



# COUNTY OF HUMBOLDT

For the meeting of: 8/20/2019

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File #: 19-1118

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**To:** Board of Supervisors

**From:** Planning and Building Department

**Agenda Section:** Consent

**SUBJECT:**

Resolution Authorizing the Submittal of a Department of Housing and Community Development (HCD) Grant Application for the Planning Grant Program (PGP), SB 2 (2017), to Support Planning Efforts to Accelerate Housing Production and Streamline Residential Approvals

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Adopt the attached Resolution No. \_\_\_\_;
  - a. Authorizing an application to be submitted to the HCD for the 2019 Planning Grants Program application in the amount of \$310,000;
  - b. Authorizing and directing the Planning and Building Director to sign this application and act on the County's behalf in all matters pertaining to this application;
  - c. Authorizing and directing the Planning and Building Director to sign contracts or agreements to carry out grant activities upon the review and approval by County Counsel and Risk Management;
  - d. In connection with the PGP grant, if the application is approved, the Board of Supervisors authorizes and directs the Planning and Building Director to enter into, execute, and deliver a State of California Agreement ("Standard Agreement") for the amount of \$310,000, and any documents necessary to secure the PGP grant;
  - e. Acknowledging the County of Humboldt shall be subject to the terms and conditions as specified in the Standard Agreement, the SB 2 Planning Grants Program Guidelines, and any applicable PGP guidelines published by HCD. Funds are to be used for allowable expenditures as specifically identified in 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 Humboldt County Board of Supervisors hereby agrees to use funds for eligible uses in the manner presented in the application approved by HCD and in accordance with the NOFA, the Planning Grants Program Guidelines, and 2019 Planning Grant Program Application;
  - f. Authorizing the Chair of the Board of Supervisors to execute the Letter of Designation in

Attachment 3 designating the Planning and Building Director as the County's designee for this application and to act on the County's behalf;

- g. If the application is approved, authorizing the Planning and Building Director to sign Funds Requests and other reporting forms;
- h. Should HCD determine and notify the County that the Safe Parking Pilot Program activity, also referenced herein as Activity #4A, is not eligible for PGP funding, the Planning and Building Director is hereby authorized and directed to replace this activity with PGP Activity #4B amending the Humboldt County Zoning Regulations and General Plan for Emergency Shelters, Transitional and Supportive Housing, and Accessory Dwelling Units as described in Attachment 2;
- i. Authorizing the Planning and Building Director to initiate an appeal if HCD notifies the County that the application does not meet the necessary criteria; and
- j. Authorizing General Fund contributions to fund Long-Range Planning staff for implementation of the Housing Element in FY 2019-2020, (account #1100-282), and reimbursed by the PGP to be placed in the trust account of the Humboldt County Housing Trust Fund and Homelessness Solutions Committee and designated to be used for the development of affordable housing or shelter consistent with the approved Housing Element.

**SOURCE OF FUNDING:**

The salary funding for this work is included is in the General Fund contribution to the Long-Range Planning unit, 1100-282.

**DISCUSSION:**

The resolution in Attachment 1 authorizes the Planning Director to submit a grant application to the Department of Housing and Community Development (HCD) for up to \$310,000. This grant would provide funding to assist the County's efforts in implementing housing element programs that will accelerate housing production and streamline the residential permitting process. The grant provides financial and technical assistance to update land use planning requirements and processes to accelerate housing production; and streamline approval of housing development affordable to all income levels (Government Code section 65041.1).

While Planning Grant Program (PGP) applications can be filed up to Nov. 30, 2019, only jurisdictions having a compliant housing element are eligible to apply for PGP. Humboldt County is assured to have a compliant housing element only until Aug. 31, 2019 which is the end of the planning period for the 2014 Housing Element. Adoption of the Housing Element amendments by the Board of Supervisors for the next Housing Element cycle (2019 - 2027) is also scheduled for the Aug. 20, 2019 Board meeting, but if the Housing Element is not approved and subsequently certified by HCD by the grant deadline then the application will not be based on a certified Housing Element. Submitting this early allows the county to submit under the certified 2014 Housing Element.

