



MEMORANDUM

TO: PLANNING COMMISSION

FROM: TERESA McCLISH, COMMUNITY DEVELOPMENT DIRECTOR

BY: MATTHEW DOWNING, PLANNING MANAGER

SUBJECT: CONSIDERATION OF DRAFT REQUEST FOR PROPOSALS FOR THE 2020 HOUSING ELEMENT UPDATE AND POTENTIAL SB 2 HOUSING PROJECTS

DATE: JUNE 18, 2019

SUMMARY OF ACTION:

Feedback from the Planning Commission will provide direction to staff regarding the Draft 2020 Housing Element Update (HEU) Request for Proposals (RFP) and preliminary projects for State SB 2 funding.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

Review and feedback on the HEU RFP will not impact financial and personnel resources. There will be a future financial impact resulting from consultant services needed for the HEU.

RECOMMENDATION:

It is recommended that the Planning Commission provide direction to staff on: 1) the HEU RFP; and, 2) SB 2 projects.

BACKGROUND:

The City's Housing Element is one of seven (7) mandatory elements of the Arroyo Grande General Plan and is a critical component of the City's blueprint to providing affordable housing opportunities in the community. The Housing Element is required to be updated on regular schedules, typically referred to as cycles. The current Housing Element was adopted in March 2016, and covers the June 30, 2014 – June 30, 2019 cycle. For reference, the current Housing Element is available for review on the City's website at <http://www.arroyogrande.org/DocumentCenter/View/475/Housing-Element-2016>.

On May 21, 2019, The Planning Commission discussed a number of items related to the City's Housing Element, including the City's Regional Housing Needs Allocation, an overview of the HEU process, and state legislation shaping the changing landscape regarding housing in California. At that time, the Commission expressed interest in reviewing the RFP prior to official release. As stated at previous meetings, the HEU is a

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large work effort and it is anticipated that the Planning Commission will be utilized as a resource to help guide this process.

ANALYSIS OF ISSUES:

Request for Proposals

In anticipation of the upcoming 2020 HEU, an RFP (Attachment 1) has been developed to solicit qualified consultants to prepare the update, complete environmental review, and aid staff in receiving certification from the State Department of Housing and Community Development (HCD). The HEU will help the City address the provision of housing, which will necessitate the City to accommodate 692 total housing units spread across different income levels. Due to the regional nature of housing and because all jurisdictions are grappling with this topic, the development and release of the RFP is being loosely coordinated as a regional effort between the County of San Luis Obispo and all seven (7) incorporated cities. While it is not anticipated that the City will enter into a contract with another jurisdiction for our HEU, staff is hoping that coordinated release of the RFP with our neighboring jurisdictions will result in potential cost savings for Arroyo Grande by way of coordinated meetings, data gathering, and other tasks necessary to complete the HEU.

SB 2 Planning Grants

In 2017, Governor Brown signed a 15-bill housing package aimed at addressing the state's housing shortage and high housing costs. Part of this package established a recording fee on real estate documents to increase the supply of affordable homes in California. As part of accomplishing this task, HCD is providing funding and technical assistance to local governments to help cities and counties prepare, adopt, and implement plans and process improvements that streamline housing approvals and accelerate housing production. Project applications are required to show a nexus to accelerating housing production, unless meeting a state Priority Policy Area, which includes:

1. Rezone to Permit By-right – rezoning for significant additional housing capacity without, or lesser, discretionary review;
2. Objective Design and Development Standards – includes pre-approved site and architectural plans that facilitate non-discretionary permitting;
3. Specific Plans or Form based Codes Coupled with CEQA Streamlining;
4. Accessory Dwelling Units or Other Low-Cost Building Strategies;
5. Expedited Processing – streamlined process for housing projects; or
6. Housing Related Infrastructure Financing and Fee Reduction Strategies.

Based upon the requirements of the SB 2 program (Attachment 2), the following list of potential project has been identified for the Commission's review and feedback as a final project is selected to pursue:

1. Housing Element Implementation
 - A. Implement Housing Element Policy A.1-3 to amend the Development Code to revise the requirements for the Traffic Way Mixed-Use District to remove

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the limitation of only live-work residential uses at densities up to 20 units per acre.

