DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT
651 Bannon Street, Suite 400
Sacramento, CA 95811
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov

June 4, 2026

Christopher Burton, Director, Planning Division
City of San José
200 E. Santa Clara Street
San José, CA 95113

Dear Christopher Burton:

RE: City of San José – Enacted Senate Bill 79 Ordinance to Exempt Sites in Industrial Employment Hubs – Review Letter

Thank you for submitting the City of San José's (City) adopted and enacted Ordinance No. 31316 (Ordinance) amending Title 20 (Zoning Ordinance or Zoning Code) of the San José Municipal Code to add a new Chapter 20.197 (Local Implementation of State Law). Part 2 of the chapter implements Senate Bill (SB) 79 within the City and excludes certain employment areas designated in the City's general plan from SB 79 provisions.

This letter consists of the California Department of Housing and Community Development's (HCD) written findings pursuant to Government Code section 65912.160, subdivision (d)(3)(A) that the Ordinance is in substantial compliance with SB 79 (Government Code Chapter 4.1.5) as of the date of this letter.

Analysis

According to Ordinance No. 31316 and the included documents submitted by the City (see Attachment A, Table 1), each designated industrial employment hub is a contiguous area of at least 250 acres that was designated as an employment lands area in the Envision San José 2040 General Plan which was last revised on September 22, 2022. Each hub is primarily dedicated to industrial use as defined in Government Code section 65912.121, subdivision (f)(3), and housing is not permitted or conditionally permitted use on the sites so excluded.

Conclusion

Provided the submitted documentation and assertions by the City are complete and accurate, HCD finds that all the requirements have been met for adopting an ordinance to designate industrial employment hubs exempt from the provisions of SB 79. HCD reserves the right to request additional information to monitor ongoing substantial compliance with SB 79 and may update its findings if new information comes to light.

HCD may revoke its finding of compliance if the local government's actions do not comply with state law.

HCD appreciated working with City staff during the course of this review. If you have any questions or need additional information, please contact Grace Wu at grace.wu@hcd.ca.gov. HCD is committed to assisting the City in addressing all statutory requirements of SB 79.

Sincerely,



Melinda Coy
Housing Accountability Unit Chief

Attachment

Attachment A

Table 1 Submittal Documents

	Filename	Document Description	Received Date
1	CSJ_SB79_ORD31316.pdf	Ordinance No. 31316	March 25, 2026
2	CSJ_SB79_Exhibit B Industrial.pdf	Envision San José 2040 General Plan Industrial Employment Hub Area Diagram (1 map)	March 25, 2026
3	Exhibit C.pdf	Industrial Employment Hubs (3 maps)	March 25, 2026
4	CSJ_GP Designation_Description.pdf	Reference to Employment Lands	March 25, 2026
5	CalHDF_Public Comment_031126.pdf	CalHDF Letter of Support, dated March 11, 2026	March 25, 2026
6	Supplemental_Overview of NCC_040626.pdf	Supplemental Documentation: Neighborhood/Community Commercial General Plan Land Use Designation	April 6, 2026
7	Table_Landuse Designation_040626_Parcels and Acreage.pdf	Industrial Employment Hub Data (6 tables)	April 6, 2026
8	NSJ Map_032526.pdf	Industrial Employment Hubs 1-3 (map)	May 8, 2026
9	IEH 1-3 REVISED.png	Industrial Employment Hubs 1-3 (map)	May 15, 2026
10	IEH 4.png	Industrial Employment Hub 4 (map)	May 15, 2026
11	IEH 5.png	Industrial Employment Hub 5 (map)	May 15, 2026
12	Revised HCD Table.pdf	General Plan Employment Land Area (table)	May 15, 2026