services exception from the current interim controls.

## Basis for Recommendation

The Department supports the overall goals of this Ordinance because the CUA process allows for more review of each proposed Parcel Delivery Service. This may facilitate better distribution of Parcel Delivery Services throughout the city. This also allows the public to share any concerns they may have during the public hearing process. However, the Department believes the Ordinance would be more successful with the following modifications.

### Recommendation 1: Eliminate the additional criteria and conditions proposed under Section 303(cc).

The proposed Ordinance includes additional criteria and conditions that are redundant or outside of the Planning Commission's realm. CEQA is already conducted on all projects and this process does not need to be duplicated with additional Conditional Use criteria. This is the case for the proposed criteria related to impacts to traffic patterns, vehicle miles traveled, greenhouse gas emissions, public transit, public safety, and emergency response. These additional criterion should be eliminated Section 303(cc) entirely.

The other proposed criterion includes preparation of an economic impact study. The Planning Department does not have the expertise to complete economic impact studies. Even if the Department were to hire a consultant to complete this task, staff do not have the full knowledge to direct the work, determine if it is being conducted accurately or sufficiently, or assess if further information is required. Additionally, the proposed Ordinance requires a report on the fiscal impact of the project on the net fiscal impacts to the General Fund. Staff do not have the knowledge or capacity to assess a project's impact on the City's public facilities and infrastructure. The

department did conduct a nexus study (2022) which showed that parcel delivery centers warranted a higher impact fee compared to other PDR uses but specified that further study is needed to determine the feasibility of charging a higher amount.<sup>4</sup> This report was presented to the Commission on November 10, 2022, as part of the Electric Vehicle Charging Locations Ordinance. At that time, there was a discussion about balancing the benefits and challenges of emerging mobility services and technologies, including fleet charging for electric vehicles. Some Commissioners felt that a high impact fee could encourage emerging mobility uses, including parcel delivery centers, to locate their project outside the city borders but still use city streets.

An employment analysis is included as part of the criterion requiring an economic impact study. Sponsors might be able to provide general estimates, but some of the projections may be anecdotal at best. The sponsor might not have the full details available at the time of the CUA application. There are also several individual circumstances in determining if the listed salaries would pay a living wage commensurate to the costs of living for that individual and their household's needs. Additionally, requiring the applicant to cover the costs of hiring consultants to complete the economic impact study presents additional financial burdens, especially for small businesses. This is particularly impactful for low-income or minority-owned businesses.

The proposed Ordinance requires two additional conditions of approval. The first condition relates to electrification. Some Parcel Delivery Service uses may shift towards partial or full electric vehicle fleets in the future. There is already a general increased demand for chargers on private properties. Parcel Delivery Services interested in electric vehicles would be on a much larger scale. Staff is aware there is a new state law mandating conversion to electric vehicles.<sup>5</sup> However, it is not clear whether providers, such as PG&E, would have the grid capacity or bandwidth to handle increased electrification demands. Therefore, the Department recommends removing this condition.

The second condition relates to limiting the idling of vehicles to no more than three minutes. Parcel Delivery Service employees usually need to turn off the engine and exit the vehicle to load and unload goods onto the vehicle. Therefore, staff do not anticipate that there would be idling vehicles for more than three minutes. Additionally, there would be no greenhouse gas emissions during the actual loading or unloading process. The greenhouse gases emitted during vehicle travel would already be reviewed under CEQA. The proposed Ordinance also requires signage for truck access points, loading docks, and truck parking areas. The Department does not have jurisdiction over the public rights-of-way, and without buy-in from the Department of Municipal Transit Agency cannot require idling vehicles signage on the streets adjacent to the property.

The proposed Ordinance does not prohibit Parcel Delivery Service uses where they are principally or conditionally permitted today. However, these additional conditions create potential nonconforming issues because not all Parcel Delivery Services currently have the electrification or idling signage required under this Ordinance. Therefore, if an existing Parcel Delivery Services seek to expand or intensify the Use, they would then trigger a CUA after having already been established at the property. This would be true regardless of the number of years the business has been open or if there are no complaints about the business.

**Recommendation 2: Incorporate the 5,000 square foot CUA exception from the current interim controls.**

There are some projects that are principally permitted under the interim controls but would require a CUA under the proposed Ordinance. Staff is aware of a few small Cannabis Retail businesses what would be directly

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<sup>4</sup> [Transit Sustainability Fee for Logistics & Emerging Mobility Services Land Uses.](#)

<sup>5</sup> [California Mandates Electric Trucks.](#)

impacted by this. The impacts are amplified because these applicants submitted their applications and clarified required approvals months or even years earlier in some cases. The 5,000 square foot exception was meant to support these smaller businesses. It would be burdensome to these businesses to remove this protection if this is not incorporated into the permanent controls.

**Recommendation 3: Amend the Accessory Use prohibition to exclude cannabis delivery.**

The Parcel Delivery Service definition is intended to include facilities solely related to sorting, distributing, or delivery of parcels. It is not meant to include businesses doing direct-to-consumer deliveries of their products. However, the Parcel Delivery Service definition currently includes cannabis and cannabis products. This creates confusion for cannabis retailers and what approvals they require. This also does not match the rest of the definition or how other similar activities are treated.

