



City of Pittsburg

Land Use Sub-Committee Meeting Agenda

September 24, 2019
4:30 p.m.

City Hall
First Floor Conference Room, 4B
65 Civic Avenue
Pittsburg, CA 94565

Council Members
Juan Antonio Banales
Holland Barrett White

Planning Commission Members
Elissa Robinson
Chris Moreno

1. Public Comment for Non-Agenda Items

2. Bobo Court Zoning Amendment, AP-19-1454 (RZ)

An application for zoning text amendment has been filed for the property located at 1416 Bobo Ct., in order to help facilitate occupancy by a future cannabis manufacturing business. In reviewing the request, staff believes there are three separate ways in which the zoning amendment could be processed and as such, would like feedback from the Subcommittee before moving forward to the Planning Commission for a formal recommendation to City Council.

3. Railroad Avenue Specific Plan Potential Modifications

In an effort to achieve a better jobs/housing balance and incentivize more of the planned high-density housing closer to existing shopping and transit, staff is considering initiating two revisions to the Railroad Avenue Specific Plan, in order to allow: 1) more office development within the Civic Center sub-area, and 2) discretionary residential density increases above established maximums, for certain parcels located closest to the Pittsburg Center BART Station. *Subcommittee feedback is requested.*

4. SB 2 Planning Grant Application

In 2017, the Governor of California signed Senate Bill 2 (SB 2), referred to as the "Building Homes and Jobs Act," which established a permanent, on-going source of non-competitive grant funding for local agencies to prepare, adopt, and implement plans and process improvements intended to streamline housing approvals and accelerate housing production. Staff has prepared three draft program recommendations that would qualify for grant funding and would like feedback from the Subcommittee before going to City Council for a formal authorization to proceed. *Subcommittee feedback is requested.*

5. Miscellaneous Project Updates



PLANNING DIVISION
Memorandum

MEMO: September 24, 2019
TO: Land Use Subcommittee Members
FROM: Kristin Pollot, AICP, Planning Manager
RE: Item 2 – Bobo Court Zoning Amendment

An application for zoning text amendment has been filed for the property located at 1416 Bobo Ct., in order to help facilitate occupancy by a future cannabis manufacturing business. In reviewing the request, staff believes there are three different ways in which the zoning amendment could be processed and as such, would like feedback from the Subcommittee before moving forward to the Planning Commission for a formal recommendation to City Council.

- 1. Overlay Zoning Specific to 1416 Bobo Court.** An Overlay District could be established for the property address only, to allow the use of “Food & Drug Processing” (which allows cannabis manufacturing subject to a separate discretionary review process), in addition to all uses allowed within the current CS (Service Commercial) District zoning. This approach would keep the application very focused in scope to the single property in question; however, it should be noted that ongoing administration/records management for multiple overlay districts within the City can get cumbersome for staff. There are currently 20 separate overlay districts in existence in the City, and another 31 planned development zones (which function similarly to an overlay district).
- 2. Zoning Text Amendment.** A zoning text amendment could be drafted to allow the “Food & Drug Processing” use (which, as stated above, allows cannabis manufacturing subject to a separate discretionary review process), subject to a limitation that further restricts the geographic boundaries where the use may be established. The limitation could be worded as follows: “use only allowed on parcels located north of E. Leland Road and east of Loveridge Road.” This type of limitation would allow the use subject to discretionary review in all CS zoned areas, matching the geographic criteria (see Attachment 1 for a map of the areas this would include).

3. Rezone to IP (Industrial Park) District. In evaluating the existing operations in the area, staff believes that a full rezone of the site (and surrounding similarly zoned areas) may be appropriate. The current zoning designation for most of the land between Bobo Court and Commerce Place (see Attachment 2 a map with the exact district boundary) is CS District.

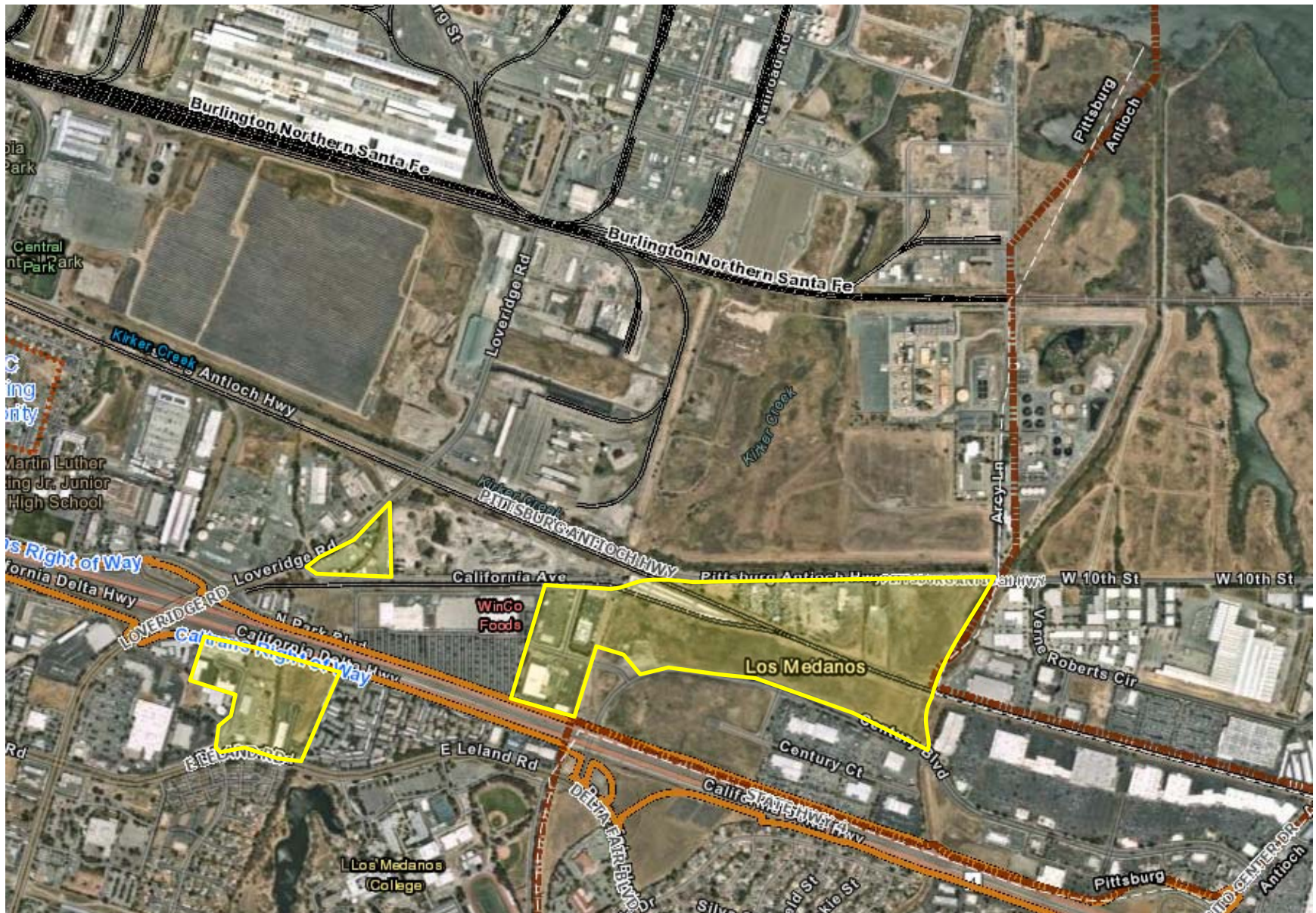
The CS District is intended to “provide opportunities for retail and service businesses on transitional sites between commercial and industrial areas, including businesses not allowed in other commercial districts because they have industrial characteristics, require heavy vehicle or truck traffic, or have certain other adverse impacts.”