- B. Implement Housing Element Policy J.1-1 to continue to promote housing opportunities for senior and other special needs groups by identifying sites suitable for senior and transitional housing, adding single-room occupancy units to the Development Code as allowed in all Mixed-Use zones with a conditional use permit and in the Multi-Family Very High Density zone with a minor use permit.
 - C. Implement Housing Element Policy A.3-2 to amend the Development Code to include the definition of “Extremely Low-Income” as defined by Section 50093 of the Health and Safety Code.
 - D. Implement Housing Element Policy A.14-1 to amend the Development Code to define and provide incentives for “attainable housing.”
 - E. Implement Housing Element Policy G.1-3 to amend the Development Code to allow development of up to 15 multiple-family attached units in the Multi-Family and Multi-Family Apartment zoning districts with a minor use permit, subject to design review through the Architectural Review Committee, with development over 15 attached units requiring a conditional use permit
2. Research, develop, and implement a tiny home ordinance.
 3. Create a Specific Plan to replace Phase II of the East Village Neighborhood Plan.
 4. Develop an Infrastructure Specific Plan for the Arroyo Linda Crossroads site in the City’s Sphere of Influence.

Depending on the amount of funding received, there may be an opportunity to address more than one of these identified projects utilizing consultant services. The project(s) ultimately authorized to be included in an SB 2 application will be selected by the City Council.

ADVANTAGES:

Continued discussions with the Commission regarding housing helps guide development of the HEU. Feedback received on the HEU RFP and potential SB 2 project will additionally be utilized in making future recommendations to the Council.

DISADVANTAGES:

None identified.

ENVIRONMENTAL REVIEW:

The project has been reviewed in compliance with the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and has been determined to be categorically exempt pursuant to Sections 15061(b)(3) regarding the common sense rule that CEQA applies to projects that will have an impact on the environment. While the HEU will be required to include environmental review, discussion regarding housing by the Commission does not.

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PUBLIC NOTIFICATION AND COMMENT:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

Attachment:

1. Draft Housing Element Update Request for Proposals
2. SB 2 Notice of Funding Availability

**CITY OF ARROYO GRANDE
HOUSING ELEMENT UPDATE
REQUEST FOR PROPOSALS**

Preliminary Project Schedule

The following is the anticipated schedule of events for the project. This schedule is a preliminary schedule and should be further refined and modified by the proposer in accordance with the proposer’s management plan.

- Issue RFP July 1, 2019
- **Proposals due to the City by 5:00 PM August 15, 2019**
- Top three (3) proposal interviews Week of September 16, 2019
- Consultant selected September 18, 2019
- Award of contract September 24, 2019
- Project commencement Late October 2019
- Administrative draft completed March 2020
- Public review draft completed May 2020
- Draft CEQA review (MND) completed June 2020
- Public hearing draft/MND released June 2020
- Planning Commission July 2020
- City Council adoption August 2020

Scope of Work

In addition to the specific tasks listed below, Consultant will be required to:

- Frequently communicate with City staff via telephone and email;
- Attend XXX (x) team meetings with City staff; and
- Attend one (1) meeting with City staff and California Department of Housing and Community Development (HCD) representative.

All work products by Consultant must be completed in accordance with California Housing Element laws and to the satisfaction of City staff and HCD. This includes, but is not limited to, the tasks listed below.

Task 1: Assessment

Housing Element 2014-2019. Consultant will be required to review the City’s 2014-2019 Housing Element and provide an evaluation of the following:

- Effectiveness of the housing policies and programs;
- Projected outcomes of the 2014-2019 Housing Element compared to actual outcomes of Housing Element 2014-2019;
- Significance of outcomes and their relationship with the Housing Element Update; and
- Consistencies and deficiencies of the 2014-2019 Housing Element compared to current California Housing Element laws.

City Documents. Consultant will be required to review City documents and provide a summary of Citywide conditions, resources, constraints, and funding options. Documents include, but

are not limited to, General Plan, Ordinances, Housing Programs and Policies, and related environmental documents.

