




REPORT TO CITY COUNCIL

DATE: OCTOBER 23, 2019

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER 

BY: NATHAN HAMBURGER, ASSISTANT CITY MANAGER 
DOUG HOOPER, PLANNING DIRECTOR 

SUBJECT: ADOPTION OF RESOLUTION NO. 19-1913, AUTHORIZING THE FILING OF AN APPLICATION TO THE STATE OF CALIFORNIA HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT FOR THE SB 2 PLANNING GRANTS PROGRAM

Staff is requesting the City Council adopt Resolution No. 19-1913, authorizing the City Manager, or the City Manager's designee, to apply for the California Department of Housing and Community Development ("HCD")'s SB 2 Planning Grants Program ("PGP"), in the amount of \$160,000. Staff also requests the City Council authorize the City Manager, or the City Manager's designee, to execute the Standard Agreement with HCD, if the funds are awarded.

In 2017, Governor Brown signed a 15-bill housing package aimed at addressing California's housing shortage and high housing costs. Specifically, it includes the Building Homes and Jobs Act (SB 2, 2017), which establishes a \$75 recording fee on real estate documents to increase the supply of affordable homes in California. The funds from the first year of the fees would be allocated to local governments via planning grants intended to help jurisdictions accelerate housing production, streamline the approval of affordable housing development, and facilitate housing affordability. Examples of types of projects eligible for funding include:

- Accessory Dwelling Units ("ADUs"), or other low-cost building strategies
- Objective design and development standards
- Expedited processing
- Rezone or permit by-right
- Specific Plans or form-based codes, coupled with California Environmental Quality Act ("CEQA") streamlining
- Housing related infrastructure financing and fee reduction strategies

At this time, \$160,000 is available to the City of Agoura Hills, through a noncompetitive process, to support such efforts. An application must be submitted to receive funds. Staff proposes to request the full \$160,000 to fund two projects: 1) Zoning Code amendments, and development of resources, such as guidelines and possible prototypes, to facilitate

production of ADUs, and: 2) development of objective design and development standards to facilitate non-discretionary permitting for multi-family housing projects, for compliance with SB 35 and the Housing Accountability Act. Staff is seeking \$50,000 of the SB 2 grant funds for the ADU resources project, and \$110,000 for the objective design and development standards project.

The SB 2 PGP funds are flexible, and jurisdictions are allowed to use funds for the creation of programs and policies that facilitate housing production. Because the grant is intended to increase housing production, the City is given some flexibility in allocating the funding within the two identified projects, if approved. The City can make modifications based on the final scopes of the work and the ability to accomplish tasks given allocated funding and timeline. Both proposed projects are consistent with the State's Priority Policy Area categories listed above.

ADUs - Accessory dwelling units are allowed by right in the City, specifically on parcels within the Residential Single-Family (RS) and Residential Medium-Density (RM) zoning districts that contain a single-family dwelling, or for which a single-family dwelling is proposed. Accessory dwelling units can be counted toward meeting the City's Regional Housing Needs Assessment ("RHNA") allocation, and can also be affordable to construct and provide flexible housing options for homeowners to share independent living area with family members, allow seniors to age in place, or rent the units. The City's use of the SB 2 funds are intended to facilitate ADU production through any required updates to the Zoning Ordinance, and the development of useful guides and possible prototypes that equip homeowners undertaking construction of an ADU, and expedite the permitting process.

Objective design and development standards - The 2017 Housing Bills, including SB 35 and revisions to the Housing Accountability Act, allow certain housing projects that meet affordability requirements and objective standards to be eligible for a streamlined, non-discretionary review process within 90 days or 180 days, while also meeting other statutory requirements. Such projects can only be subject to a ministerial review process, unlike the discretionary review process typical for new housing development planning permits. Therefore, these projects can only be reduced or denied based on "objective standards" or a specific adverse effect on health or safety. Objective standards, as defined by the State, are "standards that involve no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available by both the development applicant and the public official prior to submittal." Currently, the City Zoning Ordinance contains objective standards, but also subjective standards and guidelines, such as architectural review standards and context-based design criteria. The City must identify and revise subjective guidelines into objective standards to have these standards apply to qualifying ministerial projects.

With assistance from a consultant, staff intends to use the City's existing Zoning Ordinance and Architectural Design Standards and Guidelines as a basis to produce

objective design standards and guidelines. This process will include meeting with, and receiving input from, stakeholders and the public. Staff also intends to clarify the SB 35 application process for development applicants through the preparation of forms and submittal requirements. Proposed changes to the Zoning Ordinance and Architectural Design Standards and Guidelines will be reviewed by the Land Use/Economic Development Committee and Planning Commission, prior to City Council review and adoption.

Should the City's grant application be accepted, no other City resources, other than staff time, are expected. Staff currently plans to only use grant funding up to the amount awarded and does not expect the need for City general funds. Available SB 2 funds in later years will be used to fund the actual construction of affordable housing. Future year funds will be subject to a different statutory allocation and different grant requirements, and will need to be pursued by a separate grant application.

The deadline for the current SB 2 PGP application is November 30, 2019. With the City Council's approval of the Resolution, staff will submit the SB 2 application to the State. Depending on the volume of applications, the City will be notified within 30-60 days as to whether the application has been accepted. Thereafter, the City will have 30 days to execute a standard agreement with the State. Staff recommends the City Council authorize the City Manager, or his/her designee, to sign HCD's Standard Agreement. The City Council's adoption of the attached Resolution would enable the City Manager to execute the agreement without returning to the City Council.

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 19-1913, authorizing the City Manager, or the City Manager's designee, to apply for the California Department of Housing and Community Development's SB 2 Planning Grants Program, in the amount of \$160,000. Staff also recommends the City Council to authorize the City Manager, or the City Manager's designee, to execute the Standard Agreement with HCD if the funds are awarded.

Attachment: Resolution No. 19-1913

RESOLUTION NO. 19-1913

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AGOURA HILLS, CALIFORNIA, AUTHORIZING APPLICATION FOR, AND RECEIPT OF, SB 2 PLANNING GRANT PROGRAM FUNDS

WHEREAS, the State of California, Department of Housing and Community Development ("Department") 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 Agoura Hills desires to submit a project application for the PGP 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 the Department for the Planning Grant Program; and

WHEREAS, the Department is authorized to provide up to \$123 million 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 Planning Grants Program; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Agoura Hills as follows:

Section 1. The City Manager, or his/her designee, is hereby authorized and directed to apply for and submit to the Department the 2019 Planning Grants Program application released March 28, 2019, in the amount of \$160,000.

Section 2. In connection of the PGP grant, if the application is approved by the Department, the City Manager, or his/her designee, is authorized to enter into, execute, and deliver a State of California Standard 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 of Agoura Hills shall be subject to the terms and conditions as specified in the Standard Agreement, the SB 2 Planning Grants Program Guidelines, and any applicable guidelines published by the Department. Funds are to be used for allowable expenditures as specifically identified in 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 the Department and in accordance with the Planning Grants NOFA, the Planning Grants Program Guidelines, and 2019 Planning Grants Program application.

Section 4. The City Manager, or his/her designee, is authorized and directed to execute the City of Agoura Hills' Planning Grants Program application, the PGP Grant Documents, and any amendments thereto, on behalf of the City of Agoura Hills as required by the Department for receipt of the PGP Grant.

PASSED, APPROVED AND ADOPTED this 23rd day of October, 2019, by the following vote to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

Linda L. Northrup, Mayor

ATTEST:

Kimberly M. Rodrigues, MMC, City Clerk