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Title: RESOLUTION - Authorizing application for, and receipt of, the SB2 Planning Grants Program Application to the California Department of Housing and Community Development in the amount of \$625,000 and Authorizing the Execution of the SB2 Planning Grants Program Application, the PGP Grant Documents, and any amendments thereto by the Planning & Development Director or designee (Subject to Mayor's Veto)

Sponsors: Office of Mayor, Luis Chavez, Paul Caprioglio, Planning and Development Department

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Attachments: 1. SB2 Resolution_9.11.19.pdf

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REPORT TO THE CITY COUNCIL

September 19, 2019

FROM: JENNIFER K. CLARK, Director
Planning & Development Department

SUBJECT

RESOLUTION - Authorizing application for, and receipt of, the SB2 Planning Grants Program Application to the California Department of Housing and Community Development in the amount of \$625,000 and Authorizing the Execution of the SB2 Planning Grants Program Application, the PGP Grant Documents, and any amendments thereto by the Planning & Development Director or designee (Subject to Mayor's Veto)

RECOMMENDATIONS

Staff recommends that the City Council adopt a resolution authorizing the application for, and receipt of, a grant application to the SB2 Planning Grants Program and authorize the execution of the grant application, grant documents and any amendments for the project by the Planning & Development

Director or designee.

EXECUTIVE SUMMARY

The California Department of Housing and Community Development issued a Notice of Funding Availability for the Planning Grants Program (PGP). The PGP is intended for the preparation, adoption, and implementation of plans that streamline housing approvals and accelerate housing production. In particular, the program prioritizes applications in certain priority areas including those which update or develop specific plans with CEQA streamlining.

The SB2 grant will be utilized to complete the Southeast Development Area (SEDA) Specific Plan, conduct necessary technical studies for CEQA, prepare a Program EIR to streamline housing development, assess the infrastructure needs, and complete a nexus fee study.

BACKGROUND

In 2017, Governor Brown signed a 15-bill housing package aimed at addressing the state's housing shortage and high housing costs; included in the package was Senate Bill 2 (SB2) aimed at addressing the state's housing shortage and high housing costs. This bill included the Planning Grants Program (PGP) which is intended for the preparation, adoption, and implementation of plans that streamline housing approvals and accelerate housing production.

Eligible activities may include:

- Updates to general plans, community plans, specific plans, local planning related to implementation of sustainable communities strategies, or local coastal plans.
- Updates to zoning ordinances.
- Environmental analyses that eliminate the need for project-specific review.
- Local process improvements that expedite local planning and permitting.

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

Applicants proposing activities in at least one of the Priority Policy Areas are automatically deemed to demonstrate a nexus to accelerating housing production without any further demonstration. This includes the update or development of "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.”

For the City of Fresno, the shortage of housing that is affordable and located in areas of opportunity is demonstrated in the most recently adopted Housing Element. Program 5 of the Housing Element states that the City will actively pursue funding to assist in the development of any housing type with a particular emphasis on the development of mixed-income neighborhoods including pursuing funding to expand affordable housing opportunities outside of the City’s low- and moderate-income areas.

The Southeast Development Area Specific Plan (previously known as SEGA) was originally drafted in 2008 but placed on hold due to the economic recession and the focus on reinvesting in the City’s core. The Specific Plan embodies a unique approach to planning never before taken in Fresno. Grounded in goals for environmental, fiscal, and community sustainability, the Plan was developed using scenario planning techniques with significant public engagement. The SEDA Specific Plan calls for higher densities across all residential and mixed-use areas. Residential development will exceed conventional suburban development densities, and will provide for a greater spectrum of product types and affordability levels. Traditional suburban growth in areas of opportunity rarely incorporate a variety of housing types beyond single family development with a small percentage of multifamily housing units. The SEDA Specific Plan has identified capacity for 45,000 housing units - more than three times the number of units that could be developed in traditional single family neighborhoods.

The SB2 grant will be utilized to complete the Specific Plan, conduct necessary technical studies for CEQA, prepare a Program EIR to streamline housing development, assess the infrastructure needs, and complete a nexus fee study. In total this will allow the City to fast-track development of housing at all affordability levels with an emphasis on compact housing types that are more cost effective and less environmentally impactful.

ENVIRONMENTAL FINDINGS

This approval is not a project for the purposes of CEQA Guidelines Section 15378.

LOCAL PREFERENCE

Local preference is not applicable to a grant application.

FISCAL IMPACT

This resolution will have no immediate impact on the General Fund. Once the grant is formally awarded, the City will receive \$625,000 in order to complete the plan, CEQA and nexus study.

Attachments: Resolution