



Executive Summary

Planning Code Text Amendment

HEARING DATE: October 14, 2021

90-Day Deadline: October 19, 2021

Project Name: Repealing Article 12 Regarding Oil and Gas Facilities
Case Number: 2021-007368PCA [Board File No. 210807]
Initiated by: Supervisor Chan / Introduced July 13, 2021
Staff Contact: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533

Recommendation: Approval with Modifications

Planning Code Amendment

Ordinance amending the Planning Code to repeal Article 12, which contains regulations governing land use activities associated with oil and gas exploration, development, and processing.

The Way It Is Now:

Article 12 of the Planning Code regulates the land use activities, structures, equipment and/or facilities associated with oil and gas exploration, development, and processing. It overrides all other controls in the Planning Code that regulate these uses.

The Way It Would Be:

With the removal of Article 12, regulation of oil and gas exploration, development, and processing would revert to the controls found in Article 2 of the Planning Code.

Background

On November 4, 1986, voters enacted Appendix M of the San Francisco Charter, which adopted a moratorium on the use, development or construction of crude oil and gas processing and support facilities in San Francisco. Appendix M provides that during the moratorium period, the City Planning Commission shall study the need for permanent and comprehensive controls and shall analyze the social, economic, and physical impact of the use, development and construction of crude oil and gas processing and support facilities.

Article 12 was adopted in response to Appendix M in 1990. It created two overlay zoning district categories, M-2(OGS) and M-2(OGP), which could be mapped onto existing M-2 (Heavy Industrial) districts. Oil and gas facilities are allowed only within those two overlay districts, and only with Conditional Use approval. Since Article 12's adoption, no overlay zones have ever been created.

Removing this Article will put the controls for oil and gas facilities back under Article 2 of the Code, which includes PDR and M zoning districts, both of which allow oil and gas facilities to different degrees. Heavy Manufacturing 2 and 3 are allowed in M-2 and PDR-2 Districts, and Heavy Manufacturing 2 is allowed in PDR-1-G Districts. Either with a CU or principally permitted depending on the district and use. Both Heavy Manufacturing 2 and 3 call out production or refining of petroleum products as use covered under those definitions.

Issues and Considerations

Gowing Irrelevance of Article 12

San Francisco has two classes of industrial districts, M (Industrial) and PDR (Production Distribution and Repair). M districts are an older zoning district that was around well before Article 12 was added to the Code. PDR is a relatively new zoning district created in the early 2000s. The PDR district rezoning effort sought to reimagine the City's industrial lands to respond to our changing needs and economy. While PDR Districts are like M districts in that they are intended for industrial uses, they differ from M districts in that they prohibit housing and office uses. The amount of retail a property can have in a PDR District is also significantly limited.

The initial rezoning replaced a significant amount of the city's M zoning with PDR, but it did not eliminate all M districts entirely. Properties outside the initial study area were left untouched, as was most of the Port's property; however, the City recently passed an ordinance to eliminate most M zoning. Currently there are only some M zoned parcels left in the Bayview¹ and on Port property. Since the overlay zoning promulgated in Article 12 only applies to M-2 parcels, the more land that is converted from M to PDR, the less relevant Article 12 becomes. Further, the remaining M zoning district will likely all be under the Port's jurisdiction, which does not necessarily have to abide by the zoning controls in the Planning Code.

Climate Change

Removing Article 12 will not reduce San Francisco's current or future carbon emissions. Given land costs and the onerous process to allow petroleum refineries in San Francisco, it is extremely unlikely that a petrochemical company would locate their operations in San Francisco². That does not mean that removing Article 12 and amending the code to prohibit these uses in San Francisco doesn't have symbolic importance. It does reaffirm the City's commitment to the environment and reducing our reliance on fossil fuels.

San Francisco has made progress in reducing its carbon footprint over the last 30 years. Since 1990 to 2019, San Francisco's carbon footprint was reduced by 41%, while the population increased by 22% and the GDP increased by 199%. Most of the reduction came from reducing the carbon emissions from buildings, which went down 51%

¹ Prior to COVID, these M Parcels were going to be rezoned as part of the Cultural District work in that area, but the effort was put on hold due to COVID.

² Per the original Article 12 ordinance, 306-90, "An onshore oil and gas supply base can require up to 35 acres of land and an oil and gas processing facility can require up to 140 acres of land for typical operations."

since 1990.³ Since the City recently banned natural gas in new construction (which typically accounts for 80% of the carbon emissions in a building) that number is likely to continue to decrease. Where we haven't been as successful is in reducing our carbon footprint from transportation, a sector mostly fueled by oil and gas. Since 1990 we have only been able to reduce carbon emission from transportation by 19%⁴. To reduce this further, the City will have to find ways to disincentivize private automobile use, and encourage active forms of transportation and public transportation.

Environmental Hazards of Petroleum Refineries⁵

Refineries are generally considered a major source of pollutants in areas where they are located and are regulated by several environmental laws related to air, land, and water.

