SB 2 Planning Grants Program

Planning Grants Program (PGP): Sample Project Descriptions, Timelines and Budgets and Attachments

This document contains sample project descriptions, timelines, budgets and attachments to the SB 2 Planning Grants application that offer general guidance for the preparation of the PGP application and associated documents.

The PGP is intended for the preparation, adoption and implementation of plans that streamline housing approvals and accelerate housing production. Pursuant to *Section VI: Eligible Activities* in the Notice of Funding Availability, jurisdictions can utilize many planning activities to achieve the intended goal of the program, including Priority Policy Areas (PPA). Some activities require adoption such as zoning ordinances, while other activities such as process improvements require only completion for implementation. When preparing the application, please consider the following guidance and examples:

Project Description:

When writing your project description, consider addressing four main areas: background, scope description, plans/steps to adoption and implementation and anticipated outcomes.

- *Background*: Discuss the current situation, what is needed to advance housing production, how the project fits in the local plan context and goals for the project. Remember to give a high-level overview of the project but be specific and concise with details.
- *Scope Description*: After describing the project, give us a high-level scope of work description that matches the project timeline and budget. Feel free to use the appendices if you need more space. If you have already prepared a scope of work, summarize the scope and attach a copy to the application package.
- *Plans for Adoption and Implementation*: The application should discuss how the project will conclude. The narrative should include areas regarding who is responsible for implementation or adoption; what is the expected date of adoption; what is the expected date of implementation or certification; and how your jurisdiction will finalize the project altogether.
- *Anticipated Outcomes*: Make sure to state your projected outcomes and quantify the data whenever possible, such as projected increases in the number of housing units created; increases in densities; projections of time saved due to expediting review processes; projected affordability levels, etc.

Project Timeline and Budget

Ensure that the timeline matches your project description and scope of work and carry it through to adoption and/or implementation. Keep it high-level but detailed enough to show major milestones. If the project is a PPA, then all activities pertaining to the adoption or implementation are considered PPAs, so note that in the drop-down menu in the timeline. Again, if you have already completed a timeline in your scope of work, fill out the timeline provided in the application using your scope of work timeline, and attach a copy of your prepared scope of work timeline showing all tasks to the application package.

Attachment 2: Application Nexus to Accelerating Housing Production

If you are required to complete *Attachment 2: Application Nexus to Accelerating Housing Production*, make certain to quantify the data in the attachment and use *Appendix A* and, if needed, *Appendix B* to state how the activity accelerates production. Example 3 in this document offers an example how to both quantify and qualify activities using Attachment 2 and the Appendices.

Examples

To review the examples, click on one of the links provided below:

Example 1: Priority Policy Area: Specific Plans Coupled with CEQA Streamlining

Example 2: Priority Policy Area: Expedited Processing

Example 3: Priority Policy Areas and Other Activities with Attachment 2: Nexus

The Department will continue updating this reference document over the coming weeks as more applications are received. In the meantime, feel free to reach out to us or our technical assistance providers if you have questions. You can find our contact information at http://www.hcd.ca.gov/grants-funding/active-funding/planning-grants.shtml.

Example 1: Priority Policy Area: Specific Plans Coupled with CEQA Streamlining

The City is currently preparing the "Specific Plan" (made possible by significant funding provided by CalTrans through a Sustainable Communities Grant) which will be a form-based code coupled with CEQA streamlining to help accelerate housing unit production. One of the plan's primary goals is to provide development standards whereby future higher-density housing and mixed use development will be encouraged in the core areas of the city within "transit villages" centered around three new train stations: one at the historic Santa Fe Depot in Downtown Services, ESRI station near the ESRI campus, and University Station adjacent to the University of Services (all stations to be operated by SBCTA). The number of dwelling units and densities contemplated for the specific plan area are: a total of approximately 2,400 dwelling units within the three transit villages; up to 60 units per acre in the Urban Center (TS) district; up to 40 units per acre in the Downtown (T4.1) and the Urban General (T4.2) districts; and up to 26 units per acre in the Urban Corridor (T3.1) and Urban Neighborhood (T3.2, T3.3) districts.

