AMENDED IN COMMITTE
10/5/2026

FILE NO. 261021 ORDINANCE NO. 215-26

[Planning Code - Interim Zoning Moratorium for Data Centers]

Urgency ordinance approving an interim zoning moratorium to prohibit Data Centers, as defined, Citywide for 45 days, in accordance with California Government Code, Section 65858; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the eight Priority Policies of Planning Code, Section 101.1.

NOTE: **Unchanged Code text and uncodified 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 ~~strikethrough 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. Environmental and Land Use 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. 261021 and is incorporated herein by reference. The Board of Supervisors affirms this determination.

(b) This interim zoning moratorium ordinance advances and is consistent with Priority Policies numbers 1, 2 and 5 of Planning Code Section 101.1, because it will preserve existing neighborhood-serving retail uses, housing, industrial uses, and neighborhood character in the City's neighborhoods, helping to maintain the City's cultural and economic diversity. With respect to the other Priority Policies, the Board of Supervisors finds that the

interim zoning moratorium does not, at this time, have an effect upon and will not conflict with these policies.

Section 2. Findings Related to the Imposition of an Interim Zoning Moratorium.

(a) As the development of the digital economy and artificial intelligence (AI) continues to grow, there has been explosive interest in the development of Data Centers, the facilities that house servers, digital storage systems, and network infrastructure to support large-scale data storage, management, and processing, defined herein in Section 3.

(b) California has housed many Data Centers for decades, mainly in the San Francisco Bay Area and Los Angeles regions, but present-day AI needs have given rise to an unprecedented interest in these uses. According to a study by the Union of Concerned Scientists citing data from the California Energy Commission, in 2025 the Commission documented more than a hundred data center agreements and applications, with most of those categorized as needing 100 MW or less, and therefore subject to the Commission's Small Power Plant application process. A University of California, Berkeley study estimates that "several thousand Data Centers are currently operating in the United States, but several thousand more have already been announced, and at least 600 are estimated to be actively under construction." That same study estimates that California is home to at least 270 Data Centers.

(c) Generative AI development has drastically increased the demand for Data Centers and the energy that powers them. According to the Lawrence Berkeley National Laboratory and the U.S. Department of Energy, domestic energy use for Data Centers is expected to double or triple by 2028, increasing from about 4.4% of total US electricity in 2023 to approximately 6.7% to 12% by 2028.

(d) Depending on the source of the energy, Data Centers could have an impact on

air pollution and greenhouse gas emissions, as well as localized health risks for neighboring communities because of pollution from backup power at those facilities.

(e) Because of their cooling needs, Data Centers are also estimated to be among the top ten water consuming industries in the United States – sustaining a proper temperature is fundamental to maintaining adequate performance, reliability and longevity of the Data Centers' servers.

(f) Data Centers also pose challenges from a land use perspective, especially in densely populated areas, because they take up valuable land that could be used for neighborhood serving purposes, and disrupt the urban fabric with bulky, massive construction that often does little to activate the adjacent streets or offer other public amenities.

(g) The rapid development and potential impacts of these uses have given rise to a growing chorus of voices recommending pausing the pace of approvals of these developments until their impacts are better understood. Interim moratoria are being considered or have been approved at every level of government, including the *Artificial Intelligence (AI) Data Center Moratorium Act*, pending in the U.S. Congress; New York's Executive Order No. 62, *Establishing A Temporary Moratorium On Data Centers In New York While The State Develops Higher Standards For Data Center Development And Benefits Blueprint To Support Localities*; and, at the local level, the city of Monterey Park's initial interim moratorium gave way to a permanent prohibition on Data Centers, adopted on May 6, 2026.

(h) There has also been a flurry of regulatory interest nationwide. There are hundreds of legislative proposals pending, as documented in *Resources for Regulating Data Centers*, available at climate-xchange.org. In California, several bills were introduced this year, addressing everything from reporting requirements, water use and disclosures, ratepayer protection, environmental review, power usage effectiveness and cost shifts, and

waste heat energy.