One unintended consequence of the prohibition of Accessory Use Parcel Delivery Services is that all Cannabis Retailers and other uses with cannabis delivery would be required to establish a Parcel Delivery Service as a Principal Use. Regardless of if Recommendation #2 is incorporated, the proposed Ordinance would require cannabis retailers which also include delivery as a part of their business to also establish a Parcel Delivery Service as a separate Principal Use. The staff recommended modification is to exclude cannabis delivery from the Accessory Use prohibition to resolve this. Again, this Accessory Use prohibition does not apply to other uses with delivery components because only cannabis is called out with the Parcel Delivery Service definition.

**Recommendation 4: Technical corrections to follow the Planning Code structure:**

**Recommendation 4a: Remove the CUA controls from Section 102.**

The proposed Ordinance adds the CUA requirement within the definition of Parcel Delivery Service in Section 102. This should be eliminated because the Use permissions should only be located within the Zoning Control Tables, not the definitions. Including the controls in the definition creates needless confusion and introduces inconsistency into the Planning Code.

**Recommendation 4b: Revise the Accessory Use controls to match the Accessory Use prohibition included in Section 102.**

The proposed Ordinance also states that Parcel Delivery Services are not allowed to be an Accessory Use to any other Use. Should this provision remain in the definition for reference, this provision should also be included in the Accessory Use provisions under Sections 204.3, 703(d), and 803.2(d) to match the Code's structure.

**Recommendation 5: Incorporate the temporary Parcel Delivery Services exception from the current interim controls.**

Currently, the interim controls waive the CUA requirement for temporary Parcel Delivery Services for up to 60 days within a 12-month period, without the possibility of a renewal or subsequent approval within the same 12-month period. This was an exemption that staff had collaborated on with Supervisor Walton for the original interim controls and carried through in Supervisor Dorsey's current interim controls. This exception targeted the increased online shopping and parcel delivery during the holidays. One example is that the Post Office often has to expand their facilities or open up temporary facilities to accommodate increased deliveries during the holidays. Without this exemption, they would have to establish a Parcel Delivery Service through the CUA process, even if they would just be open for 60 days. The Post Office is just one example of this provision, but other businesses would benefit from this too. The proposed Ordinance should incorporate this provision for temporary Parcel Delivery Services.

## Required Commission Action

The proposed Ordinance is before the Commission so that it may approve it, reject it, or approve it with modifications.

## Environmental Review

The proposed amendments are not defined as a project under CEQA Guidelines Section 15378 and 15060(c)(2) because they do not result in a physical change in the environment.

## Public Comment

As of the date of this report, the Planning Department has not received any public comment regarding the proposed Ordinance. The Planning Department received one letter in opposition to the proposed Ordinance and its impacts to the cannabis industry. The commentor noted that regulations like lead to increased black-market activity.

### Attachments:

- Exhibit A: Draft Planning Commission Resolution (Revised)
- Exhibit B: Board of Supervisors File No. 231223
- Exhibit C: Map of Parcel Delivery Service Use Controls
- Exhibit D: Public Correspondence



# PLANNING COMMISSION DRAFT RESOLUTION **(REVISED)**

**HEARING DATE: February 8, 2024**

**Project Name:** Parcel Delivery Service  
**Case Number:** 2024-000027PCA [Board File No. 231223]  
**Initiated by:** Supervisor Chan / Introduced November 28, 2023  
**Staff Contact:** Veronica Flores, Legislative Affairs  
veronica.flores@sfgov.org, 628-652-7525  
**Reviewed by:** Aaron D Starr, Manager of Legislative Affairs  
aaron.starr@sfgov.org, (628) 652-7533

**RESOLUTION APPROVING WITH MODIFICATION A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO REQUIRE CONDITIONAL USE AUTHORIZATIONS FOR ESTABLISHING PARCEL DELIVERY SERVICE USES, PROHIBIT PARCEL DELIVERY SERVICE AS AN ACCESSORY USE, AND REVISE ZONING CONTROL TABLES TO REFLECT THESE CHANGES; AFFIRMING THE PLANNING DEPARTMENT’S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND MAKING PUBLIC NECESSITY, CONVENIENCE, AND WELFARE FINDINGS UNDER PLANNING CODE, SECTION 302, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN, AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1.**

WHEREAS, on November 28, 2023 Supervisor Chan introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 231223, which would amend the Planning Code to require Conditional Use authorizations for establishing Parcel Delivery Service uses, prohibit Parcel Delivery Service as an accessory use, and revise zoning control tables to reflect these changes;

WHEREAS, the Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on February 8, 2024; and,

WHEREAS, the proposed Ordinance are not defined as a project under CEQA Guidelines Section 15378 and 15060(c)(2) because they do not result in a physical change in the environment; and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the Custodian of Records, at 49 South Van Ness Avenue, Suite 1400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed amendment; and

MOVED, that the Planning Commission hereby **approves with modifications** the proposed ordinance. The Commission's proposed recommendations are as follows:

1. Eliminate the additional criteria and conditions proposed under Section 303(cc).
2. Incorporate the 5,000 square foot CUA exception from the current interim controls.
3. Amend the Accessory Use prohibition to exclude cannabis delivery.
4. Technical corrections to follow the Planning Code structure:
  - a. Remove the CUA controls from Section 102.
  - b. Revise the Accessory Use controls to match the Accessory Use prohibition included in Section 102.
5. Incorporate the temporary Parcel Delivery Services exception from the current interim controls.

