



COMMUNITY DEVELOPMENT DEPARTMENT

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CITY COUNCIL STAFF REPORT

Meeting Date: November 19, 2019

Subject

Department of Housing and Community Development (HCD) Senate Bill (SB) 2 Planning Grants Program Application

Recommended Action

Adopt resolution authorizing application for, and receipt of, SB 2 Planning Grants Program Funds

Background

In 2017, then Governor Jerry Brown signed a 15-bill housing package aimed at addressing the state’s housing shortage and high housing costs. Specifically, it included the Building Homes and Jobs Act (SB 2, 2017), which establishes a \$75 recording fee (not to exceed \$225) on real estate documents. Because the number of real estate transactions recorded in each county will vary from year to year, the revenues collected will fluctuate. The chart below shows how revenues will be allocated.

Year 1	State-Administered 50% Planning Grants* * 5% for Technical Assistance in coordination with OPR	State-Administered 50% homelessness programs
Year 2 and Beyond	Locally Administered 70% Affordable Housing	State-Administered 15% middle-income rental 5% production incentive 10% farmworker housing

The purpose of SB 2 is to provide funding and technical assistance to all 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. Funding will help cities and counties:

- Accelerate housing production
- Streamline the approval of housing development affordable to owner and renter households at all income levels
- Facilitate housing affordability, particularly for lower- and moderate-income households
- Promote development consistent with the State Planning Priorities (Government Code Section 65041.1)
- Ensure geographic equity in the distribution and expenditure of the funds

Discussion

HCD released a notice of funding availability (NOFA) on March 28 for \$123 million available to local governments under the planning grants program (PGP). Funding is based on population and Cupertino is eligible for a maximum grant of \$310,000.

All Localities	Large Localities (more than 200,000 people)	Medium Localities (60,000 -200,000 people)	Small Localities (less than 60,000 people)
Minimum Award Amount \$25,000	Maximum Award Amount: \$625,000	Maximum Award Amount: \$310,000	Maximum Award Amount: \$160,000

The program will provide grants through a noncompetitive, over-the-counter process to eligible local governments (cities and counties) who meet the following requirements:

1. Have an HCD-compliant housing element,
2. Have submitted a recent Annual Progress report,
3. Demonstrate a nexus to accelerating housing production, and
4. Demonstrate that the applicant is consistent with State Planning

Applicants proposing activities in at least one of the Priority Policy Areas (PPAs) are automatically deemed to demonstrate a nexus to accelerating housing production without any further demonstration.

The City is applying for funds in the Policy Priority Area category of *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.*

Staff worked with HCD Technical Assistance consultants and determined that the City's permitting software (listed below) are eligible programs under the *Expedited Processing* Priority Policy Area. The City of Vallejo was successful with an application for similar software programs earlier this year.

Staff proposes that the City requests the full \$310,000 to recover costs of funding improvements to the Permit Center. Listed below are examples of software programs currently in place where funding will be directed to offset costs.

Accela Permit Management System

Accela is a cloud-based land management system that utilizes automated workflows and integrates to a publicly accessible web portal that allows property owners and developers to monitor their permits, pay fees and schedule inspections online. This enterprise system is used by Building, Planning and Public Works staff for permit process automation including the assignment of tasks, tracking of reviews and sending notifications to keep the permit processes running smoothly and on schedule. Staff uses this system to manage the development of permits, automate and track plan reviews, and to manage building inspections. Through Accela's mobile app, building inspectors manage their schedules, upload captured information, view the city's data in real time, and complete and result inspections from the field. The system provides reporting capabilities to measure, track, and analyze agency performance for productivity enhancements.

ProjectDox Plan Review

ProjectDox eliminates the inefficiency with paper submissions, resubmissions, and revisions by reducing waste, increases flexibility and simplicity in adding reviewers, and provides a robust set of tools for reviewers to provide comments and for applicants to submit corrections.

QLess Queue Management System

QLess is the digital queue management solution that eliminates physical lines at the public counter. This software system allows City Hall visitors to place themselves in digital line at the permit counter through the web browser or app. Users receive an update on their mobile devices of when they will be serviced. Additionally, the program provides staff with client-specific information on topics such as reason for the visit, permit numbers, and property addresses so that upon arrival the customer is provided with efficient and relevant information.

Laserfiche Enterprise Content Management

Laserfiche is an electronic content management system that stores citywide records that are searchable and index-able. The system offers workflows and processes to manage

the stored data and allows custom applications to be built with this data. The system integrates with the city's land management system, agenda management system, ERP and contract management system. Laserfiche has a public portal where the public can review and search all public records.

Conclusion:

As part of the grant application process, HCD requires that the City Council adopt a resolution authorizing application for, and receipt of PGP funds. With Council approval of the resolution, staff will submit the SB 2 application to the State by the November 30, 2019 deadline. See Attachment B for the SB 2 Planning Grants Program Application Form. Depending on the volume of applications, the City will be notified within 30-60 days as to whether the application has been accepted. Thereafter, the City will have 30 days to execute a standard agreement with the State. Staff recommends that the City Council authorize the City Manager or his designee to sign the HCD's Standard Agreement. Council adoption of the attached resolution would enable the City Manager to execute the agreement without returning to City Council.

Environmental Impact

No environmental impact.

Sustainability Impact

No sustainability impact.

Fiscal Impact

The approval of the application by HCD would provide funding for the direct costs associated with programs that are currently being administered and already paid for through the Innovation and Technology Department funds.

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Reviewed by: Benjamin Fu, Director of Community Development

Approved for Submission by: Deborah Feng, City Manager

Attachments:

A - Draft Resolution

B - SB 2 Planning Grants Program Application Form