As a noncompetitive funding cycle, applications that meet the PGP objectives and threshold requirements will be funded up to the established allocation. For Humboldt County \$310,000 is the maximum allocation that can be applied for and awarded.

With the PGP, HCD seeks to fund activities that are regional-serving and demonstrate the ability to streamline residential permitting and accelerate housing production. Direct financial assistance for housing developers or funding infrastructure projects are not eligible activities. Additionally, the PGP Guidelines require a strong implementation component for each funded activity, so as part of the Standard Agreement the jurisdiction must agree to adopt the planning document that is PGP funded.

All of the activities proposed for funding with this application seek to address key issues raised during the Housing Element update workshops and Planning Commission hearings. The key issues are: all forms of housing are too expensive, housing is difficult to build at a low cost, and there is a severe shortage of housing affordable to lower income households. The 2019 Grand Jury report, "Like Home? There's No Place" reaches the same conclusions. To help resolve these issues, staff is recommending the county apply for the following four activities described below:

Activity #1. Accessory Dwelling Unit Development and Incentive Program.

The goal of this program is to institute procedural reforms enabling property owners to apply for a building permit to add an accessory dwelling unit (formerly known as secondary dwelling unit) and the permit being ready to issue no later than the next business day. To accomplish this goal, PGP funding will be used to complete the activities outlined below that will improve the quality and availability of information to the public, enact aggressive procedural reforms to remove governmental constraints, and provide financial incentives for applicants:

- Identify and map qualifying non-coastal residential properties in communities with available public water and sewer, including mapping known environmental and regulatory constraints.
- Improve existing practices and coordination by other responsible County agencies and water and sewer providers to prioritize approval of qualifying Accessory Dwelling Unit ("ADUs").
- Develop a marketing and public engagement strategy to publicize the ADU incentive program. Activities could include direct mailings to qualified property owners, hosting informational tables at community events in targeted geographic areas, and a social media campaign.
- Create an attractive, dedicated and interactive website that is easy to use and informative. Features would include an ADU calculator to help property owners estimate the costs, returns, and financial benefits associated with adding an ADU; portals to connect with staff and submit applications; links to the county's pre-approved house plans and those of other California jurisdictions; and information on organizations to help find tenants, provide landlord training, etc.
- Develop easily understood and simple procedures that remove regulatory and procedural barriers to permit approval. Features include one-on-one consultation between applicants and experienced County planning and building staff, professionally prepared building permit site and building plans for ADUs.
- Develop a financial incentive program. Prepare and advance a building permit fee waiver ordinance and program guidelines for adoption by the Board of Supervisors. This effort includes developing a covenant to assure assisted units are retained at an affordable rent.

Additional elements for which PGP funding will be sought include initiating the RFP process to develop a partnership with a non-profit or conventional lender to provide loans for income eligible homeowners; develop relationships with local lenders to connect homeowners with knowledgeable lenders. Additionally, develop internal forms, documentation, systems and procedures to connect people with lenders.

Activities #2. and #3. Development and Incentive Programs for Supportive Housing and Affordable Multifamily Housing.

These two proposed programs have overlapping components and features. The goal of these programs is to increase the inventory of supportive housing units and multifamily housing units affordable to low income households. Because PGP funds cannot be used for direct assistance, staff recommends applying to fund programs addressing indirect constraints that hinder development of these types of housing.

- Increase and improve local capacity of private and community developers by hosting one or more workshops and training sessions conducted by professionals qualified and familiar with State funding and regulatory programs for the development and operation of supportive housing and affordable multifamily housing.
- Identify and map eligible properties in communities, including mapping the known environmental and regulatory constraints of the property, and develop an online inventory to make it easier to find available and eligible properties.
- Develop and make available to the public at no cost pre-approved building plans for supportive housing and duplexes.
- Improve existing practices by coordinating and collaborating with other responsible County agencies and water and sewer providers to prioritize supportive housing and multifamily development.
- Conduct a property owner outreach campaign. Campaign activities can include direct mailings to qualified property owners; community open houses jointly hosted by the Planning and Building Department, Department of Health and Human Services, and current providers; and employ social media.
- Prepare and advance a building permit fee waiver ordinance and program guidelines for adoption by the Board of Supervisors. This effort includes developing a standardized covenant to assure assisted units remain affordable.
- Staff training and development of forms and procedures, to prioritize supportive and affordable housing review. Designate project facilitators and community liaisons for supportive housing and affordable multifamily projects.
- One-stop-shop website for developers and service providers. An integrated website containing land use information, GIS tools; links to service programs and providers; portals to ask questions, set up meetings, and submit building applications; and information about organizations who help find tenants, provide landlord training, etc.
- Specific for the supportive housing, develop a best practices manual for providers to facilitate preparation of supportive housing plans meeting the requirements of Government Code Section 65652.