The area highlighted on the attached map is located between community commercial zoning and medium to high density residential zoning, and consists primarily of auto repair shops, contractor businesses/yards, a self-storage facility, and there is one drive-through establishment.

Rezoning this area to IP (Industrial Park) District zoning could be considered a less intensive land use for the area and/or more restrictive, in that it is intended to “provide sites in landscaped settings for service-oriented commercial and light industrial uses with limited customer presence and turnover, including industrial office centers, research and development facilities, limited industrial activities (including production and assembly but no raw materials processing or bulk handling), limited and warehouse type retail and commercial activities, and small-scale warehousing distribution.”

Some key differences to consider in this potential rezoning from CS to IP are as follows:

Uses Removed*:	Uses Added*:
Mixed-Use Residential	Contractor Yards
Grocery/Liquor Stores	Laundry
Drive-Thru Businesses	Laboratories
Animal Sales/Services	Limited Manufacturing
Emergency Shelters	Repair/Jobbing Services
Hospitals	Research & Development
Personal Services	Truck Terminal
Personal Improvement Services	Food & Drug Processing+
<i>*All uses listed are included as general categories for reference purposes only and are not exact land use classifications as identified in the Zoning Code.</i>	







**PLANNING DIVISION
Memorandum**

MEMO: September 24, 2019
TO: Land Use Subcommittee Members
FROM: Kristin Pollot, AICP, Planning Manager
RE: Item 3 – Railroad Avenue Specific Plan Potential Modifications

Staff is requesting feedback on two potential changes to the Railroad Avenue Specific Plan (RASP), which are being proposed in order to help achieve a better jobs/housing balance and incentivize more of the planned high-density housing to be located closer to existing shopping and transit, south of Highway 4.

Proposed Change #1 – Land Use Map Amendment. The first change proposed would include an amendment of the land use map in order to re-designate approximately 4.5 acres located north of the existing courthouse from “TOD Residential” to “Public/Institutional” (see Attachment 1, “Existing vs. Proposed” map). The primary reason for this change is to facilitate development of another potential office site immediately north of the existing courthouse. It is important to note that residential uses are allowed in the Public/Institutional RASP land use classification, so the change proposed would provide additional flexibility in land use beyond what currently exists, without losing the ability to build housing there in the future if an office development doesn’t come to fruition. Definitions for both land use classifications are provided below for reference purposes.

Public/Institutional. The Public/Institutional classification allows schools, government offices, transit sites, public utilities, and other facilities with a unique public character. Other permitted uses on Public/ Institutional sites located within one-half mile of the eBART Station includes residential uses, offices, restaurants and office-supporting commercial uses in order to support the public/institutional uses located on the block during business hours, and to activate the area during evenings and weekends when public/institutional uses are typically closed. Residential and commercial uses are permitted provided that the City Planner, Planning Commission or City Council, as appropriate, finds that the land will not be needed in the future for a public/institutional use.

TOD Residential (Residential: 20 to 50 dwelling units per gross acre; Non-residential: Maximum 0.25 FAR). The TOD Residential land use classification is intended to provide opportunities for multi-family residential development in a well-designed walkable environment within one-half mile of local and regional transportation facilities. TOD Residential land uses are intended to provide sites for multi-family apartments, condos, row houses, apartments, townhouses, court homes, and cluster housing. Neighborhood commercial uses, as defined in the Zoning Ordinance, are also appropriate in this land use classification provided that the commercial use is integrated into the development and limited to properties fronting a major arterial street.