## Findings

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

The proposed Ordinance will conditionally permit Parcel Delivery Services in districts to allow for closer review of each proposed project.

## General Plan Compliance

The proposed Ordinance and the Commission's recommended modifications are consistent with the following Objectives and Policies of the General Plan:

## ENVIRONMENTAL JUSTICE FRAMEWORK

## SECTION 2

### WHAT IS ENVIRONMENTAL JUSTICE?

Environmental Justice is the equitable distribution of environmental benefits and elimination of environmental burdens to promote healthy communities where everyone in San Francisco can thrive.

Government should foster environmental justice through processes that address, mitigate, and amend past injustices while enabling proactive, community-led solutions for the future.

## SECTION 3

### ENVIRONMENTAL JUSTICE PRIORITIES

#### Healthy & Resilient Environments

*The proposed Ordinance conditionally permits new Parcel Delivery Service uses in districts where it once was principally permitted. This could help ensure that Parcel Delivery Service uses and their impacts be more evenly distributed throughout the city through a public hearing process. This supports the Environmental Justice Framework that is included in the General Plan Introduction. The Environmental Justice Framework recognizes that in San Francisco, as in many other communities, people of color, low-income residents, and other vulnerable groups are disproportionately exposed to hazards, such as unsafe housing conditions, illegal dumping, polluting industries, high-risk traffic conditions, among other factors. Specifically, the Environmental Justice Framework emphasizes the importance of the equitable distribution of environmental benefits and elimination of environmental burdens to promote healthy communities where everyone in San Francisco can thrive. Additionally, requiring Parcel Delivery Service uses to go through the full CUA process allows closer review of each project. This supports one of the Environmental Justice Framework's primary reasons of why environmental justice is important: government should foster environmental justice through processes that address, mitigate, and amend past injustices. Parcel Delivery Services have been predominantly principally permitted within the Environmental Justice Communities as described in the next section, "Racial and Social Equity Analysis". The proposed Ordinance would conditionally permit Parcel Delivery Services in the relevant zoning districts.*

#### **Planning Code Section 101 Findings**

The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

*The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.*

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

*The proposed Ordinance would not have a negative effect on housing or neighborhood character.*

3. That the City's supply of affordable housing be preserved and enhanced;

*The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing.*

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

*The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.*

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

*The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.*

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

*The proposed Ordinance would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake.*

7. That the landmarks and historic buildings be preserved;

*The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings.*

8. That our parks and open space and their access to sunlight and vistas be protected from development;

*The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas.*

### **Planning Code Section 302 Findings.**

The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby APPROVES WITH MODIFICATIONS the proposed Ordinance as described in this Resolution.



I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on February 8, 2024.

Jonas P. Ionin  
*Commission Secretary*

AYES:

NOES:

ABSENT:

ADOPTED: February 8, 2024

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1 [Planning Code - Parcel Delivery Service]

2

3 **Ordinance amending the Planning Code to require Conditional Use authorizations for**  
4 **establishing Parcel Delivery Service uses, prohibit Parcel Delivery Service as an**  
5 **accessory use, and revise zoning control tables to reflect these changes; affirming the**  
6 **Planning Department’s determination under the California Environmental Quality Act;**  
7 **and making public necessity, convenience, and welfare findings under Planning Code,**  
8 **Section 302, and findings of consistency with the General Plan, and the eight priority**  
9 **policies of Planning Code, Section 101.1.**

10 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
11 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
12 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
13 **Board amendment additions** are in double-underlined Arial font.  
14 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
15 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
16 subsections or parts of tables.

14

15 Be it ordained by the People of the City and County of San Francisco:

16

17 Section 1. Findings.

18 (a) The Planning Department has determined that the actions contemplated in this  
19 ordinance comply with the California Environmental Quality Act (California Public Resources  
20 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of  
21 Supervisors in File No. \_\_\_\_ and is incorporated herein by reference. The Board affirms this  
22 determination.

23 (b) On \_\_\_\_\_, the Planning Commission, in Resolution No. \_\_\_\_\_,  
24 adopted findings that the actions contemplated in this ordinance are consistent, on balance,  
25 with the City’s General Plan and eight priority policies of Planning Code Section 101.1. The

1 Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of  
2 the Board of Supervisors in File No. \_\_\_\_\_, and is incorporated herein by reference.

3 (c) Pursuant to Planning Code Section 302, this Board finds that these Planning Code  
4 amendments will serve the public necessity, convenience, and welfare for the reasons set  
5 forth in Planning Commission Resolution No. \_\_\_\_\_, and the Board adopts such  
6 reasons as its own. A copy of said resolution is on file with the Clerk of the Board of  
7 Supervisors in File No. \_\_\_\_\_ and is incorporated herein by reference.

