

BOARD of SUPERVISORS



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MEMORANDUM

Date: March 8, 2024
To: Planning Department/Planning Commission
From: John Carroll, Assistant Clerk, Land Use and Transportation Committee
Subject: Board of Supervisors Legislation Referral - File No. 240193
Planning Code - Parcel Delivery Service

- California Environmental Quality Act (CEQA) Determination
(*California Public Resources Code, Sections 21000 et seq.*)
 - Ordinance / Resolution
 - Ballot Measure

- 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.

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.

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, 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**

Zoning Category	§ References	C-2
* * * *		
NON-RESIDENTIAL STANDARDS AND USES		
* * * *		
Automotive Use Category		
* * * *		
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

Zoning Category	§ References	C-3-O	C-3-O(SD)	C-3-R	C-3-G	C-3-S
* * * *						
NON-RESIDENTIAL STANDARDS AND USES						
* * * *						
Automotive Use Category						
* * * *						
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

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

* * * *					
Automotive Use Category					
* * * *					
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

Zoning Category	§ References	M-1	M-2
* * * *			
NON-RESIDENTIAL STANDARDS AND USES			
* * * *			
Automotive Use Category			
* * * *			
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) The impact on educational institutions located near the site; and

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

10 (i) **Employment Analysis.** The report shall include the following
11 employment information: a projection of both construction-related and permanent employment
12 generated by the proposed project, and a discussion of whether the employer of the proposed project
13 will pay a living wage, inclusive of non-salary benefits expected to be provided, relative to San
14 Francisco's cost of living. The employment analysis shall also include a discussion of the past and
15 current employment practices of the proposed operator, if any, including but not limited to artificial
16 intelligence utilization and autonomous vehicles driven in ratio of human-operated activities.

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

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

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

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

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

19 * * * *

20 **(d) Accessory Uses.** Subject to the limitations set forth below and in Sections 204.1
21 (Accessory Uses for Dwellings in All Districts), 204.4 (Dwelling Units Accessory to Other
22 Uses), and 204.5 (Parking and Loading as Accessory Uses) of this Code, Accessory Uses as
23 defined in Section 102 shall be permitted when located on the same lot. Notwithstanding the
24 foregoing, a Retail Workspace, as defined in Section 102, shall be permitted as an Accessory
25 Use in connection with any Eating and Drinking Use regardless of the floor area occupied by

1 such Accessory Use, so long as (1) the hours of operation for the accessory Retail
 2 Workspace use are limited to 9 a.m. to 5 p.m. and (2) such Eating and Drinking Use is also
 3 open for business to the general public on each day during which the accessory Retail
 4 Workspace use is open. Any Use that does not qualify as an Accessory Use shall be
 5 classified as a Principal or Conditional Use unless it qualifies as a temporary use under
 6 Sections 205 through 205.4 of this Code. Parcel Delivery Service, as defined in Section 102
 7 of the Planning Code, for merchandise or products other than cannabis and cannabis
 8 products is not allowed as an accessory use to any other principal use.

9 * * * *

10
 11 **SEC. 712. NC-3 – MODERATE-SCALE NEIGHBORHOOD COMMERCIAL**
 12 **DISTRICT.**

13 * * * *

14 **Table 712. MODERATE-SCALE NEIGHBORHOOD COMMERCIAL DISTRICT NC-3**
 15 **ZONING CONTROL TABLE**

		NC-3		
Zoning Category	§ References	Controls		
* * * *				
NON-RESIDENTIAL STANDARDS AND USES				
* * * *				
NON-RESIDENTIAL USES		Controls by Story		
		1st	2nd	3rd+
* * * *				
Automotive Use Category				

1	Automotive Uses*	§§ 102, 187.1, 202.2(b), <i>303(cc)</i>	C	NP	NP
2					
3	* * * *				

4 * * * *

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

6 * * * *

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

16 * * * *

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

18 * * * *

19 **Table 830**

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

21 Central SoMa Mixed Use-Office District Controls		
22 Zoning Category	§ References	Controls
23 NON-RESIDENTIAL STANDARDS & USES		
24 * * * *		
25 Automotive Use Category		

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

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

* * * *		
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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
* * * *		
NON-RESIDENTIAL STANDARDS AND USES		
* * * *		
Automotive Use Category		
* * * *		
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
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NON-RESIDENTIAL STANDARDS AND USES		
* * * *		
Automotive Use Category		
* * * *		
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

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

* * * *

1 Therefore, upon the effective date of this ordinance, the ordinance shall be retroactive to
2 March 30~~8~~, 2024.

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

10
11
12 APPROVED AS TO FORM:
13 DAVID CHIU, City Attorney

14 By: /s/ Robb Kapla
15 ROBB KAPLA
16 Deputy City Attorney

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REVISED LEGISLATIVE DIGEST
(Amended in Committee – March 4, 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 creates new conditional use authorization criteria and findings for PDS uses 5,000 square feet or larger in size. To conditionally authorize such a PDS use, the Planning Commission would have to consider the following criteria: transit and traffic impacts, greenhouse gas emissions, and public and worker safety of the PDS use, as well as 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.

On March 4, 2024, the Land Use and Transportation Committee amended the Proposed Legislation to add new criteria to the conditional use authorization requirements for PDS uses 5,000 square feet or larger. The amendments require that the Planning Commission also consider the PDS use’s impacts on nearby educational institutions and require that the

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economic impact study's employment analysis include information regarding the PDS operator's utilization of artificial intelligence and autonomous vehicles in relation to the number of proposed on-site workers and vehicle drivers.

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