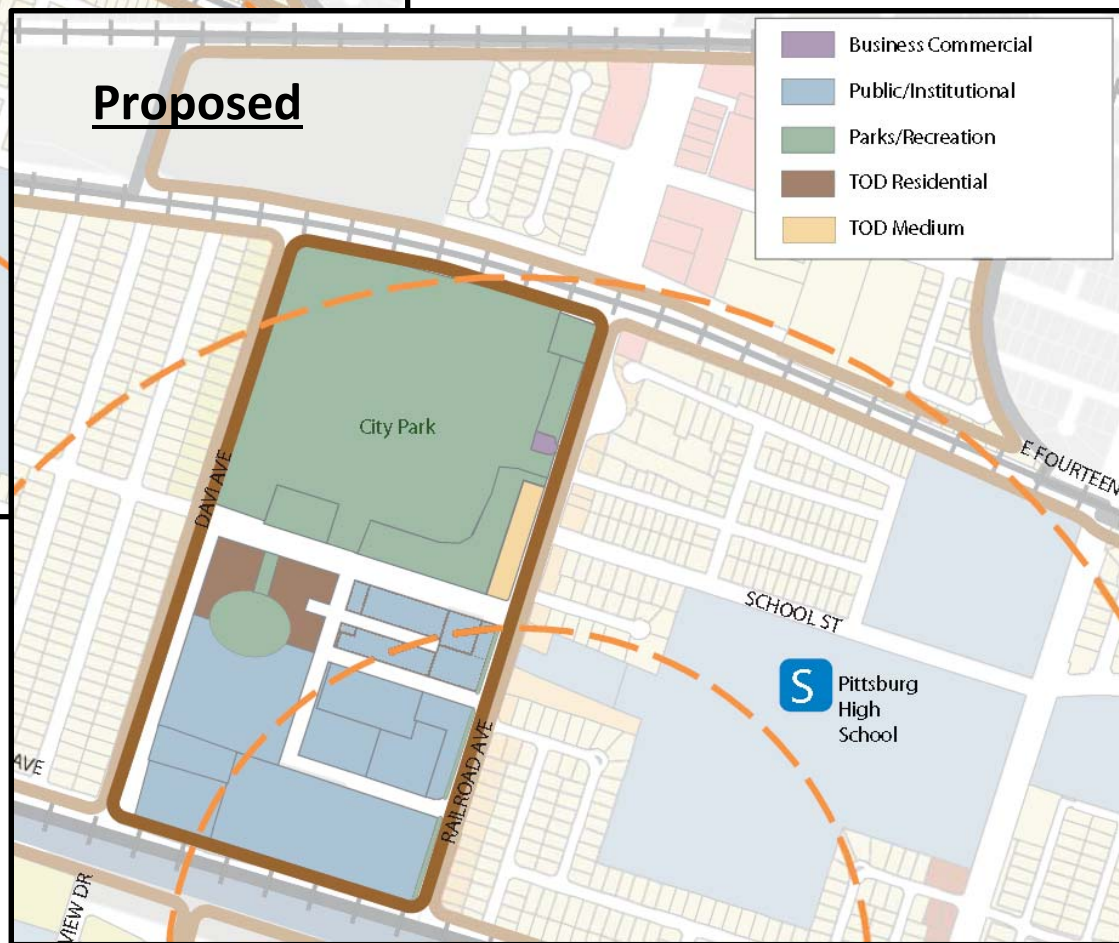
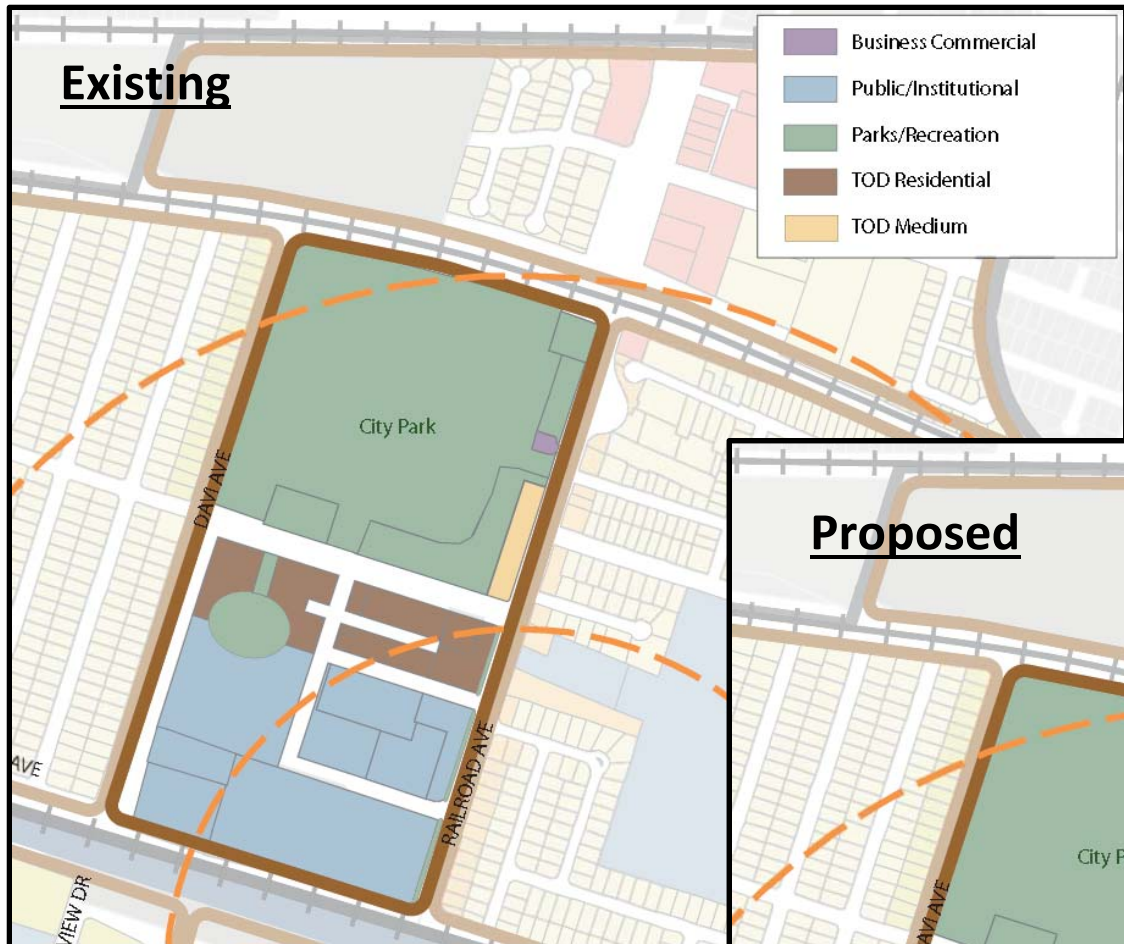
Proposed Change #2 – Density Bonus Text Amendment. The RASP currently allows discretionary density bonuses for properties located within ¼ mile of the Pittsburg Center BART Station. In order to provide more clarity about how these density bonuses may be applied to projects, staff is proposing the following text amendment to the existing language about density bonus (newly proposed language is shown in underline font below):