Air pollution hazards: Petroleum refineries are a major source of hazardous and toxic air pollutants such as BTEX compounds (benzene, toluene, ethylbenzene, and xylene). They are also a major source of criteria air pollutants: particulate matter (PM), nitrogen oxides (NOx), carbon monoxide (CO), hydrogen sulfide (H₂S), and sulfur dioxide (SO₂). Refineries also release less toxic hydrocarbons such as natural gas (methane) and other light volatile fuels and oils. Some of the chemicals released are known or suspected cancer-causing agents, responsible for developmental and reproductive problems. They may also aggravate certain respiratory conditions such as childhood asthma. Along with the possible health effects from exposure to these chemicals, these chemicals may cause worry and fear among residents of surrounding communities. Air emissions can come from a number of sources within a petroleum refinery including equipment leaks (from valves or other devices); high-temperature combustion processes in the actual burning of fuels for electricity generation; the heating of steam and process fluids; and the transfer of products. Many thousands of pounds of these pollutants are typically emitted into the environment over the course of a year through normal emissions, fugitive releases, accidental releases, or plant upsets. The combination of volatile hydrocarbons and oxides of nitrogen also contribute to ozone formation, one of the most important air pollution problems in the United States.

Water pollution hazards: Refineries are also potential major contributors to ground water and surface water contamination. Some refineries use deep-injection wells to dispose of wastewater generated inside the plants, and some of these wastes end up in aquifers and groundwater. These wastes are then regulated under the Safe Drinking Water Act (SDWA). Wastewater in refineries may be highly contaminated given the number of sources it can encounter during the refinery process (such as equipment leaks and spills and the desalting of crude oil). This contaminated water may be process wastewaters from desalting, water from cooling towers, stormwater, distillation, or cracking. It may contain oil residuals and many other hazardous wastes. This water is recycled through many stages during the refining process and goes through several treatment processes, including a wastewater treatment plant, before being released into surface waters. The wastes discharged into surface waters are subject to state discharge regulations and are regulated under the Clean Water Act (CWA). These discharge guidelines limit the amounts of sulfides, ammonia, suspended solids and other compounds that may be present in the wastewater. Although these guidelines are in place, sometimes significant contamination from past discharges may remain in surface water bodies.

Soil pollution hazards: Contamination of soils from the refining processes is generally a less significant problem when compared to contamination of air and water. Past production practices may have led to spills on the

³ <https://sfenvironment.org/carbonfootprint>

⁴ *ibid*

⁵ Information in this section was obtained from:

<https://cfpub.epa.gov/ncer/abstracts/index.cfm/fuseaction/display.files/fileID/14522>

refinery property that now need to be cleaned up. Natural bacteria that may use the petroleum products as food are often effective at cleaning up petroleum spills and leaks compared to many other pollutants. Many residuals are produced during the refining processes, and some of them are recycled through other stages in the process. Other residuals are collected and disposed of in landfills, or they may be recovered by other facilities. Soil contamination including some hazardous wastes, spent catalysts or coke dust, tank bottoms, and sludges from the treatment processes can occur from leaks as well as accidents or spills on or off site during the transport process.

General Plan Compliance

The proposed ordinance is consistent with the Environmental Protection Element in that it encourages the development of nonpolluting industry, encourage the use of renewable energy sources, and promotes the use and development of shoreline areas consistent with the General Plan and the best interest of San Francisco.

Racial and Social Equity Analysis

Communities of color and the poor suffer the most from the pollution caused by the oil and gas industry. About 56 percent of the nine million Americans who live in neighborhoods within three kilometers of large commercial hazardous waste facilities are people of color, according to a landmark, 2007 environmental justice report by the United Church of Christ. In California, it's 81 percent. Poverty rates in these neighborhoods are 1.5 times higher than elsewhere.⁶

In the Bay Area we can see the impacts that the oil refineries have had on the community of Richmond. The oil refinery in Richmond is one of the largest in the United States and processes nearly 250,000 barrels of crude oil each day. People in north and central Richmond are exposed to a greater array of contaminants, including benzene, mercury and other hazardous air pollutants that have been linked to cancer, reproductive problems, and neurological effects. Decades of toxic emissions from industry- as well diesel particles from truck rail lines running next door to neighborhoods – impacts residents' health. The people of Richmond, particularly African Americans, are at significantly higher risk of dying from heart disease and strokes and more likely to go to hospitals for asthma than other county residents.⁷

In San Francisco our industrial land is primarily located in the Bayview Hunters Point (BVHP), a low-income community of color located in southeast San Francisco. The residents and environment of BVHP are disproportionately impacted by pollution sources, including toxic contamination at the Hunters Point Naval Shipyard Superfund site and dozens of other contaminated sites along the waterfront and throughout the community. They are also sandwiched between two freeways, which spew a constant stream of toxic emissions into the air. Were any oil and gas facilities to locate within San Francisco they would most likely be in the BVHP, devastating this already impacted community. Removing Article 12 and affirming that oil and gas facilities are not permitted in San Francisco would help advance racial and social equity in San Francisco, or at the very least help prevent further environmental racism.

Implementation

The Department has determined that this ordinance will not impact our current implementation procedures.

⁶ <https://www.scientificamerican.com/article/pollution-poverty-people-color-living-industry/>

⁷ *ibid*

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. Amend the definition of Heavy Manufacturing 2 and 3 to exclude from the definition the production or refining of petroleum products associated with oil and gas exploration.

Manufacturing 2, Heavy. An Industrial Use having the potential of creating substantial noise, smoke, dust, vibration, and/or other environmental impacts or pollution, and including, but not limited to:

(a) Production or refining of petroleum products excluding land use activities, structures, equipment and/or facilities associated with oil and gas exploration.