The City must prepare an Environmental Impact Report (EIR) prior to adopting the Specific Plan. While the City has chosen an environmental consultant and finalized the EIR scope of work and cost, a contract has not yet been executed nor has any external funding been secured. The City has identified this S82 Planning Grant as the only potential source of appropriate grant funding for the environmental document.

Please refer to the attached EIR Scope of Work (Attachment A) for a description of the EIR. The proposed EIR schedule and cost estimate (Attachments B & C) are also provided. The City is contractually obligated to a fixed schedule lo finish the plan (per the Cal Trans grant), must begin work on the EIR as soon as possible (preferably by June 2019), and $310,000 from the SB2 Planning Grant Program will significantly help achieve its completion.

The proposed EIR will include project-level analysis and, more importantly, project-level mitigation measures that will help accelerate future housing production and assist developers by streamlining the environmental review and permitting process for individual housing or mixed-use projects within the Specific Plan area. The City intends to take full advantage of the CEQA streamlining provisions in order to encourage the construction of more housing options more quickly and efficiently.

The City proposes to prepare a Program EIR per CEQA Guidelines Section 15168. This will facilitate the CEQA streamlining under Section 15168(c) and (d) if projects are consistent and considered later activities under the program. Preparation of the Program EIR will also facilitate the opportunity for projects to utilize Public Resources Code Section 21159.24, which allows urban infill residential development that meets certain criteria to be exempt from CEQA. The City would facilitate the Statutory Infill Housing Exemption by providing updated community level environmental review, as defined by Public Resources Code Section 21159.20, for properties designated for residential development by the General Plan. In addition, the City may utilize the SB 226 CEQA streamlining provisions that went into effect January 1, 2013. SB 226 was adopted as part of the CEQA Guidelines in Section 15183.3 and uses including Appendix M and N to the CEQA Guidelines to streamline review.

Finally, since the Program EIR is for a Specific Plan, future development will also utilize an expanded exemption under Government Code Section 65457 that will apply to certain residential, commercial, and mixed-use projects that are consistent with a specific plan adopted pursuant to Government Code, Article 8, Chapter 3, and would be exempt from CEQA. This new exemption is outlined in the final text of Section 15182 of the pending CEQA Guidelines Update (expected in early 2019).

ATTACHMENTS TO THIS APPLICATION:

A) Attachment A: EIR Scope of Work
B) Attachment B: EIR Schedule
C) Attachment C: EIR Cost Estimate
D) City Council Resolution

F. Project Timeline and Budget

Project Goal(s)	Example 1: Specific Plans Coupled with CEQA Streamlining						
Objective	Responsible Party	Est. Cost	Begin	End	Deliverable	*PPA	Notes
Prepare Project Description	Applicant	$4,695	6/24/19	7/12/19	Project description for EIR	Yes	See attachments for Details; all objectives are needed to implement
Prepare Traffic Impact Assessment	Applicant	$127,830	6/19/19	11/1/19	Traffic impact assessment	Yes	See attachments for Details
Prepare other technical studies	Applicant	$72,919	6/19/19	11/1/19	Technical studies	Yes	See attachments for Details
Prepare NOP & Initial Study	Applicant	$10,260	7/8/19	8/16/19	Initial study	Yes	See attachments for Details
Scoping Meeting	Applicant	$2,000	8/19/19	9/13/19	Notice of Prep. And Scoping Meeting	Yes	See attachments for Details
Prepare Administrative Draft EIR	Applicant	$78,885	11/1/19	1/24/20	Administrative draft EIR	Yes	See attachments for Details
Prepare Public Review Draft EIR	Applicant	$13,411	1/27/20	2/3/20	Public draft EIR and accompanying documents	Yes	See attachments for Details
Final EIR, SOC, NOD	Applicant	0	3/23/20	5/15/20	EIR, SOC, and notice of determination	No	Funding from other sources
Planning Commission Hearings	Applicant	0	6/9/20	6/23/20	Hearings	No	Funding from other sources
City Council hearings and certification	Applicant	0	7/7/20	7/28/20	Certification	No	Funding from other sources
	Total Est. Cost $	$310,000					

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Example 2: Priority Policy Area: Expedited Processing

The two proposed projects outlined below represent significant opportunities for the City to streamline plan submittal and review processes, increase transparency and accelerate housing production.

