

City of Sacramento

Legislation Text

File #: 2019-00212, **Version:** 1

Title:

Housing Streamlining Menu of Options and Authorization to Apply for the SB 2 Planning Grant Program [Continued from 04/23/2019]

File ID: 2019-00212

Location: Citywide

Recommendation:

Adopt: 1) a Resolution directing staff to implement the Housing Streamlining Menu of Options; and 2) a Resolution authorizing the City Manager or City Manager's designee to submit an application for funding under the California Department of Housing and Community Development's SB 2 Planning Grants Program in the amount of \$625,000.

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Attachments:

- 1-Description/Analysis
- 2-Resolution for Housing Streamlining Menu of Options
- 3-Resolution for SB 2 Planning Grant Program Application
- 4-Draft Housing Streamlining Menu of Options

Description/Analysis

Issue Detail: There is an insufficient supply of affordable housing and rents have been rising at dramatic rates, making it increasingly difficult for residents to find housing they can afford. On October 30, 2018, Community Development Department staff presented to Council several policy concepts to streamline development and increase housing opportunities. Since then, an additional Senior Planner has been hired in the Long Range Planning Division, staff has developed an ambitious Housing Streamlining Menu of Options, already initiated some of these housing

streamlining actions and have identified a funding source to support further implementation.

Attachment 4-Draft Housing Streamlining Menu of Options identifies 56 potential actions the City's Planning Division, other City departments and partner agencies can initiate to streamline approval and production of market-rate and affordable housing. The potential actions are organized into the following 11 categories:

Streamlining Categories	Number of Potential Actions
Long Range Planning	4
Current Planning (Site Plan & Design Review)	4
Zoning & Land Use	14
Transit Oriented Development (TOD) & Commercial Corridors	4
Accessory Dwelling Units (ADUs) & Tiny Homes	10
Public/Private Partnerships	7
Fees	2
Funding & Financing	2
Infrastructure	5
Environmental Review	2
Advocate for Changes to State Law	2
Total	56

A number of these housing streamlining actions have already been completed or are currently being implemented, including:

Streamlining Actions	Initiation Date
Reduction of Existing Development Impact Fees for New Affordable Dwelling Units to a Zero-dollar Rate	October 2018
Administrative Determination of Director Level Planning Approval of Condominiums on Single Parcel	November 2018
Transit Oriented Development (TOD) Ordinance (effective January 10, 2019)	December 2018
Participation in Sacramento Area Council of Governments (SACOG) Civic Lab Commercial Corridor Program for Del Paso and Stockton Boulevards	January 2019
Accessory Dwelling Unit (ADU) Working Group	February 2019

Planning and Development Code Bundle	March 2019
Establishment of Neighborhood Development Action Team	Spring 2019

The City is committed to increasing the availability of housing for all income levels. The goal of implementing the streamlining actions identified in Attachment 4-Draft Housing Streamlining Menu of Options is to improve the City's progress in meeting its current and future Regional Housing Needs Allocation (RHNA) in all four income levels (very low, low, moderate, above moderate). To date, the City has met 8% of its lower income and 51% of its moderate and above moderate 2013-2021 RHNA.

As an initial step to implementing the draft streamlining actions identified in Attachment 4, staff recommends establishing a City and agency staff-level working group and an external housing stakeholder working group. These two working groups will vet, prioritize, and identify actionable next steps. The Draft Housing Streamlining Menu of Options is intended to be a working document to be updated regularly to prioritize actions, identify staff leads, and track progress and next steps.

Staff recommends utilizing the California Department of Housing and Community Development's Senate Bill 2 (SB 2) Planning Grants Program to obtain funding to implement priority actions identified in Attachment 4-Draft Housing Streamlining Menu of Options. The City is eligible for \$625,000 in grant funds for planning actions that lead to the increased production of housing. The Notice of Funding Availability was released on March 29, 2019 and grant applications can be submitted between April 1 and November 30, 2019. Staff recommends using these grant funds to hire a consultant team to implement several of the potential actions as identified in Attachment 4.