* * * *

Manufacturing 3, Heavy. An Industrial Use having the potential of creating substantial noise, smoke, dust, vibration, and/or other environmental impacts or pollution, and including, but not limited to:

* * * *

(c) Manufacture, refining, distillation, or treatment of any of the following: abrasives, acid (noncorrosive), alcohol, ammonia, asbestos, asphalt, bleaching powder, candles (from tallow), celluloid, chlorine, coal, coke, creosote, dextrine, disinfectant, dye, enamel, gas carbon or lampblack, gas (acetylene or other inflammable), glucose, insecticide, lacquer, linoleum, matches, oilcloth, oil paint, paper (or pulp), petroleum products (excluding land use activities, structures, equipment and/or facilities associated with oil and gas exploration), perfume, plastics, poison, potash, printing ink, refuse mash or refuse grain, rubber (including balata or gutta-percha or crude or scrap rubber), shellac, shoe or stove polish, soap, starch, tar, turpentine, or varnish.

Basis for Recommendation

The Department supports the proposed ordinance because it will remove an outdated section of the Planning Code, it is supported by the Environmental Protection Element of the General Plan, it will help further the City's commitment racial and social equity, and it will reaffirm the City's commitment to ending the use of fossil fuels; however, without this section, land use activities, structures, equipment or facilities associated with oil and gas exploration would theoretically still be permitted in San Francisco's most vulnerable communities. To address this the Planning Department is proposing the following recommended modifications.

Recommendation 1: Amend the definition of Heavy Manufacturing 2 and 3 to exclude from the definition the production or refining of petroleum products associated with oil and gas exploration.

Staff recommends modifying the definition of these two uses because without this amendment, production or refining of petroleum products will still be permitted to varying degrees in M-1, M-2, PDR-2 and PDR-1-G zoning districts. These districts are in or adjacent to vulnerable communities that have suffered from significant

environmental pollution. Ensuring that these toxic uses are not permitted near these communities is essential to protecting their health and wellbeing.

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 15060(c) and 15378 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.

Attachments:

- Exhibit A:** Draft Planning Commission Resolution
- Exhibit B:** Resolution Recommending Adoption of Article 12, Ordinance 306-90
- Exhibit C:** Board of Supervisors File No. 210807



Planning Commission Draft Resolution

HEARING DATE: October 14, 2021

Project Name: Repealing Article 12 Regarding Oil and Gas Facilities
Case Number: 2021-007368PCA [Board File No. 210807]

Initiated by: Supervisor Chan/ Introduced July 13, 2021
Staff Contact: Aaron Starr, Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533

RESOLUTION APPROVING A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO REPEAL ARTICLE 12, WHICH CONTAINS REGULATIONS GOVERNING LAND USE ACTIVITIES ASSOCIATED WITH OIL AND GAS EXPLORATION, DEVELOPMENT, AND PROCESSING; AFFIRMING THE PLANNING DEPARTMENT'S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN, AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1, AND FINDINGS OF PUBLIC NECESSITY, CONVENIENCE, AND WELFARE UNDER PLANNING CODE, SECTION 302.

WHEREAS, on July 13, 2021, Supervisors Chan introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 210807, which would Ordinance amending the Planning Code to repeal Article 12, which contains regulations governing land use activities associated with oil and gas exploration, development, and processing; and,

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on October 14, 2021; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15060(c); 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 recommended modifications are as follows:

1. Amend the definition of Heavy Manufacturing 2 and 3 to exclude from the definition the production or refining of petroleum products associated with oil and gas exploration.

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 Commission finds that the proposed ordinance will remove an outdated section of the Planning Code, it is supported by the Environmental Protection Element of the General Plan, it will help further the City's commitment racial and social equity, and it will reaffirm the City's commitment to ending the use of fossil fuels.

The Commission finds that modifying the definition of Heavy Manufacturing 2 and 3 to prohibit production or refining of petroleum products associated with oil and gas exploration will help protect vulnerable communities that have suffered from significant environmental pollution. Ensuring that these toxic uses are not permitted near these communities is essential to protecting their health and wellbeing.

General Plan Compliance

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

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 3

MAINTAIN AND IMPROVE THE QUALITY OF THE BAY, OCEAN, AND SHORELINE AREAS.

Policy 3.2

Promote the use and development of shoreline areas consistent with the General Plan and the best interest of San Francisco.

The proposed ordinance with the Commission's recommended modifications would ensure that the City's shoreline areas would not be developed with undesirable uses inconsistent with the General Plan and in the best interest of San Francisco.

OBJECTIVE 4

ASSURE THAT THE AMBIENT AIR OF SAN FRANCISCO AND THE BAY REGION IS CLEAN, PROVIDES MAXIMUM VISIBILITY, AND MEETS AIR QUALITY STANDARDS.

Policy 4.4

Promote the development of nonpolluting industry and insist on compliance of existing industry with established industrial emission control regulations.

The proposed Ordinance will ensure that air quality in San Francisco will not be further degraded by the refining or petrochemicals.

OBJECTIVE 16

PROMOTE THE USE OF RENEWABLE ENERGY SOURCES.

Policy 16.1

Develop land use policies that will encourage the use of renewable energy sources.

The proposed Ordinance discourages will help encourage the use of renewable energy sources.

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 October 14, 2021.

