



# CITY OF WHEATLAND

## CITY COUNCIL MEETING STAFF REPORT

**August 13, 2019**

**SUBJECT:** The City of Wheatland staff requests City Council adopt the attached resolution and provide direction to staff to submit an application to the California Department of Housing and Community Development for the Senate Bill 2 Planning Grants Program.

**PREPARED BY:** Tim Raney, Community Development Director

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### **Recommendation**

The City of Wheatland staff requests City Council adopt the attached resolution and provide direction to staff to submit an application to the California Department of Housing and Community Development (HCD) for the Senate Bill (SB) 2 Planning Grants Program.

### **Discussion and Background**

HCD is currently accepting applications for the SB 2 Planning Grants Program. The SB 2 Planning Grants Program set aside approximately \$128 million dollars to establish a permanent source of funding intended to increase the affordable housing stock in California. The objective of the SB 2 Planning Grants Program is for localities to prepare, adopt, and implement plans that streamline housing approvals and accelerate housing production.

HCD has determined maximum award amounts for large, medium, and small localities, based on population. Based on population size, the City of Wheatland qualifies for a minimum grant award of \$25,000 and a maximum grant award of \$160,000. It should be noted that no local match is required to receive the funds. Grant applications final due date is November 30, 2019 and any awarded grant funds must be spent by June 30, 2022.

### **Potential Projects**

Based off of planning needs for the City, staff has prepared the following list of potential projects that could qualify for the SB 2 Planning Grant Program funding:

1. Assembly Bill (AB) 1600 Fee Study Update (Fee Reduction Strategy)  
The City's current Land Use Pattern needs to be updated to reflect the City's future growth scenario, which has changed since the adoption of the 2006 General Plan. With

an updated Land Use Pattern, the City can prepare accurate circulation and infrastructure maps in order to collect accurate, and potentially reduces fees from future development. Therefore, staff recommends using SB 2 funding for the following tasks:

- a. Update the City's Land Use Pattern;
  - b. Update the City's background General Plan studies including, utility and transportation;
  - c. Prepare an AB 1600 Fee Study
2. Zoning Code Clean-Up, including Minor General Plan Text Amendments
- a. Accessory Dwelling Unit (ADU) Ordinance: The City currently does not have local regulations pertaining to ADUs; therefore, the City must refer to the State guidelines. Staff recommends using SB 2 funding to prepare and to process the adoption for a draft ADU ordinance to identify local guidelines for the City.
  - b. Housing Element Consistency (Rezone to Permit by-right): The City's adopted Housing Element includes implementation measures that require Zoning Code and General Plan Amendments. These implementation measures include, but not limited to, increasing the allowable densities for High-Density Residential and Multi-Family Residential.

#### **Recommendation**

The City of Wheatland staff requests City Council adopt the attached resolution and provide direction to staff to submit an application to HCD for the above noted projects for the SB 2 Planning Grants Program

#### **Fiscal Impact**

None. No local match is required to receive the grant funds

#### **Attachments**

1. Senate Bill 2 Grant Program City Council Resolution
2. SB 2 Grant Overview Memo

# Attachment 1

## RESOLUTION NO. 27-19

### RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHEATLAND GIVING CITY STAFF DIRECTION TO SUBMIT AN APPLICATION TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR THE SENATE BILL 2 PLANNING GRANTS PROGRAM

**WHEREAS**, on March 28, 2019, the California Department of Housing and Community Development released a Notice of Funding Availability for the Senate Bill 2 Planning Grants Program, which set aside approximately \$128 million dollars to establish a permanent source of funding intended to increase the affordable housing stock in California.; and,

**WHEREAS**, pursuant to the California Department of Housing and Community Development, the maximum award amounts for large, medium, and small localities, is based on population estimates from the California Department of Finance; and,

**WHEREAS**, the California Department of Finance lists the City of Wheatland with a population of 3,703; the City of Wheatland could be awarded a minimum of \$25,000 and a maximum of \$160,000; and,

**WHEREAS**, the California Department of Housing and Community Development will accept Senate Bill 2 Planning Grants Program applications until November 30, 2019; and,

**WHEREAS**, grant funds awarded through the Senate Bill 2 Planning Grants Program must be spent by June 30, 2022; and

**NOW THEREFORE BE IT RESOLVED**, that the City Council does hereby give the City of Wheatland staff direction to submit an application to the California Department of Housing and Community Development for the Senate Bill 2 Planning Grants Program.