8  
9 Section 2. The Planning Code is hereby amended by revising Sections 102, 210.1,  
10 210.2, 210.3, 210.4, 303, 712, 830, 831, 832, 833, 836, 838, 839, and 840, to read as follows:

11  
12 **SEC. 102. DEFINITIONS.**

13 \* \* \* \*

14 **Service, Parcel Delivery.** A Non-Retail Automotive Use limited to facilities for the  
15 unloading, sorting, and reloading of local retail merchandise for deliveries, including but not  
16 limited to cannabis and cannabis products, where the operation is conducted entirely within a  
17 completely enclosed building, including garage facilities for local delivery trucks, but excluding  
18 repair shop facilities. Within ~~Where permitted in~~ PDR Districts, this use is not required to be  
19 operated within a completely enclosed building. *Parcel Delivery Service use requires a*  
20 *Conditional Use authorization pursuant to Section 303(cc) and is not allowed as an accessory use to*  
21 *any other principal use.*

22 \* \* \* \*

23 **SEC. 210.1. C-2 DISTRICTS: COMMUNITY BUSINESS.**

24 \* \* \* \*

25 **Table 210.1**

**ZONING CONTROL TABLE FOR C-2 DISTRICTS**

<b>Zoning Category</b>	<b>§ References</b>	<b>C-2</b>
* * * *		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>		
* * * *		
<b>Automotive Use Category</b>		
* * * *		
Service, Parcel Delivery	§§ 102, 303(cc)	C
* * * *		

\* \* \* \*

**SEC. 210.2. C-3 DISTRICTS: DOWNTOWN COMMERCIAL.**

\* \* \* \*

**Table 210.2**

**ZONING CONTROL TABLE FOR C-3 DISTRICTS**

<b>Zoning Category</b>	<b>§ References</b>	<b>C-3-O</b>	<b>C-3-O(SD)</b>	<b>C-3-R</b>	<b>C-3-G</b>	<b>C-3-S</b>
* * * *						
<b>NON-RESIDENTIAL STANDARDS AND USES</b>						
* * * *						
<b>Automotive Use Category</b>						
* * * *						
Service, Parcel Delivery	§§ 102, 303(cc)	C	C	C	C	<u>CP</u>

\* \* \* \*

**SEC. 210.3. PDR DISTRICTS.**

\* \* \* \*

**Table 210.3**

**ZONING CONTROL TABLE FOR PDR DISTRICTS**

<b>Zoning Category</b>	<b>§ References</b>	<b>PDR-1-B</b>	<b>PDR-1-D</b>	<b>PDR-1-G</b>	<b>PDR-2</b>
* * * *					
<b>NON-RESIDENTIAL STANDARDS AND USES</b>					
* * * *					
<b>Automotive Use Category</b>					
* * * *					
Service, Motor Vehicle Tow	§ 102	P	P	P	P
<u>Service, Parcel Delivery</u>	<u>§§ 102, 303(cc)</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>
* * * *					

\* \* \* \*

**SEC. 210.4. M DISTRICTS: INDUSTRIAL.**

\* \* \* \*

**Table 210.4**

**ZONING CONTROL TABLE FOR M DISTRICTS**

1	<b>Zoning Category</b>	<b>§ References</b>	<b>M-1</b>	<b>M-2</b>
2	* * * *			
3	<b>NON-RESIDENTIAL STANDARDS AND USES</b>			
4	* * * *			
5	<b>Automotive Use Category</b>			
6	* * * *			
7	Parking Lot, Public	§§ 102, 142, 156	C	C
8	<i>Service, Parcel Delivery</i>	<i>§§ 102, 303(cc)</i>	<u>C</u>	<u>C</u>
9	* * * *			
10	* * * *			

11 \* \* \* \*

12 **SEC. 303. CONDITIONAL USES.**

13 \* \* \* \*

14 (bb) **Social Service and Philanthropic Facilities in Chinatown Visitor Retail,**  
15 **Chinatown Residential Neighborhood Commercial, and Chinatown Community**  
16 **Business Districts.** With regard to a Conditional Use application for a Social Service or  
17 Philanthropic Facility use pursuant to Section 121.4 of this Code, in addition to consideration  
18 of the criteria set forth in subsection (c) above, the Planning Commission shall, in order to  
19 grant a Conditional Use Authorization, find that the proposed use will primarily serve the  
20 Chinatown neighborhood.

21 (cc) Parcel Delivery Services.

