



**COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office		(2) MEETING DATE 11/5/2019		(3) CONTACT/PHONE Carolyn Berg, Principal Admin. Analyst / (805) 781-1076	
(4) SUBJECT Submittal of a resolution authorizing the County Administrative Officer, or designee, as the authorized representative to file an application and execute agreements and any future amendments for up to \$310,000 of Senate Bill 2 Planning Grant Program funds from the State Department of Housing and Community Development to support regional efforts to accelerate housing production for the anticipated grant term of March 28, 2019 through June 30, 2022. All Districts.					
(5) RECOMMENDED ACTION It is recommended that the Board adopt a resolution authorizing the County Administrative Officer, or designee, as the authorized representative to file an application and execute agreements and any future amendments for up to \$310,000 of Senate Bill 2 Planning Grant Program funds from the State Department of Housing and Community Development to support regional efforts to accelerate housing production for the anticipated grant term of March 28, 2019 through June 30, 2022.					
(6) FUNDING SOURCE(S) N/A		(7) CURRENT YEAR FINANCIAL IMPACT \$0.00		(8) ANNUAL FINANCIAL IMPACT \$0.00	
(9) BUDGETED? N/A					
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)					
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A					
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A				(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A		(15) BUSINESS IMPACT STATEMENT? No		(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date _____	
(17) ADMINISTRATIVE OFFICE REVIEW This item was prepared by the Administrative Office.					
(18) SUPERVISOR DISTRICT(S) All Districts					



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Administrative Office / Carolyn Berg, Principal Admin. Analyst / (805) 781-1076

DATE: 11/5/2019

SUBJECT: Submittal of a resolution authorizing the County Administrative Officer, or designee, as the authorized representative to file an application and execute agreements and any future amendments for up to \$310,000 of Senate Bill 2 Planning Grant Program funds from the State Department of Housing and Community Development to support regional efforts to accelerate housing production for the anticipated grant term of March 28, 2019 through June 30, 2022. All Districts.

RECOMMENDATION

It is recommended that the Board adopt a resolution authorizing the County Administrative Officer, or designee, as the authorized representative to file an application and execute agreements and any future amendments for up to \$310,000 of Senate Bill 2 Planning Grant Program funds from the State Department of Housing and Community Development to support regional efforts to accelerate housing production for the anticipated grant term of March 28, 2019 through June 30, 2022.

DISCUSSION

In 2017, Governor Brown signed a 15-bill housing package, including Senate Bill 2 "Building Homes and Jobs Act" (SB 2)¹, aimed at addressing the housing shortage and high housing costs throughout California. SB 2 established a permanent source of revenue through collection of a \$75 recording fee on real estate documents. These fees have been collected and are made available through grant funding programs for planning and implementation efforts that increase affordable housing in local communities within California.

The State Department of Housing and Community Development (State HCD) released a Notice of Funding Availability for approximately \$123 million to make funding available to local governments under the SB 2 Planning Grants Program. The SB 2 Planning Grants Program is intended for the preparation, adoption and implementation of plans that streamline housing approvals and accelerate housing production. The SB 2 Planning Grants Program is a one-time component of SB 2 that provides financial and technical assistance to local governments to update planning documents in order to achieve the State's program objectives to:

¹ For more information or details related to the State HCD's SB 2 funding programs, visit: <http://www.hcd.ca.gov/grants-funding/active-funding/planning-grants.shtml>

- Accelerate housing production;
- Streamline the approval of housing development affordable to owner/ 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.

Per State HCD’s SB 2 Planning Grants Program Guidelines, this is a noncompetitive, over-the-counter application process, available to local government agencies, contingent upon submitting an application for eligible efforts by November 30, 2019. The County of San Luis Obispo may submit an application to access up to \$310,000 of SB 2 Planning Grants Program funding. Staff anticipates that the seven cities in the San Luis Obispo County region will also pursue up to \$160,000 each, with the potential of collectively bringing in up to \$1.4-million of State grant funding to offset the region’s costs needed to prepare, adopt and implement plans that streamline housing approvals and/or support accelerated housing production.