\* \* \* \* \*

**I HEREBY CERTIFY** that the foregoing recommendation was passed and adopted by the City of Wheatland City Council, at a regular meeting thereof, held on the 13<sup>th</sup> day of August, 2019 by following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

**APPROVED:**

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Lisa Thomason, City Clerk



# CITY OF WHEATLAND

## SB 2 Planning Grant Overview Memo

July 24, 2019

### Overview

Staff is providing an overview of the SB 2 Planning Grants Program released by the California Department of Housing and Community Development (HCD) on March 28, 2019. Staff will provide recommendations for different ways the City may take advantage of this funding opportunity.

### Discussion and Background

On March 28, 2019, HCD released a Notice of Funding Availability (NOFA) for the SB 2 Planning Grants Program, which set aside approximately \$128 million dollars to establish a permanent source of funding intended to increase the affordable housing stock in California. The legislation directs that HCD utilize 50 percent of the first year's revenue to establish a program that provides financial and technical assistance to local governments to update their planning documents and land use ordinances. The objective of the SB 2 Planning Grants Program is for localities to prepare, adopt, and implement plans that streamline housing approvals and accelerate housing production.

### Funding Available

HCD has determined maximum award amounts for large, medium, and small localities, based on population estimates from the Department of Finance (DOF). The table below shows the awards available to jurisdictions.

All Localities	Large Localities: Defined as ≥ 200,000 people	Medium Localities: Defined as 60,000 to 200,000 people	Small Localities: Defined as ≤ 60,000 people
Minimum award: <b>\$25,000</b>	Maximum award: <b>\$625,000</b>	Maximum award: <b>\$310,000</b>	Maximum award: <b>\$160,000</b>

The Department of Finance lists the City of Wheatland with a population of 3,703; the City of Wheatland is able to apply for a minimum award of \$25,000 and a maximum award of \$160,000. It should be noted that no local match is required to receive the funds.

### Program Timeline

The funds will be initially available to eligible applicants on a noncompetitive, over-the-counter (OTC) basis. Applications will be accepted over an eight-month period from the release of the NOFA and awarded funding must be spent by June 30, 2022. However, HCD reserves the right to adjust the projected timeline as they see fit, including extended due dates for OTC applications and end of grant term. Please see the table below for the projected timeline.

<b>Event</b>	<b>Date(s)</b>
NOFA release	March 28, 2019
NOFA – Application Workshops/Webinar Period	April 1, 2019 to May 1, 2019
Final due date for OTC applications	November 30, 2019
Supplemental round	TBD
Anticipated end of grant term	June 30, 2022

### Applicant Requirements

In accordance with Article II, Section 201 of the Guidelines, all applicants must meet the following requirements to be deemed eligible for funds:

- 1) **Housing Element Compliance:** Applicants must have a housing element that has been adopted by the jurisdiction's governing body by the date the applicant submits an application packet for funding.
- 2) **Annual Progress Report (APR) on the Housing Element:** Applicants must submit the APR to HCD, as required by Gov. Code section 65400, for the current or prior year by the date the applicant submits an application packet for funding.
- 3) **Nexus to Accelerate Housing Production:** Applicants must propose and document plans or processes that accelerate housing production. The applicant must demonstrate a significant positive effect on accelerating housing production through timing, cost, approval certainty, entitlement streamlining, feasibility, infrastructure capacity, or impact on housing supply and affordability.

An application must include an explanation and documentation of how the proposed project, plan, or process will accelerate housing production based on reasonable a verifiable methodology utilizing HCD's nexus form (see *Attachment 1*).

- 4) **State Planning and Other Planning Priorities:** Applicants must demonstrate that the locality is consistent with State Planning or Other Planning Priorities. Consistency may be demonstrated through activities, not necessarily proposed for SB 2 funding, that were completed within the last five years. All applicants must self-certify utilizing HCD's form (see *Attachment 2*).

### Priority Policy Areas

As noted above, applicants must demonstrate a significant positive effect on accelerating housing production for a project to be approved and awarded funding. HCD has developed Priority Policy Areas (PPAs) that have been determined to automatically accelerate housing production without any documentation necessary. Therefore, applicants proposing to use PPAs

for their project do not need to submit HCD's Nexus to Accelerate Housing Production form. Pursuant to Section 102(q) of the Guidelines, PPAs means any of the following:

- a) Rezone to Permit By-right;
- b) Objective Design and Development Standards;
- c) Specific Plans or Form based Codes Coupled with CEQA Streamlining;
- d) Accessory Dwelling Units (ADU) or Other Low-Cost Building Strategies;
- e) Expedited Processing; and
- f) Housing Related Infrastructure Financing and Fee Reduction Strategies.