22 (1) Criteria. *With respect to a Conditional Use application for Parcel Delivery Service*  
23 *use as defined in Section 102 of the Planning Code, in addition to the criteria in subsections (c) and (d)*  
24 *above, the Planning Commission shall consider the following:*

1                   (A) The extent to which the use will adversely impact traffic patterns and  
2 queuing times and add total vehicle miles traveled, including by delivery drivers and couriers operating  
3 to and from the site;

4                   (B) The greenhouse gas emissions resulting from operating of the site, including  
5 from indirect sources such as courier and delivery vehicles;

6                   (C) The impact that the use will have on public transit, public safety, and  
7 emergency response, with particular attention paid to the rate of workplace injury associated with the  
8 use and moving violations and traffic accidents requiring public safety or emergency service response;  
9 and

10                  (D) An economic impact study. The Planning Department shall prepare an  
11 economic impact study using City staff or shall, consistent with the Charter, select a consultant from a  
12 pool of pre-qualified consultants to prepare the economic impact study required by this subsection (cc).  
13 The economic impact study shall be considered by the Planning Commission in its review of the  
14 application. In the event a consultant is used, the applicant shall bear the cost of paying the consultant  
15 for their work preparing the economic impact study, and any necessary documents prepared as part of  
16 that study. The study shall evaluate the potential economic impact of the applicant's proposed project,  
17 including:

18                   (i) **Employment Analysis.** The report shall include the following  
19 employment information: a projection of both construction-related and permanent employment  
20 generated by the proposed project, and a discussion of whether the employer of the proposed project  
21 will pay a living wage, inclusive of non-salary benefits expected to be provided, relative to San  
22 Francisco's cost of living. The employment analysis shall also include a discussion of the past  
23 employment practices of the proposed operator, if any.

24                   (ii) **Fiscal Impact.** The report shall itemize public revenue created by the  
25 proposed project and public services needed because of the proposed project, relative to net fiscal



1 impacts to the General Fund. The impacts to the City's public facilities and infrastructure shall be  
2 estimated using the City's current assumptions in existing nexus studies (including area plan, transit,  
3 open space in-lieu fee and other impact fees), and should account for any contributions the proposed  
4 project would make through such impact fee payments.

5 (2) **Required Additional Conditions.** All Parcel Delivery Service facilities shall be  
6 subject to at least the following conditions of project approval:

7 (A) **Electrification.** Facilities shall include necessary infrastructure and  
8 electrical capacity to accommodate and charge electric vehicles—including electric heavy-duty  
9 delivery trucks, employee vehicles, and all other zero-emission vehicles accessing the facility; power  
10 refrigeration for refrigerated spaces; and serve any other processes that would otherwise rely upon  
11 fossil fuel combustion. Facilities shall install battery storage to address power disruption. Diesel  
12 back-up generators shall only be permitted if the facility demonstrates battery storage is infeasible and  
13 shall meet CARB's Tier 4 emission standards or meet the most stringent in-use standard, whichever has  
14 the least emissions.

15 (B) **Idling of Vehicles.** To reduce idling emissions from transport trucks, the  
16 facility shall have signage placed at truck access points, loading docks, and truck parking areas that  
17 clearly notes idling for more than three minutes is strictly prohibited on the subject property. The  
18 facility shall fund placement of similar signs installed by the City in the adjacent streets used for  
19 access. Each sign placed outside the property should note the California Air Resources Board idling  
20 prohibitions on the adjacent streets and include telephone numbers of the building facilities manager  
21 and the California Air Resources Board to report violations. All signage should be made of weather-  
22 proof materials. All site and architectural plans submitted to the City shall note the locations of these  
23 signs.

24 **SEC. 712. NC-3 – MODERATE-SCALE NEIGHBORHOOD COMMERCIAL**  
25 **DISTRICT.**

\* \* \* \*

**Table 712. MODERATE-SCALE NEIGHBORHOOD COMMERCIAL DISTRICT NC-3**

**ZONING CONTROL TABLE**

		<b>NC-3</b>		
<b>Zoning Category</b>	<b>§ References</b>	<b>Controls</b>		
* * * *				
<b>NON-RESIDENTIAL STANDARDS AND USES</b>				
* * * *				
<b>NON-RESIDENTIAL USES</b>		<b>Controls by Story</b>		
		<b>1st</b>	<b>2nd</b>	<b>3rd+</b>
* * * *				
<b>Automotive Use Category</b>				
<b>Automotive Uses*</b>	§§ 102, 187.1, 202.2(b), <u>303(cc)</u>	C	NP	NP
* * * *				

\* \* \* \*

**SEC. 830. CMUO—CENTRAL SOMA MIXED USE-OFFICE DISTRICT.**

\* \* \* \*

**Table 830**

**CMUO—CENTRAL SOMA MIXED USE-OFFICE DISTRICT ZONING CONTROL TABLE**

<b>Central SoMa Mixed Use-Office District Controls</b>		
<b>Zoning Category</b>	<b>§ References</b>	<b>Controls</b>
<b>NON-RESIDENTIAL STANDARDS &amp; USES</b>		

* * * *		
<b>Automotive Use Category</b>		
* * * *		
Service, Motor Vehicle Tow	§ 102	C
<i>Service, Parcel Delivery</i>	<i>§§ 102, 303(cc)</i>	<u>C</u>
* * * *		

\* \* \* \*

**SEC. 831. MUG – MIXED USE-GENERAL DISTRICT.**

\* \* \* \*

**Table 831**

**MUG – MIXED USE-GENERAL DISTRICT ZONING CONTROL TABLE**

Zoning Category	§ References	Mixed Use-General District Controls
* * * *		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>		
* * * *		
<b>Automotive Use Category</b>		
* * * *		
Service, Motor Vehicle Tow	§ 102	C(1)
<i>Service, Parcel Delivery</i>	<i>§§ 102, 303(cc)</i>	<u>C</u>
* * * *		