First, to implement the City's new General Plan, and comprehensive Zoning Code update (in process and scheduled for adoption in 2020), the City proposes to use SB2 grant monies to fund the development of an enhanced, user-friendly, online version of the Municipal Code. The focus of this effort is to modernize the Code by making it better organized, easier to understand and follow, and by ensuring internal consistency. This enhanced digital web-based version will make cross-referencing as easy as a click of the mouse and will incorporate color, tables and graphics that will improve ease and understanding of the City's development standards.

Second, the City is in the process of completely modernizing and streamlining its permitting processes, which take an average of approximately 14 months depending on the type of development and are cumbersome due to outdated systems and multitudes of paperwork. To address streamlining its processes, the City will be replacing its outdated DOS-based permitting system with a new GIS-centric planning and permitting database and will be migrating over to an electronic plan review system. These new technologies will accelerate the housing development permitting process by streamlining the application submittal processes and reducing plan review turnaround times. In relationship to these planning and permitting process advancements, the City would like to utilize SB2 grant funds to assist with the next phase of strategic upgrades necessary to transform the building counter into a state-of-the-art permit center that will technologically support the new streamlined paperless permitting and plan review advancements . Requirements of the new permit center include enhanced customer service counters with new technologies, expanded and improved customer terminals, a public kiosk for project submittal and access to data and public records, and a new plan review/conference room equipped with a large monitors and wireless technology to be used for expedited plan reviews.

In addition, this phase includes purchasing hardware (field tablets, large monitors/screens, etc.) necessary to support plan review staff and inspectors. These state-of-the-art permit center enhancements will result in a more streamlined and cost-effective planning and permitting approval process. The City is projecting that with the new systems and customer interface, the permitting processing time will be cut by an average of 40 percent. These efficiencies and improved customer experience will be instrumental in accelerating housing development in the City.

F. Project Timeline and Budget

Project Goal(s)	Example 2: Priority Policy Area: Expedited Processing						
Objective	Responsible Party	Est. Cost	Begin	End	Deliverable	*PPA	Notes
Enhanced web platform for Municipal Code and zoning code	Applicant	$12,000	6/30/19	10/15/2019	Online codes	Yes	Ongoing project for implementation in 2020
Plans for new permit center	Partner	$24,000	6/30/19	12/15/2019	Drawings and permits	Yes	Pre-planning effort: necessary for implementing
Modernize and improve planning and permitting processes	Other	$55,000	4/10/2018	12/15/2020	Hardware and software	Yes	Necessary for implementing
Physical improvements to processing center	Other	$219,000	6/30/2019	12/15/2020	New state of the art permit center	Yes	Necessary for implementing
	Total Est. Cost $	$310,000					

*Priority Policy Area (PPA)

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Example 3: Priority Policy Areas and Other Activities with Attachment 2: Nexus

The City intends to utilize grant funding for the following planning goals and priorities:

General Plan Update: While the City understands that the grant funding provided through SB 2 funding will not completely fund the General Plan Update, the City intends to combine SB 2 funding with other funding sources, to begin the update. The City's General Plan was last adopted in 2006 and currently does not provide the appropriate level of land use control and forward thinking necessary for our changing economic landscape. The current General Plan was adopted, prior the Great Recession, and requires substantial updates to ensure that housing opportunities are available to a broad base of private, for profit, public and quasi-public not-for-profit developers. In addition, a series of General Plan Amendments have been adopted, by the City Council, in the intervening years since the last adoption date of 2006 that has created a fragmented land use pattern across the City. The forthcoming update will provide the most efficient pattern of land use to facilitate the greatest number of housing units; commercial development; and employment centers that can be absorbed by the City over the next twenty-year planning horizon.