DENSITY BONUS & INCREASE IN FAR PERMITTED

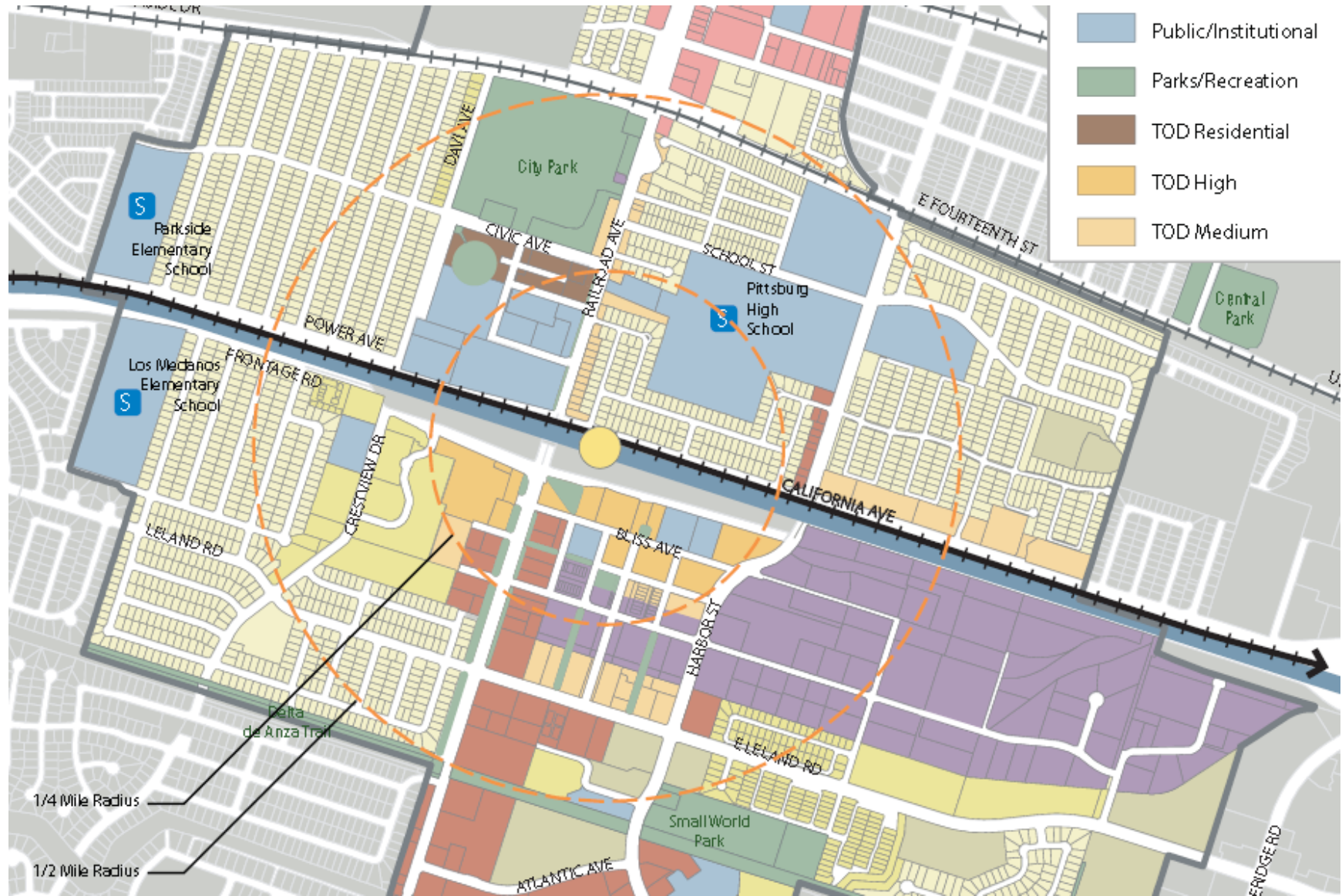
Subject to design review approval, discretionary density bonuses are permitted for all properties within one-quarter mile of the planned eBART Station, and increases in FAR are permitted in all commercial land use designations in order to accommodate a residential component. Additional increases in density and FAR are permitted within each land use designation as described below and in Chapter 4. Discretionary density bonuses beyond the limits defined in Chapter 4, may be permitted on TOD High designated parcels within one-quarter mile of the eBART, if all other minimum TOD High development standards outlined in Chapter 4 can be met.

Attachment:

- 1) Existing vs Proposed Land Use Maps



RASP – Existing Land Use Map





PLANNING DIVISION
Memorandum

MEMO: September 24, 2019
TO: Land Use Subcommittee Members
FROM: Trishia Caguiat, Associate Planner
RE: Item 4 - Senate Bill 2 (SB 2) Planning Grants Application

In 2017, the Governor of California signed Senate Bill 2 (SB 2), referred to as the “Building Homes and Jobs Act.” This law establishes a permanent, on-going source of funding dedicated to promoting and facilitating housing development. The funding source is secured through a fee that is imposed at the time of recordation of every real estate instrument, paper or notice for each single real estate transaction on a parcel of property.

