

CITY OF YUBA CITY
STAFF REPORT

Date: November 19, 2019
To: Honorable Mayor & Members of the City Council
From: Development Services Department
Presentation by: Brian Millar, Interim Development Services Director

Summary

Subject: Submittal of SB 2 Planning Grant Application

Recommendation: Adopt a Resolution Authorizing the Development Services Director to submit an SB 2 Planning Grant Application to the State Housing and Community Development Department

Fiscal Impact: There will be no impact to the General Fund. All costs associated with the consultant services are funded by the SB 2 Planning Grant program.

Purpose:

The SB2 Grant provides funding and technical assistance to local governments in California to help cities and counties prepare, adopt, and implement plans and process improvements that streamline housing approvals and accelerate housing production.

Background:

In 2018, SB 2 (Building Homes and Jobs Act) came into effect as a funding source for housing and affordable housing. Fifty percent (50%) of the first year's revenue is to be provided to cities and counties for planning activities (General Plan and zoning Code amendments, infrastructure financing plan to facilitate residential development, etc.) that reduce constraints and incentivize housing production. The City of Yuba City is to receive a \$310,000 grant for these activities. In order to apply for the grant funds the Department of Housing and Community Development (HCD) requires a resolution of authorization from the City Council to apply for the grant. The resolution of authorization is provided for Council consideration.

Analysis:

Planning activities under the SB 2 grant program must directly address one of many grant objectives, including:

- Accelerate housing production.
- Streamline the approval of housing development affordable to owner and renter households at all income levels.
- Facilitate housing affordability for all income groups.

Staff has identified projects that would be pursued based on award of SB 2 planning grant funds:

- General Plan Update and Housing Element Update (for City's next Housing Element cycle, which runs from 2021–2029).

The last comprehensive effort to update the General Plan was in 2004. The SB2 grant will help the City establish, adopt, and implement specific General Plan Objectives and Policies that will include a focus on housing production and elements of community sustainability. The General Plan update will also consider the connection between production of new housing and creation of jobs for local residents, including a focus on our downtown core area. The City has an established Capital Improvement Program (CIP) for the General Plan Update and related implementation actions, with a current funding balance of \$690,000; the use of SB 2 grant funds would be available in addition to the CIP funds. Some components of this work would also be used in preparing the City's next Housing Element Update.

- Review and update of City's development application programs, focused on residential projects.

Additionally, the City will utilize a portion of the SB2 grant funding to undertake a comprehensive review and update its plan development and review processes with a goal of identifying opportunities to streamline the plan review and development processes for the construction of new housing and projects which promote community sustainability concepts. The City's current processes haven't been thoroughly examined in several years.

The planning grant funds are distributed over-the-counter on a noncompetitive and reimbursable basis (quarterly). There is no local match of grant funds required. Staff intends to submit the grant application following Council approval of the resolution of grant authorization. HCD anticipates a 60- to 90-day review and approval period of the grant. Staff is estimating 18-24 months to complete the project list. The grant must be closed out by June 30, 2022.

Fiscal Impact:

There will be no impact to the General Fund. All costs associated with the program are funded by the SB 2 Planning Grant program.

Alternatives:

Do not submit the SB 2 Planning Grant application. The City would not receive its \$315,000 in Planning program funds if the SB 2 Planning Grant application is not submitted.

Recommendations:

Adopt a Resolution authorizing the Development Services Director to submit an SB 2 Planning Grant Application to the State Housing and Community Development Department.

Attachments:

- A. Resolution of the City Council of the City of Yuba City Authorizing the Development Services Director to Submit an SB 2 Planning Grant Application to the State Department of Housing and Community Development

Prepared by:

/s/ Brian Millar

Brian Millar
Interim Development Services Director

Submitted by:

/s/ Michael Rock

Michael Rock
City Manager

Reviewed by:

Finance

[RB](#)

City Attorney

[SLC by email](#)

ATTACHMENT A

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
AUTHORIZING THE DEVELOPMENT SERVICES DIRECTOR TO SUBMIT AN SB 2
PLANNING GRANT APPLICATION TO THE STATE DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT**

WHEREAS, the State of California, Department of Housing and Community Development (Department) has issued a Notice of Funding Availability (NOFA) dated March 29, 2019, for its Planning Grants Program (PGP); and

WHEREAS, the City Council of the City of Yuba City desires to submit a project application for the PGP program to accelerate the production of housing; and

WHEREAS, the Department is authorized to provide up to \$1.2 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 PGP Program;.

NOW, THEREFORE, be it resolved by the City Council of the City of Yuba City hereby authorizes the following:

1. Development Services Director to submit an SB 2 planning grant application in the amount of \$310,000 and any and all other documents required or deemed necessary or appropriate to evidence and secure the PGP grant to the State Department of Housing and Community Development.
2. In connection with the PGP grant, if the application is approved by the Department, the City Council is authorized to enter into, execute, and deliver a State of California Standard Agreement (Standard Agreement) for the amount of \$310,000, , the City of Yuba City obligation.
3. The City of Yuba City shall be subject to the terms and conditions as specified in the Standard Agreement, the SB 2 Planning Grants Program Guidelines, and any applicable PGP guidelines published by the Department. Funds are to be used for allowable expenditures specifically identified in the Standard Agreement. The application in full will be incorporated as part of 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.
4. The City Council authorizes and directs the Development Services Director to execute the City of Yuba City Planning Grants Program application, the PGP Grant Documents, and any amendments thereto, on behalf of the City of Yuba City as required by the Department for receipt of the PGP Grant.

The foregoing resolution was duly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 19th day of November, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

Shon Harris, Mayor

Patricia Buckland, City Clerk

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY:

Shannon Chaffin, City Attorney
Aleshire & Wynder, LLP