



CITY OF POMONA

COUNCIL REPORT

November 4, 2019

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted By: Anita D. Gutierrez, AICP, Development Services Director

**SUBJECT: AUTHORIZATION TO SUBMIT AN APPLICATION FOR, AND
RECEIPT OF STATE PLANNING GRANT PROGRAM FUNDS.**

RECOMMENDATION:

It is recommended that the City Council adopt the following resolution:

**RESOLUTION NO. 2019-176 – A RESOLUTION OF THE CITY
COUNCIL OF THE CITY OF POMONA, CALIFORNIA, AUTHORIZING
APPLICATION FOR, AND RECEIPT OF, SENATE BILL 2 GRANTS
PROGRAM FUNDS**

EXECUTIVE SUMMARY:

The matter before the Council is adoption of a Resolution authorizing the City Manager, or designee, to submit a Senate Bill 2 (SB 2) Planning Grants Program (PGP) application to the California Department of Housing and Community Development (HCD) to receive non-competitive grant funding in an amount not to exceed \$310,000. The grant funding would be used to fund planning and policy development projects that streamline housing approvals and accelerate housing production. If Pomona is ultimately awarded the grant dollars, the grant would be used to fund the 2021-2029 Housing Element update (6th Cycle) and a comprehensive Zoning Code update.

FISCAL IMPACT:

Should the City be successful in being awarded this grant, the City would receive up to \$310,000.

DISCUSSION:

On October 9, 2019, HCD provided the City with a determination of compliance with State housing law, certifying the 2013-2021 Housing Element. Also on October 9, the City submitted the 2018 Annual Progress Report (APR) to HCD, which identifies Pomona's progress towards its Regional Housing Needs Assessment (RHNA) allocation. Having a certified Housing Element

and submitting the 2018 APR allows the City to be eligible to submit for, and receive, SB 2 PGP funds.

In 2017 Governor Brown signed Senate Bill 2 (SB 2), the Building Homes and Jobs Act, imposing a fee to record real estate documents to create a permanent, ongoing source of funding to develop affordable housing. Under SB 2, fifty percent of fees collected in the first year (2018) were to be allocated to local jurisdictions to help streamline housing production including policy streamlining and the introduction of new residential development tools.

The California Department of Housing and Community Development (HCD) authorized up to \$123,000,000 as part of the Planning Grants Program (PGP), and on March 28, 2019, issued a Notice of Funding Available (NOFA), allowing “over the counter” allocations to jurisdictions. As a medium jurisdiction, the City of Pomona is eligible to receive up to \$310,000 for projects adopted and completed by June 30, 2022. The NOFA requires that projects demonstrate a nexus to accelerating housing production while also:

1. Streamlining approvals for housing, for both owners and renters, at all income levels;
2. Facilitating housing affordability for all income groups;
3. Promoting development consistent with the State Planning Priorities; and
4. Ensuring geographic equity in the distribution and expenditure of allocated funds.

The application deadline for SB 2 grants is November 30, 2019. As part of the application, a City Council resolution is required, authorizing the City Manager or designee to sign and submit a grant application and execute an agreement with HCD when the grant is awarded.

Staff has identified two potential projects to include in the grant application for SB 2 funding, which have been vetted for eligibility through the State’s technical assistance program. The following provides a summary of the projects to be included in the grant application:

- **2021-2029 Housing Element Update – 6th Cycle (\$200,000)**

The next update to the City’s Housing Element is required to be completed by October 15, 2021. SB 2 funds will be used to update the 6th Cycle Housing Element, which includes preparation of a housing inventory, development of an implementation plan, and completion of all associated environmental documents. A consultant team with extensive experience with Housing Element updates will be contracted to prepare the components of the Housing Element, conduct community outreach, and provide day-to-day project oversight, scheduling and coordination of the project. The consultant is necessary due to the required expertise and timing of the comprehensive update, and limited staff resources. This project could include the creation of an overlay zone to allow more mixed-use development to occur on underutilized properties and permit by-right housing. Overall, the Housing Element provides a policy-level foundation to expand housing production coupled with a strong implementation plan that includes specific quantified objectives and programs with mandates for execution.

- **Comprehensive Zoning Code Update (\$110,000)**

In 2016, the City of Pomona launched a comprehensive update to its Zoning Ordinance. The purpose of the update is to implement the goals and policies adopted in the 2014 City

of Pomona General Plan. To date, a consultant has conducted community outreach and prepared a draft ordinance. Approximately \$100,000 remains in the budget for this update. Additional funding from the SB 2 grant will ensure that the Planning Division can adequately implement various goals of the General Plan through this project, such as streamlining the approval process for multi-family housing by eliminating the requirement of a Conditional Use Permit across all zones to allow multi-family housing production by-right, crafting objective site design and architectural standards to facilitate non-discretionary permitting of housing, and ensuring equity in the definitions of housing-related land uses. A combination of City staff and consultants is anticipated to complete this update.

COUNCIL PRIORITIES & GOALS:

This item supports the 2019-2020 City Council Priorities and Goals; Priority 2: Economic Development; Goal J: Encourage the development and maintenance of quality housing opportunities for all.

Prepared by:

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Planning Manager

ATTACHMENT:

Attachment No. 1 – Resolution No. 2019-176