Jonas P. Ionin
Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED: October 14, 2021

Ordinance
② Resolution approving Neg. Dec.
Board

File No. 90.115ET
Oil and Gas Facilities
Proposal for Adoption

SAN FRANCISCO
CITY PLANNING COMMISSION
RESOLUTION NO. 11926

WHEREAS, On November 4, 1986, the people of the City and County of San Francisco enacted Appendix M of the San Francisco Charter, which adopted a moratorium on the use, development or construction of crude oil and gas processing and support facilities in San Francisco; and

WHEREAS, Appendix M provides that during the moratorium period, the City Planning Commission shall study the need for permanent and comprehensive controls and shall analyze the social, economic and physical impact of the use, development and construction of crude oil and gas processing and support facilities; and

WHEREAS, the Department of City Planning is participating in a Regional Studies Program formed for the purposes of compiling and generating information regarding the potential impacts of oil and gas exploration and production; and

WHEREAS, several background studies have been completed by the Regional Studies Program which examine the potential physical and socioeconomic impacts of oil and gas exploration and development; and

WHEREAS, an onshore oil and gas supply base can require up to 35 acres of land and an oil and gas processing facility can require up to 140 acres of land for typical operations; and

WHEREAS, oil and gas supply bases can generate 300 pounds of solid waste daily; and

WHEREAS, offshore oil and gas drilling and processing can generate up to 82,000 barrels of contaminated drilling muds and cuttings, which would be transported through an onshore supply base to a Class I landfill disposal site; and

WHEREAS, oil and gas processing facilities can generate 2,600 barrels per year of hazardous waste, requiring Class I landfill disposal; and

WHEREAS, oil and gas supply bases can generate up to two helicopter trips per day per offshore platform during platform production and development drilling; and

WHEREAS, oil and gas supply bases and processing facilities each are sources of air pollution, producing reactive hydrocarbons, nitrogen oxides, sulfur dioxide, carbon monoxide and total suspended particulates; and

WHEREAS, both oil and gas supply bases and oil and gas processing facilities are potential sources of accidents which could include oil spills, fires, explosions or explosive releases of gases; and

CITY PLANNING COMMISSION

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WHEREAS, the value of public and private land and improvements along San Francisco Bay within the City and County of San Francisco has been estimated at over six billion dollars; and

WHEREAS, there are approximately 180 commercial fishing vessels registered in San Francisco County, landing approximately 21 million pounds of fish annually, valued at about 9 million dollars; and

WHEREAS, San Francisco County has been estimated to provide about 4.5 million person days per year of water-related recreational activity, with about 3.1 million of those person days related to San Francisco Bay; and

WHEREAS, the estimated expenditures on coastal-related recreational activity in San Francisco County have been estimated to be about 140 million dollars annually, with about 51 million dollars related to activity in San Francisco Bay; and

WHEREAS, the U. S. Department of Interior proposes to lease 1.7 million acres of coastal waters off of central California for potential oil and gas exploration and development; and

WHEREAS, the Final Environmental Impact Statement published by the U. S. Department of Interior which examined potential impacts from the proposed leasing program concluded that supply bases may be located in San Francisco; and

WHEREAS, the impacts associated with development of onshore oil and gas supply bases or processing facilities could have adverse impacts upon fishing and other coastal dependent industries, tourism, recreation and open space areas in San Francisco, as well as regional air and water quality and the marine environment; and

WHEREAS, the physical and socioeconomic impacts which could result from such onshore oil and gas facilities could occur whether oil and gas exploration and drilling occurred in federal waters, state waters and/or on land; and

WHEREAS, Objective 4, Policy 4 of the Environmental Protection Element of the Master Plan of the City and County of San Francisco encourages the development of nonpolluting industry; and

WHEREAS, Objective 16, Policy 1 of the Environmental Protection Element of the Master Plan of the City and County of San Francisco is to develop land use policies that will encourage the use of renewable energy sources; and

WHEREAS, Objective 3, Policy 2 of the Environmental Protection Element of the Master Plan of the City and County of San Francisco is to promote the use and development of shoreline areas consistent with the Master Plan and the best interest of San Francisco; and

WHEREAS, Objective 5, Policies 7 and 8 of the Commerce and Industry Element of the Master Plan of the City and County of San Francisco are to restore the fishing industry to San Francisco and encourage maritime activity which complements visitor activity and resident recreation; and

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WHEREAS, the existing Planning Code of the City and County of San Francisco would restrict production or refining of petroleum products to M-2 (Heavy Industrial) districts and would require Conditional Use authorization for such uses; and

WHEREAS, the existing Planning Code of the City and County of San Francisco would allow supply bases for oil and gas exploration and development in C-M (Heavy Commercial), M-1 (Light Industrial) and M-2 districts; and

WHEREAS, the existing Planning Code provides no further guidance or procedures for the regulation of oil and gas facilities; and

WHEREAS, it is necessary to include additional provisions in the Planning Code in order to ensure that all currently available information is taken into account in the regulatory process for review and approval of permit applications for oil and gas facilities; and

WHEREAS, The City Planning Commission on March 15, 1990 adopted Resolution Number 11896, initiating its intention to adopt permanent amendments to the text of the City Planning Code by adding an Oil and Gas Facilities Ordinance; and

WHEREAS, the City Planning Commission on April 26, 1990 held a duly noticed public hearing to consider amending the City Planning Code by adding the Oil and Gas Facilities Ordinance, which is attached hereto as EXHIBIT A; and

WHEREAS, the proposed amendment to the text of the City Planning Code would be consistent with the above-stated Master Plan policies; and

WHEREAS, Environmental Review of the proposed amendment was conducted pursuant to the California Environmental Quality Act and Chapter 31 of the San Francisco Administrative Code, and a Final Negative Declaration was adopted and issued on April 12, 1990; and

WHEREAS, The City Planning Commission reviewed and considered the information contained in the Final Negative Declaration; and

WHEREAS, The proposed amendment to the text of the Planning Code is, on balance, consistent with the eight priority policies of Planning Code Section 101.1 based on the following findings:

1. The proposed text amendment will not affect existing neighborhood-serving retail uses.
2. The proposed text amendment will tend to protect and conserve existing housing and neighborhood character by minimizing conflicts between oil and gas facilities and residential neighborhoods.
3. The proposed text amendment will not affect the supply of affordable housing.