A full description of PPAs is available in *Attachment 3*.

#### Non-PPA Eligible Activities

Pursuant to Article III, Section 300 of the Guidelines, a variety of planning documents, planning activities and strategies, are considered eligible activities and must demonstrate a nexus to accelerating housing production, which may include:

- a) Updates to General Plans, community plans, specific plans, local planning related implementation, of sustainable communities strategies, or local coastal plans;
- b) Updates to Zoning Ordinances;
- c) Environmental analyses that eliminate the need for project-specific review;
- d) Local process improvements that improve and expedite local planning;
- e) A smaller geography with a significant impact on housing production including an overlay district, project level specific plan, or development standards modifications proposed for significant areas of a locality, such as corridors, downtown or priority growth areas;
- f) The creation or enhancement of a housing sustainability district pursuant to AB 73;
- g) Workforce housing opportunity zone pursuant to SB 540;
- h) Zoning for by-right supportive housing, pursuant to Government Code section 65651;
- i) Pre-approved architectural and site plans;
- j) Regional housing trust fund plans;
- k) Infrastructure financing plans; and
- l) Any other planning activity/activities demonstrating a nexus to accelerating housing production.

## Potential Projects

Based on the information above and staff's knowledge of the City of Wheatland, staff has prepared the following list of potential projects that could qualify for the SB 2 Planning Grant Program funding:

1. AB 1600 Fee Study Update (*Fee Reduction Strategy*) (±\$140,000)  
The City's current Land Use Pattern needs to be updated to reflect the City's future growth scenario, which has changed since the adoption of the 2006 General Plan. With an updated Land Use Pattern, the City can prepare accurate circulation and infrastructure maps in order to collect accurate, and potentially reduces fees from future development. Therefore, staff recommends using SB 2 funding for the following tasks:
  - a. Update the City's Land Use Pattern;
  - b. Update the City's background General Plan studies including, utility and transportation;
  - c. Prepare an AB 1600 Fee Study
  
2. Zoning Code Clean-Up, including Minor General Plan Text Amendments (±\$20,000)
  - a. *Accessory Dwelling Unit (ADU) Ordinance*: The City currently does not have local regulations pertaining to ADUs; therefore, the City must refer to the State guidelines. Staff recommends using SB 2 funding to prepare and to process the adoption for a draft ADU ordinance to identify local guidelines for the City.
  - b. *Housing Element Consistency (Rezone to Permit by-right)*: The City's adopted Housing Element includes implementation measures that require Zoning Code and General Plan Amendments. These implementation measures include, but not limited to, increasing the allowable densities for High-Density Residential and Multi-Family Residential.

## Attachment 1

Full Description of Priority Policy Areas



# Attachment 1

## Priority Policy Areas Descriptions

Applicants proposing activities in at least one of the Priority Policy Areas (PPAs) below are automatically deemed to demonstrate a nexus to accelerating housing production without any further demonstration. The following is a complete description of the PPAs:

- **Rezone to Permit By-right:** Rezoning for significant additional housing capacity without or lesser discretionary review or establishing zoning to permit residential development by-right, particularly multifamily, without discretionary action pursuant to Government Code Section 65583.2(h) and (i).
- **Objective Design and Development Standards:** Developing objective design standards or pre-approved site and architectural plans that facilitate non-discretionary permitting.
- **Specific Plans or Form based Codes Coupled with CEQA Streamlining:** Designating and rezoning for additional housing capacity or preparing specific plans or form codes that include zoning and development standards and plan-level environmental analysis that can be used to streamline future housing projects and facilitate affordability.
- **Accessory Dwelling Units or Other Innovative Building Strategies:** Encouraging ADUs and other innovative building types through actions above state law such as, outreach, fee waivers, pre-approved plans, website zoning clearance assistance, and other homeowner tools or finance tools. Also, establishing other approaches to intensify existing lower density residential areas and “missing model” typologies to encourage significantly more residential development (e.g., duplexes, triplexes) in lower density residential 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.
- **Housing Related Infrastructure Financing and Fee Reduction Strategies:** Develop and implement approaches to local, regional or sub-regional housing related infrastructure financing. Create plans and programs to finance and increase infrastructure with accompanying enhanced housing capacity, such as enhanced infrastructure financing districts. Fee reduction and rationalization approaches, such as reassessing fees to adhere to best practices in reducing costs, deferrals, sliding scales or proportionate impacts fees (e.g., ADUs, transit oriented, and infill development, special needs housing), or fee transparency measures including publicly available fee calculators.