Staff will be returning to Council over the next few months with several follow-up actions, including:

- Annual progress reports on the 2013-2021 Housing Element and Downtown Housing Initiative (June 2019); and
- SB 35 ministerial approval of residential development (August 2019).

Policy Considerations: On August 14, 2018, the City Council conducted a workshop to discuss funding concepts to promote housing development. On October 30, 2018, the City Council discussed several policy concepts to streamline development and increase housing opportunities. The Housing Streamlining Menu of Options is in response to direction provided by City Council on October 30, 2018 and it aligns well with the Mayor's and City Council's priority to streamline development and increase housing opportunities.

The 2035 General Plan and 2013-2021 Housing Element contain policies related to housing streamlining actions:

LU 1.1.5 Infill Development. The City shall promote and provide incentives (e.g., focused infill planning, zoning/rezoning, revised regulations, provision of infrastructure) for infill development, reuse, and growth in existing urbanized areas to enhance community character, optimize City investments in infrastructure and community facilities, support increased transit use, promote pedestrian- and bicycle-friendly neighborhoods, increase housing diversity, ensure integrity of historic districts, and enhance retail viability.

Housing (H) 1.3.4 A Range of Housing Opportunities. The City shall encourage a range of housing opportunities for all segments of the community.

H 2.2.4 Funding for Affordable Housing. The City shall pursue and maximize the use of all appropriate state, federal, local and private funding for the development, preservation, and rehabilitation of housing affordable for extremely low-, very low-, low-, and moderate-income households, while maintaining economic competitiveness in the region.

H 2.3.1 Avoiding Unnecessary Costs to Housing. The City shall ensure that its policies, regulations, and procedures do not add unnecessary costs to housing and do not act as an obstacle to new housing development.

H 2.3.2 Streamlined Application and Building Process. The City shall continue to facilitate interdepartmental review of development applications, encourage pre-application meetings with planning and building staff, and streamline the overall planning application and building process for all development types.

Economic Impacts: A strong and affordable housing environment is critical to the economic well-being and growth of Sacramento and its residents.

Environmental Considerations: The recommendation in this report is not a project under the California Environmental Quality Act (CEQA), because it does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Sections 15378(b)(2) and 15378(b)(4) and is, therefore, not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).

Sustainability: Increasing housing production and affordability will assist in creating a sustainable Sacramento and provide a platform for sustainable economic growth. Increasing growth in infill areas of the City near public transportation hubs will reduce dependence on the use of private automobiles, reduce vehicle miles traveled (VMT) per household, reduce the use of fossil fuels, improve energy efficiency, reduce carbon dioxide emissions, and help meet air quality standards.

Commission/Committee Action: None.

Rationale for Recommendation: The City is facing a statewide challenge of providing an adequate supply of affordable housing. The California Department of Housing and Community Development establishes the Regional Housing Needs Allocation (RHNA) for each jurisdiction. The RHNA identifies the number of additional housing units needed by income level, to accommodate projected household growth during the eight-year housing element period. As of December 4, 2018, 515 of 539 California jurisdictions, including the City of Sacramento, have not met their prorated RHNA for the current housing element planning period.

The City's RHNA for the 2013-2021 planning period is 24,101 housing units, of which 8,411 must be affordable to lower-income households. Between October 31, 2013 and December 31, 2018, the City issued building permits for 635 lower income housing units and 7,984 moderate or above moderate units, for a total of 8,619 housing units.

Financial Considerations: The implementation of the Housing Streamlining Menu of Options will have financial implications. Staff anticipates using the SB 2 Planning Grant Program to implement several of the potential actions. The SB 2 Planning Grant Program does not require matching funds. Staff will return to City Council for proper funding authority once a consultant proposal is selected and funding sources are identified.

Local Business Enterprise (LBE): Not applicable.