Activity #4. Develop a Safe Parking Pilot Program; or amend the Zoning Regulations and General Plan for Emergency Shelters, Transitional Housing and Supportive Housing, and Accessory Dwelling Units.

Development of a Safe Parking Pilot Program is an implementation measure, H-IM56, recommended by Planning Commission as part of the 2019 Housing Element amendments. While safe parking does not have the attributes typically associated with permanent housing and may be outside the PGP box, the County's PGP regional technical assistance representative recommended the County apply for this activity with an alternative program on the ready: should Activity #4A be determined to not be eligible by HCD, it can be replaced relatively seamlessly by Activity #4B. The alternative activity #4B is consistent with the parameters of the PGP Guidelines, and is for the preparation and adoption, of several recommended 2019 Housing Element housing programs. The programs being recommended include high priority amendments to the General Plan and Zoning Regulations in response to new statutory mandates, and input from the community and Planning Commission.

Activity #4A: Safe Parking Pilot Program.

- Identify sources of funding for program.
- Compile available data from other agencies and public sources to determine safe parking locations, size and number of spaces required, and the distribution of services and resources, and other best practices.
- Identify and engage local stakeholders, including service providers, to develop agreements on pilot program parameters, best practices, schedule, including incentives to improve property owner participation, a public outreach campaign, and metrics for program evaluation.
- Adopt an enabling ordinance or resolution for the pilot program, including duration of the program, hours of operation, land use and operating conditions, and project milestones.
- Inventory potential public lots and private lots, and poll property owners.
- Request for proposals to identify potential partners: Circulate a request for proposals (RFP) to seek interested service providers to operate the Safe Parking Pilot Program, then select service providers.

Activity #4B: Amend the Zoning Regulations and General Plan for Emergency Shelters, Transitional and Supportive Housing, and Accessory Dwelling Units.

- Prepare amendments to the Zoning Regulations and General Plan for emergency shelters, transitional and supportive housing, and accessory dwelling units. The activity shall include the County conducting community workshops, and public hearings before the Planning Commission and Board of Supervisors. The amendments to the Zoning Regulations and General Plan shall align with the July 11, 2019 Planning Commission recommended housing programs H-IM41, H-IM51, H-IM54, and H-IM71as may be modified by the Board of Supervisors included as Attachment 2.

FINANCIAL IMPACT:

The county would receive up to \$310,000 of funding from this grant that would support county staff and consultant work. This would enable the county to complete priority measures to facilitate construction of housing. There is no other financial obligation associated with receiving the grant, and there would be no impact to the General Fund.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by streamlining county permit processes, facilitating new housing and living-wage private sector jobs, and protect vulnerable populations.

OTHER AGENCY INVOLVEMENT:

The Department of Housing and Community Develop will provide the funding and oversee implementation of the grant. Other County agencies that will likely be involved in carrying out the tasks funded by the grant are Department of Health and Human Services, Social Service branch, and to more limited degree the Division of Environmental Health and Land Use Division of Public Works.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose to not apply for these funds. This is not recommended as the Planning Grants Program is a one-time component of SB 2 (2017), only this grant cycle is noncompetitive, and other funding opportunities for conducting similar work are scarce and highly competitive.

ATTACHMENTS:

1. Board of Supervisors Resolution No. 19-\_\_\_\_\_
2. Description of Activity #4B: Amend the Zoning Regulations and General Plan for Emergency Shelters, Transitional and Supportive Housing, and Accessory Dwelling Units.
3. Letter identifying the Planning and Building Director as the County's designee for this application and authorizing the Director to act on the County's behalf.

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: N/A

File No.: N/A