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4. The proposed text amendment will not affect commuter traffic.
5. The proposed text amendment will ensure that there is an appropriate district within the City where oil and gas facilities are allowable, thereby maintaining a diverse economic base.
6. The proposed text amendment will not affect the City's earthquake preparedness.
7. The proposed text amendment will not cause a change in the status of any landmarks or historic buildings.
8. The proposed text amendment will not affect the City's parks or public open space areas.

NOW, THEREFORE, BE IT RESOLVED THAT, the City Planning Commission finds that, in order to respond to the mandate of Appendix M of the San Francisco Charter and to ensure implementation of existing Master Plan policies, the public necessity, convenience and general welfare require that the proposed permanent amendments to the text of the City Planning Code, shown in Exhibit A, be adopted, and the same is hereby approved.

I hereby certify that the foregoing Resolution was ADOPTED by the City Planning Commission on April 26, 1990.

Sharon Rogers
Secretary

AYES: Commissioners Bierman, Boldridge, Hu, Morales, and Karasick

NOES: None

ABSENT: Engmann and Sewell

ADOPTED: April 26, 1990

[Planning Code - Repealing Article 12 Regarding Oil and Gas Facilities]

Ordinance amending the Planning Code to repeal Article 12, which contains regulations governing land use activities associated with oil and gas exploration, development, and processing; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302.

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

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

Section 1. Findings.

(a) The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. 210807 and is incorporated herein by reference. The Board affirms this determination.

(b) The Planning Department determined 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 adopts this determination as its own. A copy of

1 said determination is on file with the Clerk of the Board of Supervisors in File No.

2 _____, and is incorporated herein by reference.

3 (c) Pursuant to Planning Code Section 302, the Board of Supervisors finds that this
4 ordinance will serve the public necessity, convenience and welfare for the reasons set forth in
5 Planning Commission Resolution No. _____, and incorporates such reasons by this
6 reference thereto. 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 deleting Article 12, consisting of
10 Sections 1201, 1201.1, 1202, 1203, 1204, 1205, 1205.1, 1206, 1206.1, 1207, 1207.1, 1207.2,
11 1207.3, and 1208, as follows:

12 ~~**ARTICLE 12:**~~

13 ~~**OIL AND GAS FACILITIES**~~

14 ~~**SEC. 1201. TITLE.**~~

15 ~~_____ *This ordinance shall be known as the "Oil and Gas Facilities Ordinance."*~~

17 ~~**SEC. 1201.1. OIL AND GAS FACILITIES DISTRICT PROVISIONS.**~~

18 ~~_____ *The provisions set forth in this Article 12 shall regulate the land use activities, structures,*~~
19 ~~*equipment and/or facilities associated with oil and gas exploration, development and processing. In the*~~
20 ~~*event of conflict between provisions of Article 12 and other provisions of this Code, the provisions of*~~
21 ~~*Article 12 shall prevail.*~~

23 ~~**SEC. 1202. PURPOSE AND INTENT OF ARTICLE 12.**~~

24 ~~*This Article is intended to regulate all land use activities associated with oil and gas*~~
25 ~~*exploration, development and processing, in order to ensure consistency between this Code and the*~~

1 ~~Master Plan of the City and County of San Francisco. More specifically, the purposes of this Article~~
2 ~~are:~~

3 ~~(a) To provide in one Article a comprehensive listing of zoning categories, control provisions~~
4 ~~and review procedures which are applicable to permits for land use activities associated with oil and~~
5 ~~gas exploration, development and processing;~~

6 ~~(b) To establish zoning control categories which regulate the full range of land use activities~~
7 ~~that are associated with oil and gas exploration, development and processing;~~

8 ~~(c) To establish a zoning system which will ensure compatibility of land uses permitted within~~
9 ~~neighboring zoning districts, to the maximum extent feasible;~~

10 ~~—— (d) To protect existing and future land use activities which are not related to oil and gas~~
11 ~~exploration, development and processing from the potential harmful effects of activities which are~~
12 ~~associated with oil and gas exploration, development and processing.~~

13
14 ~~**SEC. 1203. OIL AND GAS FACILITIES OVERLAY DISTRICTS.**~~

15 ~~—— The following two classes of overlay zoning districts are established for the purpose of~~
16 ~~regulating land use activities associated with oil and gas exploration, development and processing:~~

17 ~~(a) M-2(OGS): Heavy Industrial, Oil and Gas Support Facilities, Overlay District; and~~

18 ~~(b) M-2(OGP): Heavy Industrial, Oil and Gas Processing Facilities, Overlay District.~~

19 ~~The M-2(OGS) Overlay Zoning District is defined in Section 1205, below. The controls applicable~~
20 ~~within said district are provided in Section 1205.1.~~