Task 2: Analysis

Site Inventory and Analysis. Consultant will be required to develop and produce an inventory of land suitable for residential development, including vacant sites, site in the City’s sphere-of-influence, and sites having the potential for redevelopment, and analyze the relationship of zoning and public facilities and services to the sites. As part of this analysis, Consultant will also be required to coordinate and evaluate the availability of water and wastewater infrastructure and resources for residential development.

Housing Needs. Consultant will be required to produce an analysis of existing and projected City housing needs to satisfy State Housing Element law, which includes, but are not limited to, the following components:

1. Housing stock characteristics, including, but not limited to:
 - a. Assisted housing development at risk of conversion from affordable to market-rate;
 - b. Overpayment and overcrowding; and
 - c. Vacant and underutilized sites.
2. Population, employment, and household characteristics and trends;
3. Housing cost and affordability;
4. Housing needs of people in all income categories (especially extremely low-income housing needs) and specific groups:
 - a. Farmworkers;
 - b. Female-headed households;
 - c. Large families;
 - d. People experiencing homelessness;
 - e. People with disabilities, including developmental disabilities; and
 - f. Seniors.
5. Regional Housing Needs Allocation (RHNA) – Addressing projected housing needs for the City’s share in the published RHNA Plan.

Housing Constraints and Opportunities. Consultant will be required to identify and analyze potential and actual governmental and nongovernmental constraints to the maintenance, improvement, and development of housing for all income levels and people with disabilities. The analysis must also identify housing resources and feasible options and opportunities to mitigate or remove such constraints.

Housing Goals, Objectives, Policies, and Programs. Consultant will be required to identify specific programs with clear actions, timeframes, and measureable outcomes that will achieve quantified objectives/milestones and implement the City’s housing goals and policies. The development of such programs must consider the existing Housing Element, housing needs analysis, constraints and opportunities, site inventory, and public input.

Coordination. Consultant will be required to work closely with the City’s Housing Element Update Project Manager and Community Development Department staff to concurrently coordinate with the County of San Luis Obispo’s anticipated interagency collaboration efforts. This coordination is anticipated to include:

1. Attending a kick-off meeting with City staff and the County to vet concepts and coordinate the appropriate approach for consideration of adding a regional aspect to the Housing Element;
2. Review of County developed regional policies, recommendations, and approaches to address affordable housing; and
3. Participating in monthly check-in meetings with City staff and the County to provide ongoing communication to better align the City's Housing Element with regional efforts.

Task 3: Preparation

Administrative Draft. Consultant will be required to prepare and submit ten (10) hardcopies, one (1) editable word document file, and one (1) PDF file of the Housing Element Administrative Draft for City staff review and comment. Consultant will be required to revise the Housing Element Administrative Draft to the satisfaction of City staff.

Public Review Draft. Following final revisions to the Housing Element Administrative Draft, Consultant will be required to prepare and submit fifteen (15) hardcopies, one (1) editable word document file, and one (1) PDF file of the Housing Element Public Review Draft for City staff to disseminate to City Council, HCD, general public, and any other interested parties for review and comment. Consultant will be required to revise the Housing Element Public Review Draft to the satisfaction of City staff and HCD.

Public Workshops, Commission Public Hearings, and City Council Public Hearings. Consultant will be required to attend a minimum of two (2) public workshops and three (3) public hearings to respond to questions and comments and be available to attend additional public workshops and hearing on a time-and-materials basis.

Task 4: Environmental Review

CEQA Completion and Submittal of All Required Documents. Consultant will be required to prepare and process an Initial Study and appropriate environmental document. Consultant will prepare all necessary documents and manage noticing and circulation of the Initial Study for the public and interested agency review and comment. The level of environmental review for the Housing Element Update is anticipated to largely depend on the Sites Inventory and Analysis, is anticipated to require a Negative Declaration or Mitigated Negative Declaration, but may require an Environmental Impact Report. Consultant is expected to provide a budget breakdown for each environmental document: Negative Declaration, Mitigated Negative Declaration, and Environmental Impact Report, including a list of assumptions for each option.

Task 5: Adoption and Certification

Housing Element. Consultant will be required to prepare and submit ten (10) hardcopies, one (1) editable word document file, and one (1) PDF file for the final version of the Housing Element to City staff. Following Council adoption of the Housing Element, Consultant will also be required to coordinate and work with City staff to obtain State of California Certification of the Housing Element.

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