



City of Culver City

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Staff Report

File #: 20-05, **Version:** 1

Item #: C-4.

CC - Adoption of a Resolution Authorizing the Submission of a Grant Funding Application in the Amount of \$125,000 under the Senate Bill 2 Planning Grant Program Year 1

Meeting Date: August 12, 2019

Contact Person/Dept: Tevis Barnes/Community Development Department

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Fiscal Impact: Yes ☐ No ☒

General Fund: Yes ☐ No ☒

Public Hearing: ☐ **Action Item:** ☐ **Attachments:** ☒

Commission Action Required: Yes ☐ No ☒ **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (08/08/19);

Department Approval: Sol Blumenfeld, Community Development Director (07/18/19)

RECOMMENDATION:

Staff recommends the City Council adopt a resolution authorizing submission of a grant funding application in the amount of \$125,000 under the Senate Bill 2 Planning Grant Program Year 1 to partially support the General Plan Update/Housing Element.

BACKGROUND:

In 2017, Governor Brown signed a 15-bill housing package <<http://www.hcd.ca.gov/policy-research/lhp.shtml>> aimed at addressing the State's housing shortage and high housing costs. Specifically, it included (SB 2, 2017), Building Homes and Jobs Act which establishes a \$75 recording fee on real estate documents to increase the supply of affordable homes in California. The legislation directs the California Department of Housing and Community Development (HCD) to use 50 percent of the revenue in the first year to establish a program that provides financial and technical assistance to local governments to update planning documents and zoning ordinances in order to streamline housing production, including, but not limited to, general plans; community plans; specific plans; implementation of sustainable communities strategies; and local coastal programs. Eligible uses also include new environmental analyses that eliminate the need for project-specific review and local process updates that improve and expedite local permitting.

DISCUSSION:

Program Objective

The principal goal of the SB2 Planning Grant is to make funding available to all local governments in California for the preparation, adoption and implementation of plans that streamline housing approvals and accelerate housing production. This grant program is meant to facilitate planning activities that will foster an adequate supply of homes affordable to Californians at all income levels. It is designed to help local governments meet the challenges of preparing and adopting land use plans and integrating strategies to promote housing development. Funded activities are intended to achieve the following program objectives:

- 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 geographic equity in the distribution and expenditure of the funds

Threshold Criteria

The SB2 Planning Grant will provide grants through a noncompetitive, over-the-counter process to eligible local governments (cities and counties). Applicants must meet all the following threshold requirements for participation:

Eligible applicants must:

1. Have an HCD-compliant housing element,
2. Have submitted a recent Annual Progress report,
3. Demonstrate a nexus to accelerating housing production, and
4. Demonstrate that the applicant is consistent with State Planning Priorities

Applicants proposing activities in at least one of the Priority Policy Areas (PPAs) (Footnote1) are automatically deemed to demonstrate a nexus to accelerating housing production without any further demonstration:

- Rezone to Permit By-right ¹
- Objective Design and Development Standards
- Specific Plans or Form based Codes Coupled with CEQA Streamlining:
- Accessory Dwelling Units or Other Innovative Building Strategies
- Expedited Processing
- Housing Related Infrastructure Financing and Fee Reduction Strategies

Culver City meets all the required threshold criteria. The 2013-2020 Housing Element was submitted to HCD on February 19, 2014. The 2013-2020 Housing Element is compliant with HCD regulations. On April 19, 2019 Council approved and certified through resolution the submission of the Annual Progress Report (APR). The PPA is the Accessory Dwelling Unit Affordable Housing Incentive

Program that was introduced to the Housing and Homelessness Subcommittee and approved by the City Council as part of the Housing Division work plan.

Eligible Activities/Uses

Eligible activities must demonstrate a nexus to accelerating housing production and may include:

- Updates to general plans, community plans, specific plans, local planning related to implementation of sustainable communities' strategies, or local coastal plans;
- Updates to zoning ordinances;
- Environmental analyses that eliminate the need for project-specific review; and
- Local process improvements that improve and expedite local planning;

The SB2 Planning Grant will be utilized to update the General Plan Housing Element and Land Use Element.

Some the housing related areas to be addressed in the GPU include the following:

1. Updating the City Land Use Map and making necessary changes
2. Examining potential buildout of the City's housing stock
3. Examining potential impacts of such buildout
4. Establishing new typologies for housing development
5. Establishing neighborhood sub area maps and neighborhood character defining features
6. Summary of the number, location and condition of housing
7. Location of necessary infrastructure to support housing growth
8. Compiling housing and demographic data
9. Assessing government constraints to housing development related to recent changes in State housing law
10. Adequacy of land use alternatives related to RHNA
11. Inventory of vacant and underutilized sites to accommodate RHNA and AB1397 and SB 166
12. Developing housing goals, policies, programs and objectives to address housing needs identified in State law
13. Creating policies to stimulate and encourage the provision of missing middle housing types
14. Examining areas for potential new growth

Award Amounts

The minimum award is \$25,000. The maximum award amount is a sliding scale based on population estimates from the DOF, as follows:

- \$500,000 for large localities (greater than 200,000 people)
- \$250,000 for medium localities (60,000 to 200,000 people)
- \$125,00 for small localities (less than 60,000 people)

Culver City is categorized as a “small locality” with a current population of 39,000 and eligible for a \$125,000 grant award.

Program Timeline

All applications must be submitted by November 30th, 2019. Grants are based on a first come first serve basis with special attention to geographic distribution of funding. The following provides a summary of the SB2 Planning Grant Timeline program timeline

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|---------------------------|---|
| • Technical assistance | Beginning early 2019 |
| • NOFA release | March 2019 |
| • Over-the-counter period | 8 months from NOFA release and ending on November 30, 2019 |
| • Awards | Beginning summer 2019 and ongoing with potential for supplemental round |

FISCAL IMPACT

There is no fiscal impact related to the submission of a grant application. In the event the City Council approves the recommended motion, there will be costs associated with staff time and resources.

Once SB2 Planning Grant funds are secured from the State, the amount of \$125,000 will help support the update the General Plan Housing Element and Land Use Element.

ATTACHMENTS

1. SB2 Guidelines
2. SB2 Planning Grant Resolution

MOTION

That the Culver City Council:

1. Adopt a resolution authorizing submission of a grant funding application in the amount of \$125,000 under the Senate Bill 2 Planning Grant Program Year 1 to partially support the General Plan Update/Housing Element; and
2. Authorize the City Attorney to review/prepare the necessary documents; and
3. Authorize the City Manager to execute such documents on behalf of the City.

NOTES

- 1. Rezone to Permit By-right:** Rezoning for significant additional housing capacity for project threshold of up to 20 dwelling units without or with lesser discretionary review or by 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.