21 ~~The M-2(OGP) Overlay Zoning District is defined in Section 1206, below. The controls applicable~~
22 ~~within said district are provided in Section 1206.1.~~

23
24 ~~**SEC. 1204. MAPPING OF OIL AND GAS FACILITIES OVERLAY DISTRICTS.**——~~
25

1 ~~———— The M-2(OGS) and M-2(OGP) Overlay Zoning Districts shall be mapped in accordance with~~
2 ~~the established procedures for amendments to the Zoning Map, as set forth in Article 3 of this Code.~~
3 ~~Every application for the mapping of such an overlay district shall be accompanied by a Preliminary~~
4 ~~Development Plan, as described in Sections 1207 and 1207.1, below.~~

5 ~~———— The application to map an M-2(OGS) or M-2(OGP) District shall not be approved unless a~~
6 ~~finding is made that there are no feasible alternative locations within San Francisco where the~~
7 ~~potential adverse environmental impacts of an oil and gas facility could be reduced or avoided.~~

8
9 **~~SEC. 1205. M-2(OGS) - HEAVY INDUSTRIAL OIL AND GAS SUPPORT FACILITIES,~~**
10 **~~OVERLAY DISTRICT.~~**

11 ~~This overlay district is intended to regulate the staging areas associated with oil and gas~~
12 ~~exploration, development and processing. The provisions related to this district shall apply to all~~
13 ~~activities, facilities, structures and equipment necessary or incidental to oil and gas exploration,~~
14 ~~development and processing. Such activity generally consists of, but is not limited to, the storage and~~
15 ~~transport of equipment, supplies, materials, waste products and personnel to and from development~~
16 ~~areas during construction of structures and exploration, development or processing of petroleum~~
17 ~~products. Such activity shall also include, but not be limited to, oil spill containment and recovery~~
18 ~~equipment, supplies, facilities, structures and operations, but only when in conjunction with other oil~~
19 ~~and gas support facilities at the same site.~~

20 ~~The M-2(OGS) District can only be mapped as an overlay to a site within an M-2 (Heavy~~
21 ~~Industrial) District.~~

22
23 **~~SEC. 1205.1. CONTROLS APPLICABLE WITHIN M-2(OGS) OVERLAY DISTRICT.~~**

24 ~~—(a) Staging areas associated with oil and gas exploration, development and processing shall~~
25 ~~be permitted as a conditional use within an M-2(OGS) Overlay District, in accordance with the~~

1 ~~established procedures for conditional use, as set forth in Article 3 of this Code. Staging areas~~
2 ~~proposed in conjunction with processing facilities shall also be permitted within an M-2 (OGP)~~
3 ~~Overlay District, in accordance with the regulations prescribed below in Sections 1206 and 1206.1.~~

4 ~~(b) No application for conditional use pursuant to this section shall be accepted by the~~
5 ~~Department of City Planning until an M-2(OGS) Overlay District has first been mapped pursuant to~~
6 ~~Section 1204, above.~~

7 ~~(c) Every application for conditional use pursuant to this section shall be accompanied by a~~
8 ~~proposed Final Development Plan, as described in Section 1207.2, below. In making the conditional~~
9 ~~use findings required by Section 303 of this Code, the City Planning Commission shall also be required~~
10 ~~to approve the Final Development Plan submitted by the applicant, pursuant to the procedures set forth~~
11 ~~in Section 1207.3, below.~~

12 ~~(d) In addition to the requirements prescribed in Subsections 1205.1(a) through 1205.1(e),~~
13 ~~above, no application for a staging area shall be approved unless the City Planning Commission finds~~
14 ~~either that the following development standards are satisfied, or that the applicant agrees to satisfy the~~
15 ~~following standards as a condition of project approval:~~

16 ~~——— (1) The applicant has received "Authority to Construct" from the Bay Area Air Quality~~
17 ~~Management District, if applicable;~~

18 ~~——— (2) The project will comply with all aspects of the City's Noise Ordinance, Article 29 of~~
19 ~~the Police Code. Such controls shall apply, but not be limited to construction equipment, operational~~
20 ~~noise, and all transportation vehicles accessing the site, including marine vessels and helicopters; and~~

21 ~~——— (3) No materials or equipment shall be delivered to or removed from the site via streets~~
22 ~~within a residentially zoned district between the hours of seven p.m. and seven a.m. of the following~~
23 ~~day.~~

~~SEC. 1206. M-2(OGP) - HEAVY INDUSTRIAL, OIL AND GAS PROCESSING FACILITIES, OVERLAY DISTRICT.~~

~~———— This overlay district is intended to regulate the processing facilities necessary or related to oil and gas exploration, development and processing. The provisions related to this district shall apply to all aspects of the production of oil and gas, including but not limited to:~~

~~(a) Structures, equipment or facilities that process, convert, refine and/or treat crude oil and gas, including facilities that separate crude oil and gas from sea water and dissolved chemicals;~~

~~(b) Pipelines, crude oil tanker facilities and other related methods by which crude oil and gas are transported to crude oil and gas processing or support facilities;~~

~~(c) Storage tanks necessary or incidental to separation/treatment of oil and gas, or temporary storage of separated hydrocarbons, if related to an oil and gas processing operation, and equipment for transfer of the produced hydrocarbons to pipelines or tanker trucks, if related to an oil and gas processing operation;~~

~~(d) Access roads necessary or incidental to an oil and gas production operation;~~