The law indicates that the revenue collected for the 2018 calendar year is to be deposited into two funds: (a) 50 percent of the revenue is to be placed in a fund made available to local governments for planning grants; and (b) 50 percent of the revenue to be made available to a fund for the Department of Housing and Community Development (HCD) to assist persons experiencing or at risk of homelessness. The revenue allocated to local governments is to be used for promoting and facilitating the production of housing units throughout the State and that the funding be administered through a non-competitive planning grant program.

On March 28, 2019, HCD released a Notice of Funding Availability (NOFA) for approximately \$123 million, the statewide revenue designated for local government grants. Through this program, local agencies are provided an eligibility allowance based on a population figure provided by the State Department of Finance. The City of Pittsburg is classified as a “medium city”, a locality with a population between 60,000 and 200,000 and is eligible for a maximum award of \$310,000 for Year 1 of the planning grant program. Overall, the SB 2 planning grant program provides an opportunity to establish new policy tools in order to encourage the creation of additional housing units in response to other housing policy programs required by the State due to California’s current housing unit shortfall.

Staff has researched the following potential programs for the City of Pittsburg that would be eligible to meet the criteria for grant funding and program deliverable requirements

as specified in the NOFA. Staff is currently planning to prepare an SB2 application for the following planning programs; however, we are requesting Subcommittee feedback on the following policy recommendations before completing the SB2 application forms and requesting formal City Council authorization:

- 1. Development of Objective Design Standards for Multi-family Projects.** In 2017, Senate Bill 35 (SB 35) was signed by the Governor of California, establishing a mandated, ministerial review process for multi-family residential projects in order to create a streamlined review process. In order to qualify for this process, an applicant would be required to pay prevailing wage for construction labor. The intent of this law is to exempt such projects from environmental review, or the California Environmental Quality Act (CEQA), and limits the local government agency's project review to compliance with locally-adopted "objective design and development standards." The grant request would cover the cost of hiring a professional urban design consulting firm to develop the objective design standards from Pittsburg's existing Development Design Standards and specific plans. A percentage of the grant would also cover staff program management of the chosen consultants and conducting policy research regarding modern approaches to multi-family design and incorporation of sustainability practices that would be beneficial to the City. Rough estimated program cost (including staff time) would be approximately \$100,000.
- 2. Accessory Dwelling Unit (ADU) Ordinance Updates and Permit-Ready Prototype Designs.**
Accessory dwelling units (ADU) have been identified by the State as a moderately affordable housing prototype. One of the barriers to constructing an ADU is the cost associated with the design process for an ADU to meet California Building Code and Municipal Code zoning requirements. The City of Santa Cruz is an example of a local jurisdiction which has had many years of success providing permit-ready plans to residents in order to significantly reduce construction costs and delay of approval of a building permit. Creation of ADU prototype plans would require consultation and design of various types of prototype plans with a licensed architect to cover the variety of residential single-family architectural offerings existing in the City. Additionally, a portion of the grant funding would cover revisions to the Pittsburg Municipal Code to address the process of review using the proposed prototype designs. Rough estimated program cost (including staff time) would be approximately \$100,000.
- 3. Application of Vehicle Miles Travelled (VMT) as a CEQA impact threshold.**
In 2013, Senate Bill 743 (SB 743) was signed by the Governor of California, which changes how the transportation impacts of land use development projects are analyzed under CEQA. Before SB 743, transportation impacts under CEQA were evaluated using a measure called Level of Service (LoS), which measures congestion and vehicle delay. As a CEQA metric, concerns have grown that LoS may exacerbate sprawl and discouraging infill housing by using congestion and roadway capacity expansion as a metric to determine mitigation measures. As infill projects are typically located in areas with significant congestion, typical LoS analysis can create design or cost constraints for mitigation of potential project

impacts as the “last in” construction even though infill style development typically results in less overall vehicle miles traveled because of close proximity to transit facilities. SB 743 eliminates LoS as a transportation metric under CEQA.

The Governor’s Office of Planning and Research (OPR) released a technical advisory guide in 2018 to lay out approaches to estimate VMT, define thresholds, and identify impacts using regional travel demand models as a key source. Compliance with SB 743 would set exact thresholds of significance, which for review of multifamily projects could exempt a project from further CEQA review. The grant request would cover the cost of hiring a professional transportation consulting firm to develop transportation impact thresholds to meet the requirements of SB 743 and create citywide mapping tools to encourage reduction in VMT for new project proposals citywide. Additionally, a portion would be dedicated to the comprehensive General Plan update, as that document is where the City’s transportation analysis thresholds reside. Lastly, a percentage of the grant funding would also be allocated towards staff time coordinating policy efforts with the Contra Costa Transportation Authority on the regional travel demand model applicable to the countywide Transportation Growth Management Plan (Measure J) initiative and revisions to the City’s Transportation Demand Management/Systems ordinance. Rough estimated program cost (including staff time) would be approximately \$100,000.

Next Steps: The program guidelines require that the submittal of the planning grant application include an adopted City Council resolution authorizing the request for funding. The deadline for the Year One SB 2 Planning Grant application is November 30, 2019. If the subcommittee concurs with staff’s recommended programing, staff is anticipating to present the draft SB 2 planning grant application program scope and authorization resolution during the October 21, 2019 City Council meeting.

