




CITY COUNCIL ACTION REQUEST

Department: PBCE	CEQA: Not a Project, File No. PP17-006, Grant Application and	Coordination: Housing, CAO	Dept. Approval: /s/ Rosalynn Hughey
Council District: Citywide	File No. PP17-003, Agreements/ Contracts (New or Amended) resulting in no physical changes to the environment.		CMO Approval:  2-13-20

SUBJECT: REQUEST AUTHORIZATION TO APPLY FOR THE SENATE BILL 2 PLANNING GRANT PROGRAM

RECOMMENDATION:

Adopt a resolution authorizing the City Manager or Manager’s designee to:
 (a) Apply for the Senate Bill 2 Planning Grant administered by the California Department of Housing and Community Development; and
 (b) If awarded, negotiate and execute grant agreement(s) to effectuate the grant.

BASIS FOR RECOMMENDATION:

City Council adopted a resolution authorizing the City Manager or Manager’s designee to apply for the SB 2 Grant on August 27, 2019 (Resolution No. 79225). HCD requests an update to the resolution with the terms of the Standard Agreement, prior to grant application approval.

Background: The 2017 Building Homes and Jobs Act (Senate Bill 2) establishes a recording fee on real estate documents to increase the supply of affordable homes in California which is remitted to HCD to accelerate housing development. Proceeds from the first year will go toward the SB 2 Planning Grant program. The principle goal of the grant program is to make funding available to local governments for the preparation, adoption, and implementation of plans that streamline housing approvals and accelerate housing production.

The City qualifies for an award of up to \$625,000 based on a population size of greater than 200,000 residents. HCD received the City’s grant application on November 25, 2019. Staff was notified that the application received a conditional approval of grant funding and is required to have a new resolution agreeing to the terms and condition of the Standard Agreement, which states the following:

The City of San José shall be subject to the terms and conditions as specified in the Standard Agreement, the SB 2 Planning Grants Program Guidelines, and any applicable Planning Grants Program guidelines published by the Department. Funds are to be used for allowable expenditures as specifically identified in the Standard Agreement. The application in full is incorporated as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the application will be enforceable through the executed Standard Agreement. The City of San José hereby agrees to use the funds for eligible uses in the manner presented in the application as approved by the Department and in accordance with the Planning Grants NOFA, the Planning Grants Program Guidelines, and 2019 Planning Grants Program Application.

Climate Smart San José: The recommendation in this memo aligns with one or more Climate Smart San José energy, water, or mobility goals.

Commission Recommendation/Input: No commission recommendation or input is associated with this action.

COST AND FUNDING SOURCE:

There is no fee to submit the application and the grant is non-competitive. The City can qualify for an award of up to \$625,000 from the California Department of Housing and Community Development (HCD) and there is no matching fund requirement.

FOR QUESTIONS CONTACT: Jared Hart, Division Manager – Citywide Planning, (408) 535-7896