~~(e) Oil spill containment and recovery equipment, supplies, facilities, structures and operations, but only when proposed in conjunction with processing facilities; and~~

~~(f) Staging areas, as designated above in Section 1205, but only when proposed in conjunction with processing facilities.~~

~~The M-2(OGP) District can only be mapped as an overlay to a site within an M-2 (Heavy Industrial) District.~~

~~SEC. 1206.1. CONTROLS APPLICABLE WITHIN M-2(OGP) OVERLAY DISTRICT.~~

~~(a) Processing facilities necessary or related to oil and gas exploration and development shall be permitted only within an M-2(OGP) Overlay District, and only as a conditional use, in accordance with the established procedures for conditional use, as set forth in Article 3 of this Code. Support~~

1 ~~facilities, as described above in Section 1205, shall also be permitted as a conditional use within an M-~~
2 ~~2(OGP) overlay district.~~

3 ~~(b) No application for conditional use pursuant to this section shall be accepted by the~~
4 ~~Department of City Planning until an M-2(OGP) overlay district has first been mapped pursuant to~~
5 ~~Section 1204, above.~~

6 ~~(c) Every application for conditional use pursuant to this section shall be accompanied by a~~
7 ~~proposed Final Development Plan, as described in Section 1207.2, below. In making the conditional~~
8 ~~use findings as required by Section 303 of this Code, the City Planning Commission shall also be~~
9 ~~required to approve the final development plan submitted by the applicant, pursuant to the procedures~~
10 ~~set forth in Section 1207.3, below.~~

11 ~~(d) In addition to the requirements prescribed in Subsections 1206.1(a) through 1206.1(e),~~
12 ~~above, no application for a processing facility shall be approved unless the City Planning Commission~~
13 ~~finds either that the following development standards are satisfied, or that the applicant agrees to~~
14 ~~satisfy the following standards as a condition of project approval:~~

15 ~~—— (1) The applicant has received "Authority to Construct" from the Bay Area Air Quality~~
16 ~~Management District, if applicable;~~

17 ~~—— (2) The project will comply with all aspects of the City's Noise Ordinance, Article 29 of~~
18 ~~the Police Code. Such controls shall apply, but not be limited to construction equipment, operational~~
19 ~~noise, and all transportation vehicles accessing the site, including marine vessels and helicopters;~~

20 ~~—— (3) No materials or equipment shall be delivered to or removed from the site via streets~~
21 ~~within a residential district between the hours of seven p.m. and seven a.m. of the following day;~~

22 ~~—— (4) The project shall be made visually compatible with its surrounding land uses by any~~
23 ~~or all of the following measures: buffer strips, berms, landscaping, camouflage and/or painting;~~

24 ~~—— (5) All lights shall be shielded so as not to directly shine on adjacent properties; and~~

25 ~~—— (6) With regard to any pipelines required for the project;~~

1 ~~————— (A) No construction activity or deliveries within or through a residentially~~
2 ~~zoned district shall occur between the hours of seven p.m. and seven a.m. of the following day;~~

3 ~~————— (B) All equipment and activities shall be restricted to the pipeline right-of-way;~~

4 ~~————— (C) The pipeline corridor shall be sited so as to avoid residential, recreational,~~
5 ~~and archaeological resource areas, to the maximum extent possible;~~

6 ~~————— (D) Automatic shutoff valves shall be utilized so as to minimize the amount of a~~
7 ~~spill in the event of an accident; and~~

8 ~~————— (E) Appropriate measures for spill containment and cleanup specific to~~
9 ~~pipelines shall be included in the Final Development Plan.~~

10
11 **~~SEC. 1207. DEVELOPMENT PLANS.~~**

12 ~~———— (a) Development plans, within the meaning of this Article, are intended to provide the City~~
13 ~~Planning Commission with project description information for a project which is being reviewed~~
14 ~~pursuant to this Article. Development plans are intended to be used in conjunction with any other~~
15 ~~required materials so as to enable the City Planning Commission to make an informed decision on an~~
16 ~~application.~~

17 ~~———— (b) No decision shall be made by the City Planning Commission regarding the proposed~~
18 ~~mapping of an oil and gas facilities overlay district unless a Preliminary Development Plan, as~~
19 ~~described in Section 1207.1, below, has been submitted with the application for a zoning map~~
20 ~~amendment.~~

21 ~~(c) No decision shall be made by the City Planning Commission regarding the proposed~~
22 ~~construction or operation of an oil and gas support facility or an oil and gas processing facility until a~~
23 ~~Final Development Plan has been approved pursuant to the procedures set forth in Section 1207.3,~~
24 ~~below.~~

1 **~~SEC. 1207.1. CONTENTS OF PRELIMINARY DEVELOPMENT PLAN.~~**

2 ~~———— Every application to map an oil and gas overlay district shall include a Preliminary~~
3 ~~Development Plan as a part of the application. The information submitted as part of the Preliminary~~
4 ~~Development Plan shall consist of the following:~~

- 5 ~~(a) Statement of intent regarding proposed activities and facilities operations;~~
6 ~~(b) Preliminary site plan and building elevations;~~
7 ~~(c) Statement of intent regarding anticipated infrastructure or other public service~~
8 ~~improvements, on or off site, necessary for proposed activities and facilities operations. Such~~
9 ~~infrastructure or other public service improvements shall include, but not be limited to, water, gas,~~
10 ~~electric, telephone and sewage disposal services, fire protection, police protection and public or~~
11 ~~private transportation improvements (piers, helipads, roads and transit connections);~~
12 ~~(d) Any other relevant supplementary data requested by the City Planning Commission or the~~
13 ~~Department of City Planning staff.~~