(i) To date, Data Centers in San Francisco have been regulated under the Planning Code's definition of "Internet Service Exchange" originally adopted in 2001, which defines this use as "a Utility and Infrastructure Use defined as a location that contains any of the following uses (excluding a Wireless Telecommunications Services Facility): switching equipment (whether wireline or wireless) that joins or connects occupants, customers, or subscribers to enable customers or subscribers to transmit data, voice or video signals to each other; one or more computer systems and related equipment used to build, maintain, or process data, voice or video signals, and provide other data processing services; or a group of network servers." Planning Code Sec. 102.

(j) Under Planning Code Section 303(h), an Internet Service Exchange is generally subject to Conditional Use authorization throughout the City. In addition to the generally applicable factors that the Planning Commission must consider for Conditional Use authorization under Section 303(c) (i.e. whether the proposed use is compatible with the neighborhood, would comply with applicable codes, and would not be detrimental to health and safety), the Planning Commission must also consider the following criteria under Section 303(h) for Internet Service Exchanges:

(1) The intensity of the use at this location and in the surrounding neighborhood is not such that allowing the use will likely foreclose the location of other needed neighborhood-serving uses in the area;

(2) The building in which the use is located is designed in discrete elements, which respect the scale of development in adjacent blocks, particularly any existing residential uses;

(3) Rooftop equipment on the building in which the use is located is screened appropriately;

(4) The back-up power system for the proposed use will comply with all applicable Federal, State, regional and local air pollution controls;

(5) Fixed-source equipment noise does not exceed the decibel levels specified in the San Francisco Noise Control Ordinance;

(6) The building is designed to minimize energy consumption, such as through the use of energy-efficient technology, including without limitation, heating, ventilating and air conditioning systems, lighting controls, natural ventilation and recapturing waste heat, and as such commercially available technology evolves;

(7) The project sponsor has examined the feasibility of supplying and, to the extent feasible, will supply all or a portion of the building's power needs through on-site power generation, such as through the use of fuel cells or co-generation;

(8) The project sponsor shall have submitted design capacity and projected power use of the building as part of the conditional use application; and

(9) The project sponsor shall have submitted design capacity and projected power use of the building as part of the conditional use application

(k) Although a comprehensive list does not appear to be readily available, several Data Centers have been approved under the current controls, mostly in the Bayview and in the South of Market neighborhoods – areas of the City that are overburdened by air pollution and other environmental justice issues. And, City officials are receiving inquiries about potential new Data Centers on a regular basis.

(l) The current controls, while no doubt intended to protect the environment and the surrounding communities, were adopted more than 20 years ago, and need to be revisited in the context of the current AI revolution, climate change, the water and energy needs and constraints of our time, and the City's current policy imperatives, such as the Climate Action Plan and the Planning Commission's Resolution No. 20738, *Centering Planning on Racial and*

Social Equity, among others.

(m) In order to protect the public safety, health, and welfare, Government Code Section 65858 authorizes cities and counties to adopt urgency ordinances prohibiting any uses that may be in conflict with a contemplated plan or zoning proposal that the jurisdiction is studying or intends to study within a reasonable time. Such ordinances are authorized for an initial period of 45 days, which can be extended for up to 22 months and 15 days.

(n) The Board finds that absent this interim moratorium there is a current and immediate threat to the public health, safety, or welfare that can result from the approval of additional Data Centers in the City, without the benefit of a broader, comprehensive discussion and legislative scheme that accounts for the potential risks and benefits of these uses in the context of current-day conditions. The Board finds that this interim moratorium would address that threat by pausing the approvals and providing time to consider the multiple factors at play in the current situation.

(o) City staff are currently engaged in policy discussions to address these issues, and these policy discussions would benefit from the temporary pause afforded by this interim moratorium.

(p) The Board of Supervisors has considered the impact on the public health, safety, peace, and general welfare if the interim zoning moratorium provided for in this ordinance were not imposed. The Board of Supervisors has determined that the public interest and welfare will be best served by imposing the interim zoning moratorium at this time in order to ensure that the legislative amendments that may be ultimately adopted are not undermined during the planning and legislative process preceding adoption of permanent controls, which process shall be conducted within a reasonable time.

(q) The Board finds that computing facilities that serve a building's occupants, such as server rooms, network closets, and on-premises equipment rooms, differ from large-scale

data centers in their size, power demand, and function. They are incidental to the primary use of the building rather than a separate land use. It is appropriate to not subject them to the same regulatory requirements as facilities whose principal purpose is to house computing capacity for outside customers.

(r) This moratorium is not intended to preclude a principally or conditionally permitted use from having on-site computing facilities so long as they are an Accessory Use, as defined in the Planning Code.

Section 3. The following interim zoning moratorium is hereby adopted as an urgency ordinance under Government Code Section 65858:

(a) Many definitions of "Data Center" exist. For purposes of this interim zoning moratorium, the definition of "Data Center" provided in Senate Bill 887 (Padilla) (2025-2026) (SB 887) shall apply. Under that bill, a "Data Center" means "a facility, or part of a facility, that houses computing infrastructure, including graphics and central processing units, servers, storage devices, networking equipment, and associated power and cooling systems, for the primary purpose of processing, storing, or distributing electronic data." A "facility," in turn, means "physical property, a plant, a building, a structure, or stationary equipment, located on one or more contiguous or adjacent properties in actual physical contact or separated solely by a public roadway or public right-of-way and under common ownership or common control." (SB 887, as amended, entitled, *California Environmental Quality Act: environmental leadership development projects: data centers: geothermal powerplant projects*.)

(b) The City shall not issue any approval or authorization for Data Centers, as defined herein.

(c) This prohibition does not apply to:

(1) Data Centers that are Accessory Uses to other principally or conditionally permitted uses, or

(2) Repair and maintenance work of existing Data Centers that does not increase the size or capacity of those Data Centers.

(ed) This interim zoning moratorium shall remain in effect for 45 days unless extended in accordance with Government Code Section 65858 or permanent controls are adopted to address Data Centers.

Section 4. Within 25 days of the enactment of this ordinance, the Planning Department shall submit to the Clerk of the Board of Supervisors a written report describing the measures taken to alleviate the conditions that led to the adoption of the ordinance. Upon receipt of the report, the Clerk shall calendar a motion for the full Board of Supervisors to consider and approve said report. Said hearing and action taken thereon shall occur no later than 35 days after this ordinance is effective.

Section 5. Effective Date. This urgency ordinance shall become effective immediately upon 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 by a 4/5ths vote.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: /s/ Andrea Ruiz-Esquide
ANDREA RUIZ-ESQUIDE
Deputy City Attorney

4905-7869-9222, v. 1

City and County of San Francisco
Tails
Ordinance

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1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 261021 **Date Passed:** October 06, 2026

Urgency Ordinance approving an interim zoning moratorium to prohibit Data Centers, as defined, Citywide for 45 days, in accordance with California Government Code, Section 65858; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the eight priority policies of Planning Code, Section 101.1.

October 05, 2026 Land Use and Transportation Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

October 05, 2026 Land Use and Transportation Committee - RECOMMENDED AS AMENDED AS A COMMITTEE REPORT

October 06, 2026 Board of Supervisors - IMMEDIATELY PASSED ON FIRST READING

Ayes: 11 - Chan, Chen, Dorsey, Fielder, Mahmood, Mandelman, Melgar, Sauter, Sherrill, Walton and Wong

File No. 261021

I hereby certify that the foregoing Urgency Ordinance was IMMEDIATELY PASSED ON FIRST READING on 10/6/2026 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Daniel Lurie
Mayor

10/16/2026
Date Approved