PPA: Rezoning to Permit By-Right: As part of the General Plan Update, the City will be evaluating locations within our proposed land use pattern, to allow higher density units (20+du/ac) "By-Right". Density allowed in the Affordable Housing Opportunity Zone and likely within the City's Commercial Zoning Districts as either limited multi-family/conversion of unrealized commercial space. In addition, the City intends to add in a Mixed-Use Planning Area (MUPA) as part of the City's General Update Update which will include a wider variety of densities, "By-Right" permitting, and possible inclusionary housing provisions.

PPA: The City does not have a Land Management Permitting system as our entitlement applications and building permits are issued through the use of Excel and saved on our network. The City will utilize portions of SB 2 grant funds to purchase a Land Management System (LMS) through a competitively based procurement process.

F. Project Timeline and Budget

Project Goal(s)	Example 3: Priority Policy Areas and Other Activities with Attachment 2: Nexus						
Objective	Responsible Party	Est. Cost	Begin	End	Deliverable	*PPA	Notes
Permitting Systems							
Write and Release Request for Proposal for Permitting System	Applicant	$5,000	6/1/19	6/30/19	Permit System	Yes	Utilizing Consultant
City Council meeting for approval of consultant for permitting system	Applicant	$1,500	7/15/19	7/15/19	Approval for Purchase	Yes	Council requirement for Large Expenditures
Purchase permitting system	Applicant	$23,500	7/16/19	8/1/19	Permit System	Yes	
Implement Permitting System	Applicant	$15,000	8/1/19	8/31/19	Permit System	Yes	
Rezoning to Permit By-right							
Site feasibility	Applicant	$5,000	8/1/19	9/30/19	Feasibility Study	Yes	
Initial Outreach	Applicant	$2,000	10/1/19	11/1/19	Development of Changes	Yes	
Draft Ordinance and Map Changes	Applicant	$3,500	11/1/19	11/30/19	Draft documents	Yes	
Public Comments	Applicant	$1,500	12/5/19	1/5/20	Consensus of zoning changes	Yes	
Adoption by City Council	Applicant	$3,000	1/5/20	3/20/20	"By-Right" Zoning Districts	Yes	
General Plan Update							
Initial Outreach	Applicant	$5,000	6/1/19	8/1/19	Development of Revisions	No	
Draft General Plan Updates	Applicant	$20,000	8/1/19	3/1/20	General Plan Draft	No	
Public Comment	Applicant	$10,000	3/1/20	9/1/20	Consensus of Revisions	No	
Preparation for Public Hearings	Applicant	$15,000	9/1/19	9/30/19	Outreach and Materials	No	
Public Hearings	Applicant	$15,000	10/1/20	12/30/20	Consensus and Approval of Revisions	No	
Adoption by City Council	Applicant	$35,000	1/1/21	2/1/21	Updated General Plan	No	
	Total Est. Cost $	$160,000					

Example 3: Priority Policy Areas and Other Activities with Attachment 2: Nexus

Attachment 2: Application Nexus to Accelerating Housing Production

Fill out Attachment 2 <u>only if the applicant answered "No" to item 3 in Section C or is utilizing Policy Priority Areas AND other activities not designated as such</u>. Applicants answering "Yes" to question 3 in Section C and utilizing <u>ONLY Priority Policy Areas</u> are automatically deemed to demonstrate a nexus to accelerating housing production, and do not need to complete this form.

Pursuant to section VIII, subsection (4) of the NOFA, applicants shall demonstrate how the application includes a nexus to accelerating housing production. Please complete the following chart by providing information about the current conditions and expected outcomes with respect to the planned activity and housing production. Please attach documentation as necessary and see the NOFA for additional details. <u>Use Appendix B if additional room is needed.</u>

