

SBCAG STAFF REPORT

SUBJECT: Housing Planning and Production Grants Program

MEETING DATE: September 19, 2019

AGENDA ITEM: 7

STAFF CONTACT: Michael Becker

RECOMMENDATION:

- A. Receive an update on Housing Planning and Production Grants Program funding opportunities.
- B. Nominate and appoint one Board of Supervisors' member to serve on the Central Coast Mega-Region working group.
- C. Affirm SBCAG support for the Association of Monterey Bay Area Governments (AMBAG) to serve as the Central Coast mega-region fiscal agent.

DISCUSSION:

In May 2019, Governor Newsom introduced revised trailer bill language as part of his "May Revision" budget implementing a new Housing Planning and Production Grants Program (Program). The Program will provide regions and jurisdictions with one-time funding, including grants for planning activities, to enable jurisdictions to implement the 6th cycle of the Regional Housing Needs Assessment (RHNA). The Program will be administered by the California Department of Housing & Community Development (HCD).

Upon appropriation by the Legislature, HCD shall allocate \$250 million dollars to regions and local jurisdictions for technical assistance, preparation and adoption of planning documents and process improvements to accelerate housing production and facilitate compliance to implement the 6th cycle of the RHNA. Of this, \$125 million will be provided directly to local jurisdictions and the remaining \$125 million will be provided to seven mega-regions. It is estimated that the Central Coast mega-region will receive approximately \$6.5 million plus a \$2 million incentive for a total of approximately \$8.5 million. This funding will be allocated to a Central Coast Working Group. SBCAG must appoint three elected officials to represent our region to serve on the Central Coast Working Group: one Board of Supervisors member and two city council representatives – one representing a large city and one representing a small city. SBCAG staff will seek to engage the City Selection Committee for city council representative appointments.

Mega-regions

The program identifies seven mega-regions:

1. The Association of Bay Areas Governments (ABAG) with nine counties,
2. The Sacramento Area Council of Governments (SACOG) with six counties,
3. The San Diego Association of Governments (SANDAG) as a single county,
4. The Southern California Association of Governments (SCAG) with six counties,
5. The San Joaquin Valley with eight counties and eight COGs,
6. The COGs from Butte, Humboldt, Lake, and Mendocino counties, and

7. The Central Coast representing five counties within the Association of Monterey Bay Area Governments, Santa Barbara County Association of Governments, and SLOCOG.

An eighth 'region' accounts for cities, counties, and COGs not included within one of the seven defined mega-regions. These jurisdictions may directly apply to HCD for funds.

The Central Coast Working Group (for the mega-region) would have 15 elected officials to coordinate the appropriate method to distribute the estimated \$8.5 million available. In consultation with the HCD, each region shall establish priorities and use funds allocated to:

- Develop an improved methodology for the distribution of the 6th Cycle (RHNA) to further the statutory objectives per Government Code 65584.
- Sub-allocate funds directly and equitably to local agencies or sub-regional entities in a grant program for planning that will accommodate the development of housing and infrastructure that will accelerate housing production in a way that aligns with state planning priorities, housing, transportation, equity and climate goals.
- Provide local agencies with technical assistance, planning, temporary staffing or consultant needs associated with updating local planning and zoning documents, expediting application processing and other actions to accelerate additional housing production.
- Provide technical assistance in improving housing permitting processes, tracking systems, and planning tools.
- Perform infrastructure planning, including water systems, transit, roads or other public facilities necessary to support new housing and new residents.
- Perform feasibility studies to determine the most efficient locations to site housing
- Establish a regional or countywide housing trust fund for affordable housing.

Prior to November 30, 2019, the COGs within the Central Coast mega-region must select a council of governments to be the fiscal agent and create the central coast multiagency working group made up of at least two city members (one large and one small city) and one county supervisor from each County (Santa Cruz, San Benito, Monterey, San Luis Obispo, and Santa Barbara). Once formed, the multiagency working group shall notify all member cities and counties of its purpose, the composition of its members, its timeline for action and proposed meeting schedule. HCD may select a fiscal agent for the multi-jurisdictional working group in the absence of agreement within the membership.

HCD will prepare guidelines and better identify the contents and/or requirements necessary for the megaregion to request funds, including the following information:

- An allocation budget
- Amounts retained by COGs and any sub allocations to jurisdictions.
- An explanation of how proposed uses will increase housing planning and facilitate local housing production.
- Identification of current best practices at the regional and statewide level that promoter sufficient supply of housing affordable to all income levels, and a strategy for increasing adoption of these practices at the regional level, where viable.
- An education and outreach strategy to inform local agencies of the need and benefits of taking early action related to the 6th cycle of RHNA.

The mega-region will coordinate to identify the appropriate use of funds or sub allocations to appropriately address its unique housing and planning priorities. This may result in a megaregional plan that addresses the previously identified bullets and could also include separate

chapters for each county to allow flexibility for the region's priorities and expectations and better accommodate current efforts leading to affordable housing.

Timeline and Tasks

Nov.30, 2019	Deadline to form multiagency working group on the Central Coast, and notify each city and county of its purpose.
July 1, 2020	Deadline for local jurisdictions to request allocation.
Jan. 31, 2021	Deadline for regions to request funds.
Dec. 31, 2023	Deadline for expenditure of all regional and local funds.
Dec. 31, 2024	Deadline to submit final report on use of funds (regional and local).

The recommended action is not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378 of the CEQA Guidelines.