Attachments:

1. SB 2 Planning Grants Notice of Funding Availability (NOFA), dated March 28, 2019
2. State Housing and Community Development website on SB 2:
<http://www.hcd.ca.gov/grants-funding/active-funding/planning-grants.shtml>

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2771 / FAX (916) 263-2763
www.hcd.ca.gov



March 28, 2019

MEMORANDUM FOR: All Potential Applicants

**FROM: Zachary Olmstead, Deputy Director
Division of Housing Policy Development**

**SUBJECT: NOTICE OF FUNDING AVAILABILITY -
SB 2 PLANNING GRANTS PROGRAM**

The Department of Housing and Community Development (Department) is pleased to announce the release of this Notice of Funding Availability (NOFA) for approximately \$123 million under the Senate Bill 2 (SB 2, 2017) Planning Grants Program (PGP). SB 2 established a permanent source of funding intended to increase the affordable housing stock in California. The legislation directs the Department to use 50 percent of the first year's revenue to establish a program that provides financial and technical assistance to local governments to update planning documents and land-use ordinances. The PGP is intended for the preparation, adoption, and implementation of plans that streamline housing approvals and accelerate housing production.

In order to be eligible for grant funding, an applicant must submit a complete, signed original application and an electronic copy on CD or USB flash drive. OTC applications will be accepted for an eight-month period ending on **November 30, 2019**. The Department will only accept applications through a postal carrier service that provides date stamp verification confirming delivery to the Department's office, such as the U.S. Postal Service, UPS, FedEx, or other carrier services. No facsimiles, late applications, incomplete applications, application revisions, electronic submittals, or walk-in application packages will be accepted. All applications must be submitted to the Department at the following address:

**Department of Housing and Community Development
Division of Housing Policy Development
2020 West El Camino Ave, Suite 500
Sacramento, CA 95833**

PGP applications and forms are available on the Department's [website](#). Please refer to the [Planning Grants Program Guidelines](#) for detailed information on eligible activities, applicants, and awards. If you have questions regarding this NOFA, please email the Department at sb2planninggrant@hcd.ca.gov.

Attachment

PLANNING GRANTS PROGRAM (SB 2, 2017) 2019 NOTICE OF FUNDING AVAILABILITY



**State of California
Governor Gavin Newsom**

**Alexis Podesta, Secretary
Business, Consumer Services and Housing Agency**

**Ben Metcalf, Director
Department of Housing and Community Development**

**Zachary Olmstead, Deputy Director
Department of Housing and Community Development
Division of Housing Policy Development**

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

Email: sb2planninggrant@hcd.ca.gov

March 29, 2019

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2019 NOTICE OF FUNDING AVAILABILITY SB 2 PLANNING GRANTS PROGRAM

I. Introduction

The Department is releasing this Notice of Funding Availability (NOFA) for approximately \$123 million to make funding available to all local governments in California under the Senate Bill 2 (SB 2) Planning Grants Program (PGP). The PGP program is intended for the preparation, adoption, and implementation of plans that streamline housing approvals and accelerate housing production.

The PGP is authorized by Health and Safety Code sections [50470 et seq.](#) (Chapter 364, Statutes of 2017, ([SB 2](#))). Funding is subject to the December 2018 [Planning Grants Program Guidelines](#) (hereinafter referred to as the “Guidelines”), which includes detailed information on eligibility requirements, conditions, and procedures for awarding funds.

II. Program Summary

SB 2 (2017) is part of a [15 bill housing package](#) aimed at addressing the state’s housing shortage and high housing costs. Specifically, SB 2 established a permanent source of revenue intended to increase the affordable housing stock in California.

PGP grants are funded through 50 percent of the revenues collected during the first calendar year (January through December, 2018). The PGP program is a one-time component of SB 2 that, among other provisions, provides financial and technical assistance to local governments to update planning documents in order to:

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

The Department, in conjunction with the Governor’s Office of Planning and Research, will provide technical assistance to localities pursuant to the provisions set forth in Article VII, Section 700(a) through (e) of the Guidelines. For further information, contact the Department at sb2planninggrant@hcd.ca.gov for details regarding local technical assistance.

Please refer to the Guidelines for other administrative provisions not summarized in this NOFA.

III. Program Timeline

Pursuant to Section 500(a) of the Guidelines, 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, commencing from the date of the release of this NOFA (Section 500(b) of the Guidelines). See Table 1 below for the projected timeline for awards for the initial OTC period.

Table 1: *Projected Timeline for Awards for OTC Applications*

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

The Department anticipates awards in 2-3 month intervals, depending on the volume of applications, and reserves the right to make adjustments to the projected timeline at any time. If OTC funds are not fully awarded at the end of the eight-month period, the Department may extend the final OTC application due date or consider a supplemental funding round (Section 500(g) of the Guidelines). During any supplemental round, top priority will be given to localities that have not submitted a previous request for funding. All other applicants may be subject to competitive scoring criteria during any supplemental round (Section 500(g)(2) of the Guidelines).

IV. Funding Available

The Department determined maximum award amounts for large, medium, and small localities, based on population estimates from the Department of Finance (DOF). Table 2 below shows the minimum and maximum awards available pursuant to Article IV, Section 400 of the Guidelines. Applicants can view maximum award amounts for all jurisdictions [here](#).

Table 2: *Minimum and Maximum Award Amounts*

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 amount:	Maximum award amount:	Maximum award amount:	Maximum award amount:
\$25,000	\$625,000	\$310,000	\$160,000

For a link to the 2018 DOF Population Estimates, E-5, see: <http://www.dof.ca.gov/Forecasting/Demographics/Estimates/E-5/>

Applicants seeking partnerships with other local governments will be additive. For example, two large localities could submit a proposal for up to \$1.25 million; three small localities up to \$480,000, etc. Note: All applicants, including those who are forming partnerships, must submit separate, complete and signed application packages, pursuant to section X of this NOFA, to the Department in order to be awarded funds.

