

**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



February 1, 2022

Kate Conner, LEED AP
Manager Priority Projects and Process
Current Planning Division
City and County of San Francisco
49 South Van Ness Avenue, Suite 1400
San Francisco, CA 94103

Dear Kate Conner:

RE: San Francisco – Letter of Technical Assistance

The California Department of Housing and Community Development (HCD) has received a letter from the City and County of San Francisco (City/County) dated December 16, 2021, responding to HCD's letter dated November 22, 2021. HCD has reviewed the City/County's letter and attached findings and is not satisfied that they clarify the absence of a Housing Accountability Act violation. HCD may reach out for further clarification.

As stated in HCD's prior communication, in its 5th Cycle Housing Element, the City/County committed to several key objectives with associated policies and programs to meet affordable housing goals, reduce uncertainty and delays in the entitlement process, and streamline environmental review. As you are aware, the 6th Cycle Housing Element requires the assessment of the effectiveness of past policies and programs over the previous planning period. This information provides the basis for developing more effective housing programs for the 6th Cycle. As part of the evaluation of policies 10.1, 10.2, and 10.3, the City/County should consider the effect of the Board of Supervisors' decision-making process on the ability to meet housing element objectives and include program actions as appropriate to facilitate more effective housing programs.

HCD's previous communication to the City/County also noted that processing and entitlement timeframes and procedures in San Francisco typically exceed the norms for other jurisdictions of similar size and complexity and act as a constraint on housing development. The reversal of the Planning Commission's certification of the environmental impact report for the 469 Stevenson Project and overturning the approval of the Conditional Use Authorization for the 450 O'Farrell Project provide two recent examples of this potentially concerning pattern.

HCD expects that that these deficiencies will be corrected and identified as constraints in San Francisco's 6th Cycle Housing Element. Furthermore, the Housing Element must determine how the City/County plans to address these constraints and provide specific timelines and methods to rectify these deficiencies. As a reminder, part of the housing element's analysis of potential and actual governmental constraints on housing development pursuant to Government Code section 65583, subdivision (a)(5), must describe and analyze the permit process from application to approvals, including a discussion on timeframes for each step in the process, impediments, and how it addresses state law application processing requirements such as those found in the Permit Streamlining Act and the Housing Accountability Act. The element must also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need and include program actions with metrics and milestones to remove or mitigate identified constraints.

At this time, HCD's inquiry into the projects at 450 O'Farrell and 469 Stevenson remains open and ongoing. HCD is continuing its review of these particular actions as well as the City/County's practices concerning housing review and approval generally.

If you have questions or need additional information, please contact Kevin Hefner at Kevin.Hefner@hcd.ca.gov regarding the Stevenson Project and Divya Sen at Divya.Sen@hcd.ca.gov regarding the O'Farrell Project. In addition, Sohab Mehmood will be the lead analyst reviewing the City/County's 6th Cycle Housing Element and can be reached at Sohab.Mehmood@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
Housing Accountability Unit Chief

cc: Lisa Gibson, Environmental Review Officer, City and County of San Francisco
Carly Grob, Senior Planner, City and County of San Francisco