\* \* \* \*

**SEC. 832. MUO – MIXED USE-OFFICE DISTRICT.**

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**Table 832**

**MUO – MIXED USE-OFFICE DISTRICT ZONING CONTROL TABLE**

Zoning Category	§ References	Mixed Use-Office District Controls
* * * *		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>		
* * * *		
<b>Automotive Use Category</b>		
* * * *		
Public Parking Lot	§ 102	NP
<i>Service, Parcel Delivery</i>	<i> §§ 102, 303(cc)</i>	<u>C</u>
* * * *		

\* \* \* \*

**SEC. 833. MUR – MIXED USE-RESIDENTIAL DISTRICT.**

\* \* \* \*

**Table 833**

**MUR – MIXED USE-RESIDENTIAL DISTRICT ZONING CONTROL TABLE**

Zoning Category	§ References	Mixed Use-Residential District Controls
* * * *		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>		
* * * *		
<b>Automotive Use Category</b>		
* * * *		

Public Parking Lot	§ 102	NP
<i>Service, Parcel Delivery</i>	<i>§§ 102, 303(cc)</i>	<u>C</u>
* * * *		

\* \* \* \*

**SEC. 836. SALI – SERVICE/ARTS/LIGHT INDUSTRIAL DISTRICT.**

\* \* \* \*

**Table 836**

**SALI – SERVICE/ARTS/LIGHT INDUSTRIAL DISTRICT ZONING CONTROL TABLE**

Zoning Category	§ References	Service/Artis/Light Industrial District Controls
* * * *		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>		
* * * *		
<b>Automotive Use Category</b>		
* * * *		
Public Parking Lot	§ 102	NP
<i>Service, Parcel Delivery</i>	<i>§§ 102, 303(cc)</i>	<u>C</u>
* * * *		

\* \* \* \*

**SEC. 838. UMU – URBAN MIXED USE DISTRICT.**

\* \* \* \*

**Table 838**

**UMU – URBAN MIXED USE DISTRICT ZONING CONTROL TABLE**

	<b>Zoning Category</b>	<b>§ References</b>	<b>Urban Mixed Use District Controls</b>
	* * * *		
	<b>NON-RESIDENTIAL STANDARDS AND USES</b>		
	* * * *		
	<b>Automotive Use Category</b>		
	* * * *		
	Public Parking Lot	§ 102	NP
	<i>Service, Parcel Delivery</i>	<i> §§ 102, 303(cc)</i>	<u>C</u>
	* * * *		

\* \* \* \*

**SEC. 839. WMUG – WSOMA MIXED USE-GENERAL DISTRICT.**

\* \* \* \*

**Table 839**

**WMUG – WSOMA MIXED USE-GENERAL DISTRICT ZONING CONTROL TABLE**

	<b>Zoning Category</b>	<b>§ References</b>	<b>Western SoMa Mixed Use- General District Controls</b>
	* * * *		
	<b>NON-RESIDENTIAL STANDARDS AND USES</b>		
	* * * *		
	<b>Automotive Use Category</b>		
	* * * *		
	Public Parking Lot	§ 102	NP

<i>Service, Parcel Delivery</i>	<u>§§ 102, 303(cc)</u>	<u>C</u>
* * * *		

\* \* \* \*

**SEC. 840. WMUO – WSOMA MIXED USE-OFFICE DISTRICT.**

\* \* \* \*

**Table 840**

**WMUO – WSOMA MIXED USE-OFFICE DISTRICT ZONING CONTROL TABLE**

<b>Zoning Category</b>	<b>§ References</b>	<b>Western SoMa Mixed Use-Office District Controls</b>
* * * *		
<b>NON-RESIDENTIAL STANDARDS AND USES</b>		
* * * *		
<b>Automotive Use Category</b>		
* * * *		
Public Parking Lot	§ 102	NP
<i>Service, Parcel Delivery</i>	<u>§§ 102, 303(cc)</u>	<u>C</u>
* * * *		

\* \* \* \*

Section 3. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor’s veto of the ordinance.

1           Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
2 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
3 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
4 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
5 additions, and Board amendment deletions in accordance with the “Note” that appears under  
6 the official title of the ordinance.