V. Eligible Applicants

Pursuant to Article II, Section 200 of the Guidelines, eligible applicants are limited to local governments, i.e., cities and counties. However, local governments may partner through legally binding agreements with other forms of governments or entities where the proposal will have a direct effect on land-use or development within the locality. This includes, but is not limited to, partnerships with other localities, regional governments, housing authorities, school districts, special districts, community based organizations, or any duly constituted governing body of an Indian Reservation or Rancheria.

Multi-jurisdictional partnerships between local governments are encouraged in order to coordinate with regional governments, leverage regional and state investment, promote consistency with the sustainable communities strategy, and affirmatively further fair housing.

Note: All localities must pass the Threshold Criteria as stated in section VIII of this NOFA. To ensure compliance with section VIII, all applicants, including those who are forming partnerships, must submit separate, complete and signed application packages, including resolutions, to the Department in order to be awarded funds.

VI. Eligible Activities

Applicants proposing Priority Policy Areas, as defined in section VIII of this NOFA, are automatically deemed to accelerate housing production without any documentation or demonstration to the Department.

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:

- (1) Updates to general plans, community plans, specific plans, local planning related to implementation of sustainable communities strategies, or local coastal plans;
- (2) Updates to zoning ordinances;
- (3) Environmental analyses that eliminate the need for project-specific review;
- (4) Local process improvements that improve and expedite local planning;
- (5) 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;
- (6) The creation or enhancement of a housing sustainability district pursuant to AB 73 (Chapter 371, Statutes of 2017);
- (7) Workforce housing opportunity zone pursuant to SB 540 (Chapter 369, Statutes of 2017);

- (8) Zoning for by-right supportive housing, pursuant to Government Code section 65651 (Chapter 753, Statutes of 2018);
- (9) Zoning incentives for housing for persons with special needs, including persons with developmental disabilities;
- (10) Rezoning to meet requirements pursuant to Government Code Section 65583.2(c) and other rezoning efforts to facilitate supply and affordability;
- (11) Rezoning for multifamily housing in high resource areas (according to Tax Credit Allocation Committee/Housing Community Development Opportunity Area Maps);
- (12) Pre-approved architectural and site plans;
- (13) Regional housing trust fund plans;
- (14) SB 2 funding plans;
- (15) Infrastructure financing plans;
- (16) Environmental hazard assessments; data collection on permit tracking; feasibility studies, site analysis, or other background studies that are ancillary and part of a proposed activity with a nexus to accelerating housing production; and
- (17) Other planning activities demonstrating a nexus to accelerating housing production.

Eligible activities may be part of a larger planning effort (e.g., a comprehensive zoning code update) if proposed activities have not been completed prior to the NOFA date, are distinct, and demonstrate a nexus to accelerating housing production.

As part of the PGP program, HCD, in coordination with the Governor's Office of Planning and Research (OPR), will work with a team led by Placeworks to provide technical assistance (TA) to applicants throughout the application period. The TA team will work closely with regions, sub-regions, and counties to help jurisdictions identify activities and provide tools that will accelerate housing production. For further information, contact the Department at sb2planninggrant@hcd.ca.gov for details regarding local technical assistance.

VII. Eligible Uses

Pursuant to Article III, Section 302 of the Guidelines, grant funds shall be used for the costs of preparing and adopting the proposed activity. Subcontracting is allowable under conditions set forth in Section 302(c) of the Guidelines. Pursuant to Section 302(b) of the Guidelines, grant funds may not be used for administrative costs of persons employed by the grantee for activities not directly related to the proposed activity. No more than 5 percent of the grant amount may be used for administrative costs for any proposed use, to be approved by the Department upon disbursement.

Only approved and eligible costs incurred for work after the NOFA date, continued past the date of the Standard Agreement, and completed during the grant term, will be reimbursable. Approved and eligible costs incurred prior to the NOFA date are ineligible.

(Section 601(c) of the Guidelines).

Refer to Section 301 of the Guidelines for a list of all ineligible activities.

VIII. Threshold Requirements

In accordance with Article II, Section 201 of the Guidelines, all applicants must meet the following threshold requirements:

- (1) **Housing element compliance:** The applicant must have a housing element that has been adopted by the jurisdiction's governing body by the date the applicant submits the application package, and is subsequently determined to be in substantial compliance with state housing element law pursuant to Gov. Code Section 65585 by the time of award. A jurisdiction's current housing element compliance status can be obtained by referencing the Department's website at <http://www.hcd.ca.gov/community-development/housing-element/index.shtml> or emailing the Department at sb2planninggrant@hcd.ca.gov. For more information on housing element requirements, please contact Paul McDougall at paul.mcdougall@hcd.ca.gov.

Pursuant to Section 201(a)(2) of the Guidelines, applicants not meeting housing element requirements may be considered to meet this threshold requirement at the discretion of the Department on a case by case basis by applying factors such as significant progress in meeting housing element requirements (e.g., a draft found to meet statute, rezoning near completion), proposing activities to meet housing element requirements (e.g., rezoning to accommodate housing needs pursuant to Gov. Code Section 65583(c)(1)) and adoption of a compliant element prior to the award of funds.

- (2) **Annual Progress Report (APR) on the housing element:** The applicant must submit the APR to the Department, as required by Gov. Code section 65400, for the current or prior year by the date the applicant submits the application package.
- (3) **Nexus to accelerating housing production:** The applicant must propose and document plans or processes that accelerate housing production. The application 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 not utilizing Priority Policy Areas must include an explanation and documentation of the nexus plans or processes impact on accelerating housing production based on a reasonable and verifiable methodology and must utilize the Department's form (see Attachment 2 in the Application). A verifiable methodology may include a statement of support from a non-profit or for-profit developer that is active in the locality.

Applicants proposing Priority Policy Areas do not require a nexus demonstration and are automatically deemed to accelerate housing production without any documentation. Pursuant to Section 102(q) of the Guidelines, Priority Policy Areas means any of the following:

- (a) 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).
- (b) Objective Design and Development Standards: Developing objective design standards or pre-approved site and architectural plans that facilitate non-discretionary permitting.
- (c) 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.
- (d) Accessory Dwelling Units (ADU) or Other Low-Cost Building Strategies: Encouraging ADUs and other low-cost 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.
- (e) 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.
- (f) 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 publically available fee calculators.