14
15 **~~SEC. 1207.2. CONTENTS OF FINAL DEVELOPMENT PLAN.~~**

16 ~~———— Every application for conditional use approval of either an oil and gas support facility or an oil~~
17 ~~and gas processing facility shall include a Final Development Plan as a part of the application. The~~
18 ~~information submitted as part of the Final Development Plan shall consist of the following:~~

- 19 ~~(a) Detailed plans of the proposed development, drawn to scale, showing:~~
20 ~~———— (1) Site boundaries and dimensions;~~
21 ~~———— (2) Location, use and square footage of all existing and proposed structures;~~
22 ~~———— (3) Elevations of all proposed structures;~~
23 ~~———— (4) All interior circulation patterns, including existing and proposed streets, walkways,~~
24 ~~bikeways, and connections to existing or proposed roads or rights-of-way;~~
25 ~~———— (5) Location of all utility easements;~~

- 1 ~~—— (6) Location and use of all buildings within 50 feet of the boundaries of the site;~~
- 2 ~~—— (7) Location and boundaries of land devoted to public uses, open space and~~
- 3 ~~recreational use, within 300 feet of the boundaries of the site;~~
- 4 ~~—— (8) Location and number of proposed parking spaces; and~~
- 5 ~~—— (9) All easements of record on the site;~~
- 6 ~~(b) Geotechnical report, including a contour map showing existing natural contours and~~
- 7 ~~proposed grading, if grading is proposed;~~
- 8 ~~(c) Proposed drainage system;~~
- 9 ~~(d) Cultural resources report;~~
- 10 ~~(e) Measures proposed to reduce nuisance effects from activities or operations on site,~~
- 11 ~~including, but not limited to, measures to reduce noise, vibration, dust, odor, smoke, fumes, glare,~~
- 12 ~~transportation and recreational impacts;~~
- 13 ~~(f) Measures proposed to prevent health and safety hazards;~~
- 14 ~~(g) Proposed public access or recreational areas, if any;~~
- 15 ~~(h) Phasing plan for the project, indicating the anticipated timetable for project construction,~~
- 16 ~~operation, completion and abandonment;~~
- 17 ~~(i) Proposed plans regarding abandonment or discontinuance of activities or operations,~~
- 18 ~~including plans for site restoration;~~
- 19 ~~(j) Plans for consolidation of activities or facilities, to maximum extent feasible, with similar~~
- 20 ~~operations on same or another site;~~
- 21 ~~(k) Plans for transportation of all oil and gas to and from the site, if applicable;~~
- 22 ~~(l) Plans and procedures for the transport and disposal of all solid and liquid wastes;~~
- 23 ~~(m) Oil spill prevention, containment and control measures, if applicable;~~
- 24 ~~(n) Fire prevention procedures;~~
- 25

1 ~~(o) Emergency response and evacuation plans, which shall include actions and remedies to be~~
2 ~~initiated by project applicant, and proposed method of notifying Fire Department, Police Department,~~
3 ~~Health Department, Mayor's Office, and all other applicable agencies in the event of fire, spill or any~~
4 ~~other hazardous event or condition on the site which is not incidental to normal operations at the site;~~

5 ~~(p) Emission control equipment;~~

6 ~~(q) Proposed method of satisfying all mitigation measures included in the project, as identified~~
7 ~~in the environmental review document prepared for the project; and~~

8 ~~(r) Any other relevant supplementary data requested by the City Planning Commission or the~~
9 ~~Department of City Planning Staff.~~

10
11 **~~SEC. 1207.3. PROCESSING OF FINAL DEVELOPMENT PLANS.~~**

12 ~~—— (a) The City Planning Commission shall make a decision on a Final Development Plan as a~~
13 ~~part of its determination on the Conditional Use application, for which the Final Development Plan~~
14 ~~was prepared.~~

15 ~~—— (b) No Final Development Plan shall be approved unless the City Planning Commission makes~~
16 ~~each of the following findings, in addition to those required by Section 303 of this Code:~~

17 ~~—— (1) That consolidation at an existing facility within San Francisco is not feasible;~~

18 ~~—— (2) That the proposed project will be located, designed and operated so as to minimize~~
19 ~~adverse impacts in the physical and social environment;~~

20 ~~—— (3) That noise, vibration, air quality, water quality, light aesthetic impacts and other~~
21 ~~potential nuisance or annoyance impacts shall be eliminated or reduced to the maximum extent~~
22 ~~possible through incorporation of the best available technology for mitigation of adverse project~~
23 ~~impacts.~~

24
25 **~~SEC. 1208. SEVERABILITY.~~**

1 ~~———— If any provision or clause of this ordinance or its application to any person or circumstance is~~
2 ~~held to be unconstitutional or otherwise invalid by any court of competent jurisdiction, such invalidity~~
3 ~~shall not affect other chapter provisions and clauses of this Chapter are declared to be severable.~~

4
5 Section 3. Effective Date. This ordinance shall become effective 30 days after
6 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
7 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
8 of Supervisors overrides the Mayor's veto of the ordinance.

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11
12 APPROVED AS TO FORM:
13 DENNIS J. HERRERA, City Attorney

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

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