7  
8  
9 APPROVED AS TO FORM:  
10 DAVID CHIU, City Attorney

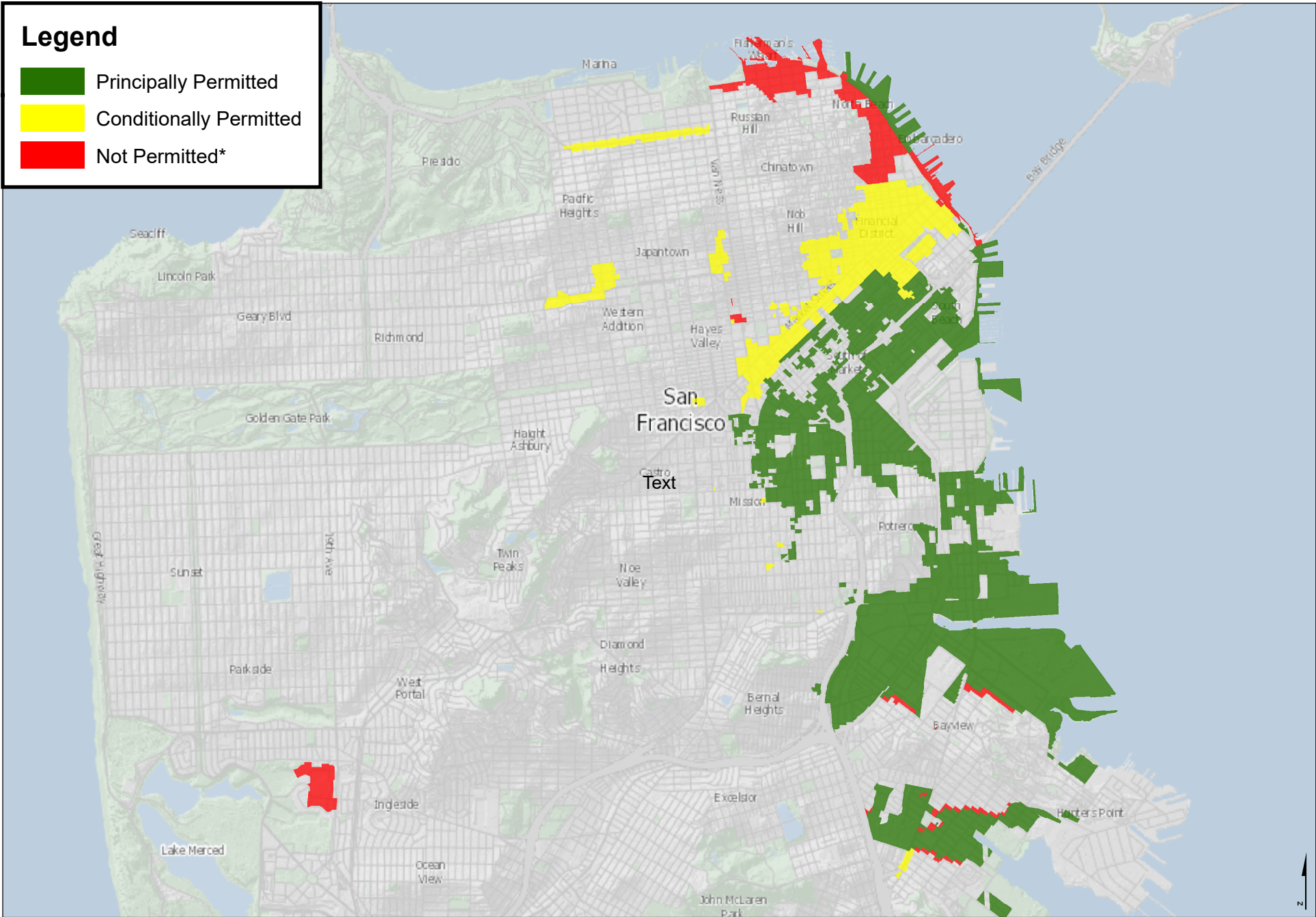
11 By: /s/ Robb Kapla  
12       ROBB KAPLA  
13       Deputy City Attorney

14 n:\legana\as2023\2300343\01722288.docx



EXHIBIT C

Use Controls for Parcel Delivery Services



0 0.225 0.45 0.9 Mile

*\*The Districts that are not highlighted also means that Parcel Delivery Services are not permitted today, and would continue to be prohibited under the proposed Ordinance.*

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## EXHIBIT D

**From:** [Chandler, Mathew \(CPC\)](#)  
**To:** [Flores, Veronica \(CPC\)](#)  
**Subject:** FW: Parcel Delivery Change (Cannabis)  
**Date:** Monday, February 5, 2024 11:39:06 AM

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**Mathew Chandler, Senior Planner**  
**Districts 5 & 8/Current Planning Division**  
San Francisco Planning  
49 South Van Ness Avenue, Suite 1400, San Francisco, CA 94103  
Direct: 628.652.7340 | [www.sfplanning.org](http://www.sfplanning.org)

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**From:** ucbbear <ucbbear@yahoo.com>  
**Sent:** Sunday, February 04, 2024 9:29 AM  
**To:** Chandler, Mathew (CPC) <mathew.chandler@sfgov.org>  
**Subject:** Parcel Delivery Change (Cannabis)

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

This type of regulation is what increases black market activity. The Planning Department will essentially be sending more people to the black market. The planning department needs to get its head out of its ass.