Type (Select at least one)	*Baseline	**Projected	***Difference	Notes
Timing (e.g., reduced number of processing days)	120-days	60-90 Days	30-60 Days	See Appendix "A
Development cost (e.g., land, fees, financing, construction costs per unit)	$230/s.f.	<$200/s.f.		See Appendix "A"
Approval certainty and reduction in discretionary review (e.g., prior versus proposed standard and level of discretion)	60%-70%	80%-90%	10%-30% increase	See Appendix "A"
Entitlement streamlining (e.g., number of approvals)	1-2 per year	5-8 per year	300%-700%	See Appendix "A
Feasibility of development	50%	80%	30%	See Appendix "A"
Infrastructure capacity (e.g., number of units)	1,710	2,500	800	See Appendix "A"
Impact on housing supply and affordability (e.g., number of units)	12	25	13	See Appendix "B"

* Baseline – Current conditions in the jurisdiction
(e.g. 6-month development application review, or existing number of units in a planning area)

**Projected – Expected conditions in the jurisdiction because of the planning grant actions
(e.g. 2-month development application review)

***Difference – Potential change resulting from the planning grant actions
(e.g., 4-month acceleration in permitting, creating a more expedient development process)

Example 3: Priority Policy Areas and Other Activities with Attachment 2: Nexus

Appendix A

Use this area for additional information if necessary.

Timing (e.g., reduced number of processing days): The average timing of of a City residential entitlement is approximately 120-days from the time an application has been submitted to the City for development review. Typically, applications are deemed incomplete within the first week and corrections are issued. It then takes substantial time to obtain a re-submittal package due to the lack of an electronic permitting system and cloud-based processing software. As such, the purchase of LMS permitting system will substantially increase permit processing time frames.

Development cost (e.g., land fees, financing, construction per unit): Development costs, in the City, are around $220/s.f., for a single-family residential unit. While, development costs are not fixed and difficult to estimate, the City is working to increase program efficiency by keeping development costs to less than $200/s.f. for market-rate housing and approximately less than $160/s.f. for affordable housing.

Approval certainty and reduction in discretionary review (e.g., prior versus proposed standard and level of discretion): Given the outdated nature of the City's General Plan, City staff continues to receive many requests for zone changes and general plan amendments. With updates to portions of development code and by updating our General Plan we are working towards increased approval certainty in the discretionary review process by creating more consistency with the development proposals combined with the General Plan.

Entitlement streamlining (e.g., number of approvals): The City does not receive a substantial number of entitlement proposals. As such, there is a minimal data set in which to derive a comparison. However, we are looking to nearly double the number of entitlement proposals from 2017 (6 residential applications) given our updated technology and general Plan.

Feasibility of development: While this is a metric that is not traditionally measured; approximately one half of the projects approved are not ultimately constructed. The City is anticipating to increase the feasibility of development at-least 30% from the unmeasured anecdotal evidence provided by the development stakeholders. In order to do so, the feasibility of development touches on several elements, including the cost, timing, and permit restrictions. The feasibility of development also requires an increase to the development streamlining process, which is highly contingent upon the purchasing and implementation of a Land Management Permit System, allowing the City to move away from essentially an "analog" method of tracking development.

Infrastructure capacity (e.g., number of units): At this time, the City has capacity to permit approximately 1,700 RHNA affordable units, and a total residential capacity of 31,503 throughout the planning period (2020). The City is well below this anticipated residential build out as the current General Plan was prepared prior to The Great Recession. In addition, as the City's infrastructure continues to deteriorate, we will be reliant upon new development to provide the applicable upgrades, necessary to sustain an infrastructure ready system that can eventually accommodate new development.

Example 3: Priority Policy Areas and Other Activities with Attachment 2: Nexus

Appendix B

Impact on housing supply and affordable (e.g., number of units): Again, the number of residential building permits, recently issued by the City, is relatively small; however, this results from several factors, only some of which are under the City's control:

1) Median family income is low, and has been for some time, creating a lack of disposable income levels necessary to grow and flourish through development.

2) Location: The City's location is along a major through far, one that experiences a tremendous amount of daily commuters but that also lends our land use patterns more towards commercial versus residential

3) Lack of entitlement/permit solutions: As previously referenced, the City does not currently operate with a cloud-based or digital LMS type system. Essentially, our permits are "hand-issued".

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