The SB 2 Planning Grants Program funding can be used towards a variety of planning documents, activities and strategies that demonstrate a nexus to accelerating housing production. The SB 2 Planning Grants Program funding is also contingent upon meeting various requirements including, but not limited to, Housing Element compliance, Annual Progress Report on the Housing Element, nexus to accelerating housing production, and various consistency requirements with State planning priorities. The County is eligible to pursue these funds under these requirements.

As stated above, local agencies are required to submit grant applications to State HCD by November 30, 2019. Pending Board’s action on this request, staff will work with State HCD and its technical assistance liaisons to finalize the grant funding application to ensure it reflects only eligible activities, then subsequently submit the application to the State HCD for review. The intent is to apply for grant funding that partially (or wholly) offsets the County’s costs associated with the following key efforts that the Board previously directed staff to pursue (as footnoted in the following table):

Project/Task Overview⁽¹⁾	Estimated Grant Funding⁽²⁾
1. Regional Infrastructure & Housing Action Plan ⁽³⁾ including regional aspects and coordination among local agencies’ Housing Elements	Approx. \$275,000
2. Feasibility Study for a potential regional housing bond ⁽⁴⁾	Approx. \$35,000
Total Estimated Funding	\$310,000

- (1) Staff is refining the scope through the grant application development process with the State and its technical assistance liaisons.*
- (2) Subject to modification as staff refines detailed scopes of work, estimates cost of related efforts, and understanding of eligible activities through the grant application development process with the State and its technical assistance liaisons.*
- (3) On January 15, 2019, the Board provided direction on the Regional Plan scope of work and approved a limited term position allocation. Additionally, and related to the Regional Plan scope, the Planning and Building Department has hired a consultant to update the Housing Element of the County General Plan, as required by law. The Housing Element scope of work includes interagency land use coordination and support for the Regional Plan. If awarded grant funding, this would offset the local costs of this limited term position and portions of supportive consultant services to develop said Plan and conduct regional coordination.*
- (4) On July 16, 2019, the Board directed staff to pursue a feasibility study on a potential regional housing bond.*

Staff recommends the Board approve the attached resolution authorizing the County Administrative Officer, or designee, to file an application and execute agreements and any future amendments for up to \$310,000 of Senate Bill 2 Planning Grant Program funds. The State HCD expects to notify agencies of awarded grant funding within 30-60 days of application submittal and expects to have the State's standard grant agreements negotiated and executed with local agencies no later than June 2020. The end of the grant funding term is June 30, 2022; Staff anticipates all proposed grant funded activities would be completed prior to that date.

OTHER AGENCY INVOLVEMENT/IMPACT

The Administrative Office is leading the development of the County's grant application. However, efforts related to the plans listed in the table above involve multiple County departments and will involve coordination between the Administrative Office and those other County departments (i.e. Planning and Building; Auditor-Controller/Treasurer/Tax Collector/Public Administrator). The efforts related to the plans listed in the table above also have a significant focus on increasing regional collaboration related to affordable housing and the critical infrastructure to support it; therefore, the Administrative Office will continue to engage with partners including other County departments, the seven cities, San Luis Obispo Council of Governments, and key stakeholders throughout each project's efforts.

State HCD administers the SB 2 Planning Grant Program funding, including reviewing and awarding grant funding, and provides technical assistance to local agencies. County staff will coordinate with State HCD throughout the grant application submittal, review and award process, as well as will negotiate and execute the State HCD's standard grant agreement, upon award, and any related amendments over time, as needed.

County Counsel has reviewed the attached resolution as to legal form and effect. Pending Board action on this request, County Counsel will also review the State's standard grant agreement, once it is provided, and any related amendments as needed, prior to the County Administrative Officer or his/her designee executing said documents.

FINANCIAL CONSIDERATIONS

The FC 104 - Administrative Office FY 2019-20 adopted budget funded the staff time necessary to prepare this item and the associated grant application. If grant funding is awarded, staff will return to the Board for any necessary budget adjustments.

RESULTS

Approval of the recommended action will allow staff to submit an eligible grant application that, if awarded, will offset the County's costs of developing various planning documents, activities and strategies, including initiatives to create collaborative and action-oriented relationships among local and regional agencies, aimed at increasing the affordability and production of housing. Therefore, approving the resolution and recommendations will contribute towards the County's goals to promote a more livable, prosperous and well-governed community.

ATTACHMENTS

- 1 Attachment 1 – SB 2 Planning Grant Program Funding Authorization Resolution