Note: HCD will be rolling out best practice toolkits and technical assistance in these topic areas over the course of 2019.

Note: If the applicant is proposing only Priority Policy Areas ((PPA), as defined in section VIII, subsection (3) of the NOFA), do not fill out Attachment 2. However, if the applicant is proposing to fund PPAs AND other activities that are not considered PPAs, the application must demonstrate how these other activities have a nexus to accelerating housing production by filling out Attachment 2 of the application.

- (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. Applicants must self-certify utilizing the Department's form (see Attachment 1 in the Application).

IX. NOFA Application Workshops

The Department will hold workshops and a webinar to review the PGP NOFA and application, and will be conducting technical assistance to aid applicants throughout the OTC period. For a list of dates, times, and locations for the workshops as well as information on technical assistance, please visit the Department's [SB 2 Planning Grants webpage](#), or [register here](#).

X. Application Submission Requirements

In order to be eligible for grant funding, an applicant must submit a complete, signed original application and an electronic copy on CD or USB flash drive. Applications will be accepted on an OTC basis for an eight-month period anticipated to end **November 30, 2019**. Note: All localities must pass the threshold criteria as stated in section VIII of this NOFA. To ensure compliance with section VIII, all applicants, including those who are forming or have formed partnerships, must submit separate, complete and signed application packages, including resolutions, to the Department in order to be awarded funds.

The Department will only accept applications through a postal carrier service that provides date stamp verification confirming delivery to the Department's office, such as the U.S. Postal Service, UPS, FedEx, or other carrier services. No facsimiles, late applications, incomplete applications, application revisions, electronically submitted, or walk-in application packages will be accepted. All applications must be submitted to the Department at the following address:

**Department of Housing and Community Development
Division of Housing Policy Development / Land Use Planning Unit
2020 West El Camino Ave, Suite 500
Sacramento, CA 95833**

Applications must be on Department forms and cannot be altered or modified by the applicant. Program applications and forms are available on the Department's website located at <http://www.hcd.ca.gov/grants-funding/active-funding/planning-grants.shtml#forms>.

XI. Application Review Process

Each application will first be reviewed for completeness, threshold eligibility requirements, and accuracy. In order to be considered complete, an application must contain all requested information and supporting documentation. All applications must also meet the eligibility and threshold requirements as specified in this NOFA and the

Guidelines. If the application is ineligible, it will not be considered for funding. Applicants may resubmit their applications prior to the November 30, 2019 deadline. All applicants not meeting the eligibility and threshold requirements will be informed within 60 days from the date the Department receives the application.

XII. Applicant Notification

Applicants will be notified within 60 days of the Department's receipt of their application regarding the status of their application and/or if any additional information is required (Section 500(e)) of the Guidelines). Applicants will receive an official letter of award after the Department approves funding recommendations (Section 500(f) of the Guidelines).

XIII. Award Letter and Standard Agreement

Successful applicants will receive an Award Letter from the Department and will be awarded funds through the Standard Agreement process that will specify, among other things, the amount of funds granted, timeline for expenditure of funds, and the approved use of funds. Expenditure report dates and other requirements will also be identified in the SB 2 Planning Grants Program Standard Agreement.

XIV. Appeals

(1) Basis of Appeals:

- (a) Upon receipt of the Department's notice deeming an application incomplete or ineligible, applicants under this NOFA may appeal such decision(s) to the Director pursuant to this Section.
- (b) No applicant shall have the right to appeal a decision of the Department relating to another applicant's eligibility, point score, award, denial of award, or any other related matter.

(2) Appeals Process and Deadlines:

- (a) Process. In order to lodge an appeal, applicants must submit to the Director by the deadline set forth in subsection (b) below, a written appeal which states all relevant facts, arguments, and evidence upon which the appeal is based. No new or additional information will be accepted. Once the written appeal is submitted to the Director, no further information or materials will be accepted or considered thereafter. Appeals are to be submitted to the Director at following address:

Department of Housing and Community Development
Division of Housing Policy Development
2020 W. El Camino Avenue, Suite 500
Sacramento, California 95833
sb2planninggrant@hcd.ca.gov

The Director will accept appeals delivered through a carrier service such as

the U.S. Postal Service, UPS, Fed Ex, or other carrier services that provide date stamp verification of delivery. Deliveries must be received during the Department's weekday (non-state holiday) business hours of 9:00 a.m. to 5:00 p.m. Pacific Standard Time. Additionally, emails to the email address listed above will be accepted if the email time stamp is prior to the appeal deadline.

(b) **Filing Deadline.** Appeals must be received by the Director no later than (5) five business days from the date of the Department's determination.

(3) **Decision:**

Any request to amend the Department's decision shall be reviewed for compliance with the December 2018 Guidelines and the March 29, 2019 NOFA. The Director shall render his/her decision in writing within fifteen (15) business days of receipt of the applicant's written appeal. The decision of the Director shall be the Department's final decision, and shall not be appealable to any court or tribunal.

(4) **Effectiveness:**

In the event that the statute and/or guidelines governing the PGP program contain an existing process for appealing decisions of the Department with respect to NOFA awards made under such programs, this Section shall be inapplicable and all appeals shall be governed by such existing authority.

XV. Right to Modify or Suspend

The Department reserves the right, at its sole discretion, to suspend, amend, or modify the provisions of this NOFA at any time, including, without limitation, the amount of funds available hereunder. If such an action occurs, the Department will notify all interested parties and will post the revisions to the Department's website. You may subscribe to the Department's email list here: http://www.hcd.ca.gov/HCD_SSI/subscribe-form.html.