



City of Alameda

Staff Report

File Number:2019-6952

City Council

Agenda Date: 6/18/2019

File Type: Consent Calendar Item

Agenda Number: 5-I

Adoption of Resolution Authorizing the City Manager to Apply for and Accept up to Three Hundred Ten Thousand Dollars (\$310,000) in Senate Bill (SB) 2 Planning Grants Program Funds for Work on General Plan Updates, Zoning Ordinance Amendments, and Environmental Review Consistent with State Laws to Streamline Housing Production. (Planning, Building & Transportation 481005)

To: Honorable Mayor and Members of the City Council

EXECUTIVE SUMMARY

Adoption of this resolution would authorize the City Manager to submit an application for the State Department of Housing and Community Development (HCD) grant funds available from the SB 2 (Building Homes and Jobs Act) Planning Grants Program and enter into a Standard Agreement with HCD to accept the grant funds. The City of Alameda (City) is currently eligible to receive over-the-counter, non-competitive grant funds of up to \$310,000 to fund General Plan updates, Zoning Ordinance amendments, and environmental review work that is consistent with SB 2 criteria to streamline housing production. The grant funds will be used to reimburse the Planning and Building Fund for expenditures on the City Council-directed work program.

BACKGROUND

On April 16, 2019, the City Council endorsed an Annual Report on the Status of the General Plan and Housing Element and directed staff to proceed with:

- Streamlining the review process for housing development;
- Developing “objective design standards” to expedite design review of housing projects;
- Revising current policies, regulations, and fees to increase accessory dwellings, affordable and workforce housing, and affordable-by-design units; and
- Updating the General Plan and Zoning Ordinance to increase climate change protection.

In 2019, HCD launched the Planning Grants Program under SB 2, which was part of a 15-bill housing package signed by former Governor Jerry Brown to address the state’s housing shortage and high housing costs. Specifically, SB 2 established a \$75 recording fee on real estate documents to increase the supply of affordable housing in California. The law requires HCD to offer financial and

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technical assistance to local governments to update planning documents and zoning ordinances in order to streamline housing production. Background information about the grant is available online at: <http://www.hcd.ca.gov/grants-funding/active-funding/planning-grants.shtml>.

DISCUSSION

The SB 2 grant funds are dispersed to eligible local governments based on population. The City is eligible for up to \$310,000 as a “medium-sized city.” Activities that are eligible for grant funding include, but are not limited to, general plans, zoning ordinances, and environmental documents that improve and expedite local permitting for housing. Planning work on sustainability plans as they relate to housing also qualify as eligible activities. HCD describes the application process as “non-competitive” and available “over-the-counter,” which means the grant will be approved upon demonstrating compliance with the eligibility and application criteria. The City qualifies for the SB 2 grant because it has a certified General Plan Housing Element and has met annual deadlines for the Housing Element Annual Progress Report.

Work Program: Based on direction from the City Council in April, staff proposes the following housing-related work program be funded under SB 2 grant funds:

Planning SB 2 Work Program Tasks:	Estimated Timing	Estimated Cost
Accessory Dwelling Ordinance Revisions	2019	\$5,000
Objective Design Standards/Design Review Revisions	2019	\$20,000
Zoning Text Amendments for Housing	2019	\$20,000
Residential Development Fees Analysis	2020	\$25,000
General Plan Residential/Climate Action Policies Update	2021	\$20,000
Pre-approved Development Plans for Housing Sites	2021	\$110,000
Environmental Review for Housing Sites	2021	\$110,000
		\$310,000

Grant Term: The grant term will begin on the day HCD and the City sign the Standard Agreement and is anticipated to end on June 30, 2022. Grant monies are issued as reimbursements to expenditures on eligible planning activities during this period. Currently, two planning consultants are on contract assisting the Planning Division with the work program. The contract amounts total \$120,500 with the anticipation that amounts would increase over time, with subsequent City Council approval as required, to cover the cost of the work. Once awarded, the SB 2 grant funds would reimburse the Planning and Building fund for expenditures from these consultant agreements retroactive to the Notice of Funding Availability date of March 28, 2019. Specific details of grant

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administration will be set forth in a subsequent Standard Agreement between the City and HCD after the grant is awarded. The deadline for the grant application is November 30, 2019.

ALTERNATIVES

Alternative 1 --- Apply for and accept up to \$310,000 of SB 2 Planning Grants Program funds for work on general plan updates, zoning ordinance amendments, and environmental review consistent with state laws to streamline housing production.

Alternative 2 ---The City Council could deny proceeding with this grant application. Staff anticipates that the City would continue the work program with the use of Planning and Building funds.

FINANCIAL IMPACT

There is no financial impact to the General Fund or Community Development Fund (Fund 209) related to this grant application and subsequent Standard Agreement with HCD for grant administration. The costs allowable under the grant as well as the related grant reimbursements will be accounted for in the Community Development Fund.

MUNICIPAL CODE/POLICY DOCUMENT CROSS REFERENCE

This action is consistent with the General Plan Housing Element to remove governmental constraints towards housing production and to streamline ways to increase housing stock and affordability.

ENVIRONMENTAL REVIEW

This activity is not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) of the CEQA Guidelines (governmental fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment is not a project).

CLIMATE IMPACTS

The grant application would cover updating the City's General Plan to also include policies and goals addressing climate change as it relates to new housing development, therefore, it is consistent with the City's overall goals to climate impacts.

RECOMMENDATION

Authorize the City Manager to apply for and accept up to \$310,000 of SB 2 Planning Grants Program funds for work on general plan updates, zoning ordinance amendments, and environmental review consistent with state laws to streamline housing production.

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CITY MANAGER RECOMMENDATION

The City Manager concurs with the recommendation to apply for and accept up to \$310,000 of SB 2 Planning Grants Program funds for work on general plan updates, zoning ordinance amendments, and environmental review.

Respectfully submitted,
Andrew Thomas, Acting Planning, Building and Transportation Director

By,
Allen Tai, Planning Services Manager

Financial Impact section reviewed,
Elena Adair, Finance Director

cc: Eric Levitt, City Manager