



CITY OF SAN MATEO

City Hall
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Agenda Report

Agenda Number: 18

Section Name: {{section.name}}

File ID: {{item.tracking_number}}

TO: City Council
FROM: Drew Corbett, City Manager
PREPARED BY: Community Development
MEETING DATE: July 15, 2019
SUBJECT:
Senate Bill 2 Planning Grants Program – Application

RECOMMENDATION:

Adopt a Resolution to authorize the application for and receipt of Senate Bill 2 Planning Grants Program Funds and appropriation of those grant funds, if awarded.

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 housing bill package is Senate Bill (SB) 2, the Building Homes and Jobs Act, which provides funding for local jurisdictions to help accelerate housing production. SB 2 also provides funding to help streamline the approval of housing development affordable to owner and renter households at all income levels. The City of San Mateo is eligible to receive a grant of up to \$310,000 to support activities that meet the objectives of the grant. The Department of Housing and Community Development (HCD) requires a resolution of authorization from the City Council to apply for and receive grant funding. Should the grant funds be awarded, those funds would need to be appropriated to the objective standards and fee reduction study projects. The resolution of authorization, receipt, and appropriation, if applicable, is attached for Council consideration.

DISCUSSION:

The SB 2 Planning Grant requirements specify that local jurisdictions may receive grant funding for eligible activities including, but not limited to, updates to design guidelines and other planning documents, such as updates to zoning ordinances and studying fee reduction strategies. Staff has determined that the following projects are most appropriate for San Mateo and would qualify for the SB 2 Planning Grant 'eligible activities' to support streamlining housing approvals and support housing production:

- Develop Additional Objective Design and Development Standards (objective standards) to streamline the review process by providing standards that involve no personal or subjective judgement. Recent changes to SB 167 (Housing Accountability Act) and SB 35 (Streamline Approval Process) requires cities to utilize objective standards to review qualifying projects. While the City's existing zoning code and design guidelines contain several objective standards, staff believes there are opportunities to develop additional objectives that would help to streamline the development application review process. This grant would help staff convert certain design guidelines to objective standards to meet state requirements.
- Conduct a Permit Fee and Impact Study to assess and potentially reduce fee costs to promote housing production. Building Permit Fees for residential and mixed-use projects with a certain percentage of affordable housing beyond the minimum below market rate requirements could potentially be reduced to incentivize affordable housing production.

The planning grant funds are distributed on a noncompetitive and reimbursable quarterly basis. Staff intends to submit the grant application following City Council approval of the resolution of grant authorization. Staff has met with HCD staff and their technical assistance consultant to confirm the grant eligibility of the project list. HCD anticipates a 60 to 90-day review and approval period of the grant. The funding for the grant will expire on June 30, 2022.

BUDGET IMPACT:

If awarded the grant, the City would receive up to \$310,000. The grant funds are anticipated to partially offset the total cost of the objective standards and the fee reduction study. The Advance Planning Fund (Fund 25) and Construction Services Fund (Fund 26) will also be utilized to cover the remainder of the projects.

ENVIRONMENTAL DETERMINATION:

The adoption of a resolution to accept grant funding is not a project under Section 15378 of CEQA Guidelines.

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

Att 1 - Proposed Resolution

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