

Agenda Report Reviewed by:  
City Manager: 

CITY OF SEBASTOPOL  
CITY COUNCIL  
AGENDA ITEM

Meeting Date: November 5, 2019  
To: Honorable Mayor and City Councilmembers  
From: Kari Svanstrom, Planning Director   
Subject: Approval of Resolution for SB2 Planning Grant Application  
Recommendation: Approve Resolution  
Funding: Currently Budgeted:  Yes  No  N/A  
Net General Fund Cost:

**BACKGROUND :**

In 2017, the State of California legislature passed SB2, the “Building Jobs and Housing Act”, as part of a 15-bill housing package aimed at addressing the state’s housing shortage and high housing costs. This measure established a \$75 recording fee on real estate documents to increase the supply of affordable homes in California. For the first year of funding, the State of California is making this funding available to cities and counties throughout the state on a per-capita basis to help cities and counties prepare, adopt, and implement plans and process improvements that streamline housing approvals and accelerate housing production.

To be eligible for funding, the monies must be used for planning projects that:

- Accelerate housing production
- Streamline the approval of housing development affordable to owner and renter households at all income levels
- Facilitate housing affordability, particularly for lower- and moderate-income households
- Promote development consistent with the State Planning Priorities
- Ensure geographic equity in the distribution and expenditure of the funds

**DISCUSSION:**

The City of Sebastopol is eligible for \$160,000 in funding from this program (for cities of 60,000 population or less). The grant is a reimbursement grant, which can be invoiced based on project milestones. Staff will propose appropriate milestones for the proposed projects in the application to allow for periodic reimbursement. Additionally, the projects that are proposed must be completed and, where required, adopted by the City by June 30, 2022.

While many of the eligible activities were completed in the recent comprehensive Zoning Ordinance update that was adopted in fall of 2018 (including updates to the Inclusionary Zoning Ordinance, updates to the ADU ordinance, and other modifications to facility mixed use development and multi-family housing), staff has spoken with the HCD consultants assisting with the grant and identified two main projects that are eligible for funding and within the State's Priority Policy Areas:

- **Expedited Processing:** Speeding up approvals and permit processing, including instituting programs that streamline or consolidate the review process or create a separate process for expedited review of housing projects.

Under this category, online permitting and database systems are an eligible activity, as are upgrades to the City's Geographic Information System (GIS) information layers, as these would help streamline housing permitting (as well as other types of permits), and also make information more readily available to the public via the public GIS. As this already a City priority and an item the Building Department has been considering, staff recommends this as one of the projects.

- **Objective Design and Development Standards:** Developing objective design standards or pre-approved site and architectural plans that facilitate non-discretionary permitting.

The City currently does not have design guidelines for multi-family residential housing, or for mixed-use commercial/residential projects. The development of these guidelines would assist applicants and the Design Review Board for the Design Review process for new projects. It would also position the city for any potential Streamlined housing applications submitted under SB35, a state law that requires expedited processing for certain development projects in communities that are not meeting their housing allocation requirements (RHNA). All but 13 cities and counties are subject to this law.

Other Policy Areas, such as rezoning of residential areas, and rezoning to allow multi-family development or mix-used with residential as a permitted (as opposed to not allowing, or requiring a conditional use permit) have already been completed.

While the two main projects will fulfill the grant award, staff recommends including one or two alternative projects in the application, should the two main projects come in under-budget, so that no reapplication will be needed. These projects could include items such: updates to comply with recent state legislation related to housing and development. Supplementing with alternative projects may also position the City for additional monies in the case of a Supplemental Funding round.

**PUBLIC COMMENT:**

No public comments have been received as of the writing of this staff report.

**RECOMMENDATION:**

Adopt the attached Resolution authorizing staff to submit the required application to the California Department of Housing and Community Development (HCD), and authorize the City Manager to enter into the required agreements.

**ATTACHMENTS:**

1. Resolution

Additional information regarding this grant is available at the following link:

<http://hcd.ca.gov/grants-funding/active-funding/planning-grants.shtml>

RESOLUTION NUMBER: -2019

## CITY OF SEBASTOPOL

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
SEBASTOPOL, SONOMA COUNTY, AUTHORIZING APPLICATION FOR, AND  
RECEIPT OF, SB 2 PLANNING GRANTS PROGRAM FUNDS

WHEREAS, the State of California, Department of Housing and Community Development (HCD) has issued a Notice of Funding Availability (NOFA) dated March 28, 2019, for its Planning Grants Program (PGP); and

WHEREAS, the City Council of the City of Sebastopol desires to submit a project application for the PGP program to accelerate the production of housing and will submit a 2019 PGP grant application as described in the Planning Grants Program NOFA and SB 2 Planning Grants Program Guidelines released by HCD for the PGP Program; and

WHEREAS, HCD is authorized to provide up to \$123 million statewide, and up to \$160,000 to the City of Sebastopol, under the SB 2 Planning Grants Program from the Building Homes and Jobs Trust Fund for assistance to Counties (as described in Health and Safety Code section 50470 et seq. (Chapter 364, Statutes of 2017 (SB 2)) related to the PGP Program.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEBASTOPOL RESOLVES AS FOLLOWS:

**SECTION 1.** The City Manager is hereby authorized and directed to apply for and submit to HCD the 2019 Planning Grants Program application in the amount of \$160,000.

**SECTION 2.** In connection with the PGP grant, if the application is approved by HCD, the City Manager is authorized to enter into, execute, and deliver a State of California Agreement (Standard Agreement) for the amount of \$160,000, and any and all other documents required or deemed necessary or appropriate to evidence and secure the PGP grant, the City's obligations related thereto, and all amendments thereto (collectively, the "PGP Grant Documents").

**SECTION 3.** The City shall be subject to the terms and conditions as specified in the Standard Agreement, the SB 2 Planning Grants Program Guidelines, and any applicable PGP guidelines published by HCD. Funds are to be used for allowable expenditures as specifically identified in the Standard Agreement. The application in full is incorporated as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the application will be enforceable through the executed Standard Agreement. The City Council hereby agrees to use the funds for eligible uses in the manner presented in the application as approved by HCD and in accordance with the Planning Grants NOFA, the Planning Grants Program Guidelines, and 2019 Planning Grants Program Application.

**SECTION 4.** The City Manager is authorized to execute the City of Sebastopol Planning Grants Program application, the PGP Grant Documents, and any amendments thereto, on behalf of the City as required by HCD for receipt of the PGP Grant.

The above and foregoing Resolution was duly passed, approved and adopted at a meeting by the City Council on the \_\_\_ day of \_\_\_\_\_, 2019, by the following vote:

**VOTE:**

Ayes:

Noes:

Abstain:

Absent:

APPROVED: \_\_\_\_\_  
Mayor Neysa Hinton

ATTEST: \_\_\_\_\_  
Mary Gourley, Assistant City Manager/City Clerk, MMC

APPROVED AS TO FORM: \_\_\_\_\_  
Larry McLaughlin, City Attorney