Nathan

Sent from my Verizon, Samsung Galaxy smartphone

BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. (415) 554-5184  
Fax No. (415) 554-5163  
TDD/TTY No. (415) 554-5227

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## MEMORANDUM

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Date: January 17, 2024  
To: Planning Department/Planning Commission  
From: John Carroll, Assistant Clerk, Land Use and Transportation Committee  
Subject: Board of Supervisors Legislation Re-Referral - File No. 231223 – VERSION 2  
Planning Code - Parcel Delivery Service

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- California Environmental Quality Act (CEQA) Determination *(California Public Resources Code, Sections 21000 et seq.)* CEQA: Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.  
 Ordinance / Resolution  
 Ballot Measure  
2/2/2024 
- Amendment to the Planning Code, including the following Findings:  
*(Planning Code, Section 302(b): 90 days for Planning Commission review)*  
 General Plan     Planning Code, Section 101.1     Planning Code, Section 302
- Amendment to the Administrative Code, involving Land Use/Planning  
*(Board Rule 3.23: 30 days for possible Planning Department review)*
- General Plan Referral for Non-Planning Code Amendments  
*(Charter, Section 4.105, and Administrative Code, Section 2A.53)*  
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)
- Historic Preservation Commission  
 Landmark *(Planning Code, Section 1004.3)*  
 Cultural Districts *(Charter, Section 4.135 & Board Rule 3.23)*  
 Mills Act Contract *(Government Code, Section 50280)*  
 Designation for Significant/Contributory Buildings *(Planning Code, Article 11)*

Please send the Planning Department/Commission recommendation/determination to John Carroll at [john.carroll@sfgov.org](mailto:john.carroll@sfgov.org).

BOARD of SUPERVISORS



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## MEMORANDUM

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Date: December 6, 2023  
To: Planning Department/Planning Commission  
From: John Carroll, Assistant Clerk, Land Use and Transportation Committee  
Subject: Board of Supervisors Legislation Referral - File No. 231223  
Planning Code - Parcel Delivery Service

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California Environmental Quality Act (CEQA) Determination  
(*California Public Resources Code, Sections 21000 et seq.*)

Ordinance / Resolution

Ballot Measure

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.

12/21/23

A handwritten signature in black ink, appearing to read "John Carroll".

Amendment to the Planning Code, including the following Findings:  
(*Planning Code, Section 302(b): 90 days for Planning Commission review*)

General Plan     Planning Code, Section 101.1     Planning Code, Section 302

Amendment to the Administrative Code, involving Land Use/Planning  
(*Board Rule 3.23: 30 days for possible Planning Department review*)

General Plan Referral for Non-Planning Code Amendments  
(*Charter, Section 4.105, and Administrative Code, Section 2A.53*)

(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)

Historic Preservation Commission

Landmark (*Planning Code, Section 1004.3*)

Cultural Districts (*Charter, Section 4.135 & Board Rule 3.23*)

Mills Act Contract (*Government Code, Section 50280*)

Designation for Significant/Contributory Buildings (*Planning Code, Article 11*)

Please send the Planning Department/Commission recommendation/determination to John Carroll at [john.carroll@sfgov.org](mailto:john.carroll@sfgov.org).



**MYRNA MELGAR**

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DATE: February 28, 2024

TO: Angela Calvillo  
Clerk of the Board of Supervisors

FROM: Supervisor Myrna Melgar, Chair, Land Use and Transportation Committee

RE: Land Use and Transportation Committee  
COMMITTEE REPORTS

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*mm*

Pursuant to Board Rule 4.20, as Chair of the Land Use and Transportation Committee, I have deemed the following matters are of an urgent nature and request them be considered by the full Board on Tuesday, March 5, 2024, as Committee Reports:

**File No. 240169**

**Planning Code - Parcel Delivery Service**

Sponsors: Chan; Dorsey, Stefani, Mandelman, Preston, Melgar and Engardio

**File No. 230310**

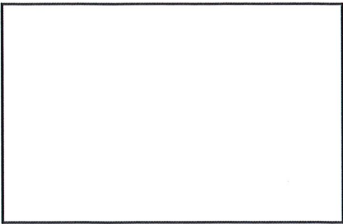
**Various Codes - State-Mandated Accessory Dwelling Unit Controls**

Sponsor: Mayor

These matters will be heard in the Land Use and Transportation Committee at a Regular Meeting on Monday, March 4, 2024, at 1:30 p.m.

**Introduction Form**

*(by a Member of the Board of Supervisors or the Mayor)*



I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- 2. Request for next printed agenda (For Adoption Without Committee Reference)  
*(Routine, non-controversial and/or commendatory matters only)*
- 3. Request for Hearing on a subject matter at Committee
- 4. Request for Letter beginning with "Supervisor [ ] inquires..."
- 5. City Attorney Request
- 6. Call File No. [ ] from Committee.
- 7. Budget and Legislative Analyst Request (attached written Motion)
- 8. Substitute Legislation File No. [231223]
- 9. Reactivate File No. [ ]
- 10. Topic submitted for Mayoral Appearance before the Board on [ ]

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- Small Business Commission     Youth Commission     Ethics Commission
- Planning Commission     Building Inspection Commission     Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- Yes                       No

*(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)*

Sponsor(s):

Chan

Subject:

Planning Code - Parcel Delivery Service

Long Title or text listed:

Ordinance amending the Planning Code to require Conditional Use authorizations for establishing Parcel Delivery Service uses, prohibit Parcel Delivery Service as an accessory use, and revise zoning control tables to reflect these changes; affirming the Planning Department's determination under the California Environmental Quality Act; and making public necessity, convenience, and welfare findings under Planning Code, Section 302, and findings of consistency with the General Plan and the eight priority policies of Planning Code, Section 101.1.

Signature of Sponsoring Supervisor: