

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833  
(916) 263-2911 / FAX (916) 263-7453  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



April 28, 2021

Rich Hills, Director  
Planning Department  
49 South Van Ness Avenue, Suite 1400  
San Francisco, CA 94103

**RE: City and County of San Francisco Housing Sustainability District Ordinance**

Dear Rich Hills:

Thank you for submitting the City and County of San Francisco's (San Francisco) proposed ordinance establishing a housing sustainability district in Central South of Market (HSD- Central SOMA). This letter serves as the final determination by the California Department of Housing and Community Development (HCD) required pursuant to Government Code section 66202.

HCD has determined that the proposed HSD- Central SOMA ordinance addresses the requirements of housing sustainability districts, pursuant to Government Code sections 66200 through 66210. Please note that HCD has not conducted a full review of any design review standards for consistency with Government Code section 66207. In addition, please be aware that the Legislature has not appropriated funds for a zoning incentive payment, and as a result, San Francisco is not entitled to a zoning incentive payment pursuant to Government Code section 66202, subdivision (a)(2), or section 66204, subdivision (b), at this time. In the event the Legislature appropriates funds for zoning incentive payments, San Francisco should submit an application for a zoning incentive payment, including all of the information required by Government Code sections 66202, subdivisions (a) and (b), and 66204, subdivision (b).

HCD commends San Francisco for its leadership in advancing the state's housing goals. A housing and sustainability district is an important tool to increase housing supply and affordability while conserving existing housing stock affordable to lower-income households by streamlining and incentivizing housing production. HCD applauds San Francisco's long-standing commitment in promoting the development, conservation, and preservation of affordable housing.

Rich Hills, Director  
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If HCD can provide any additional assistance, or if your staff have any questions, please contact Hillary Prasad, Housing Policy Specialist, at [Hillary.Prasad@hcd.ca.gov](mailto:Hillary.Prasad@hcd.ca.gov).

Sincerely,

A handwritten signature in black ink that reads "Shannan West". The signature is written in a cursive, flowing style.

Shannan West  
Land Use & Planning Unit Chief

cc: Kate Connor, Principal Planner (via email)