

2019 SEP 26 PM 2:11


City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. 87889 C.M.S.

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO APPLY FOR, ACCEPT, AND APPROPRIATE FUNDS FROM THE SENATE BILL 2 PLANNING GRANT PROGRAM FROM THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT IN AN ESTIMATED AMOUNT OF UP TO \$625,000 TO PROVIDE FUNDING FOR THE PREPARATION, ADOPTION, AND IMPLEMENTATION OF PLANS AND POLICES THAT STREAMLINE HOUSING APPROVALS, ACCELERATE HOUSING PRODUCTION, AND INCREASE HOUSING STOCK FROM NOVEMBER 1, 2019 THROUGH JUNE 30, 2022.

WHEREAS, in 2017, Governor Jerry Brown signed a bill package aimed at addressing the State of California's housing shortage and high housing costs, which included the Building Homes and Jobs Act (SB 2); and

WHEREAS, the Planning Grants Program, financed through SB 2 funds, provides funding and technical assistance to qualifying local governments in California to prepare, adopt, and implement plans and process improvements that streamline housing approvals and accelerate housing production. These funds will lead to changes in the Planning & Building Department's Bureau of Planning policy regarding the review and approval process, and would also result in changes to Oakland's Planning Code, which would require further City Council approval; and

WHEREAS, Oakland is in the midst of a housing crisis, rooted in the limited availability of housing specifically available to moderate- and low-income renters, that is perpetuating rising costs, increased rent burden, displacement, and widespread demographic change; and

WHEREAS, while the level of housing production in the City of Oakland has increased greatly in recent years, the production of housing at all income levels has not accelerated enough to significantly impact growing housing prices or the resultant demographic change; and

WHEREAS, on March 21, 2019, City Council Resolution No. 87579 C.M.S. requested the Bureau of Planning Staff to study and the Planning Commission to consider incentives to encourage transit-oriented housing—including affordable housing—in the City of Oakland, including but not limited to:

- Lowering the required parking ratio;
- Allowing for a greater height maximum;

- Allowing for greater density; and
- Streamlining the permitting process for transit-oriented housing, including affordable housing; and

WHEREAS, the State of California, Department of Housing and Community Development (HCD) has issued a Notice of Funding Availability (NOFA) dated March 28, 2019, for the Planning Grants Program; and

WHEREAS, the City Council of the City of Oakland desires to submit a project application for the Planning Grants Program to accelerate the production of housing and through the City Administrator submit a 2019 Planning Grant Program grant application as described in the Planning Grants Program NOFA and SB 2 Planning Grants Program Guidelines released by HCD for the Planning Grants Program; and

WHEREAS, HCD is authorized to provide up to **\$123 million** under the SB 2 Planning Grants Program from the Building Homes and Jobs Trust Fund for assistance to Cities and Counties (as described in Health and Safety Code section 50470 et seq. (Chapter 264, Statutes of 2017 (SB 2))) related to the Planning Grants Program; and

WHEREAS, the City Council desires that the Bureau of Planning utilize SB 2 Planning Grant Program funds to develop strategies that will ameliorate both the shortage of housing stock and its limited affordability, including through the development of four of the distinct Priority Policy Areas highlighted in the SB 2 Planning Grant Program Guidelines: a) Rezoning to permit by-right housing along major transit corridors, b) Objective design review standards and checklist for developments near transit corridors or that contain a significant percentage of affordable units, c) Expedited processing to accelerate approvals and permitting, d) and Accessory Dwelling Unit or Other Innovative building strategies to densify existing lower-density residential areas and missing middle typologies; and

WHEREAS, the Bureau of Planning will pursue four distinct projects with funds from the SB 2 Planning Grants Program, with each of these projects helping the City of Oakland accelerate housing production and increase housing supply at varying income levels. The final products of each project will require further City Council approval prior to adoption: and

1. *Expedited Processing* to speed up approvals and permit processing. This would include a separate expedited, non-discretionary, permit review of housing projects that meet certain criteria such as: affordable housing or developments that contain a certain percentage of affordable housing; developments that are near BART, along the Bus Rapid Transit (BRT), and other major transit corridors.
2. *Rezone to Permit By-right* housing that is located in areas near BART, along the BRT and other major transit corridors to promote transit-oriented development, especially for projects that include an affordable housing component. This project would also aim to rezone areas near transit nodes to allow greater density of housing. These projects would be reviewed through an objective, non-discretionary, design review standards checklist.
3. *Objective Design Review Standards* that can be used to expedite processing and approval of affordable housing, developments that contain a certain

percentage of affordable housing, and/or are near BART, along the BRT, and other major transit corridors.

4. *Accessory Dwelling Unit (ADU) or Other Innovative Building Strategies* establishing approaches to densify existing lower density residential areas. These approaches will include supporting the development of ADUs as well as missing middle typologies (e.g., duplexes, triplexes, quadplexes) to encourage significantly more residential development in lower density residential areas; and

WHEREAS, congruent with the goals for the Planning Grants Program, SB 2 financing will allow Bureau of Planning staff to research, analyze, and draft the framework for these innovative policies, with funding available until June 30th, 2022; and

WHEREAS, the Bureau of Planning will work with a consultant/consultants, selected through the issuance of a Request for Proposal (RFP) wherein interested consultants can apply for selection to assist Planning staff in the development of these policies and proposals, to conduct the research and development of Priority Policy Area programs and policies, with the award of any professional service contracts complying with the City's Contracting procedures and policies; and

WHEREAS, as part of the research and development of these tools and policies, Bureau of Planning staff will conduct an extensive outreach process, with the intention of engaging several different stakeholder groups through interviews, focus groups, surveys, and community meetings; and

WHEREAS, notwithstanding any potential subsequent obligation to conduct environmental review under the California Environmental Quality Act ("CEQA"), the preliminary action of applying for, accepting and appropriating state funding is not a decision that commits the City to a definite course of action with respect to implementation of developed proposals and therefore is not subject to CEQA; now, therefore, be it

RESOLVED: That the City Administrator or her designee on behalf of the City of Oakland is hereby authorized and directed to apply for and submit to HCD the 2019 Planning Grants Program application in the amount of six hundred and twenty-five thousand dollars (\$625,000); and be it

FURTHER RESOLVED: That in connection with the Planning Grants Program grant, if the application is approved by HCD, the City Administrator or their designee is authorized to enter into, execute, and deliver a State of California Agreement (Standard Agreement) for the amount of six hundred and twenty-five thousand dollars (\$625,000), and any and all other documents required or deemed necessary or appropriate to evidence and secure the Planning Grants Program grant, the City's obligations related thereto, and all amendments thereto (collectively, the "Planning Grant Program Grant Documents"); and be it

FURTHER RESOLVED: That the City 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 HCD, with funds to be used for the allowable expenditures as specifically identified in the Standard Agreement, with the application in full being incorporated as part of the Standard

Agreement, and with any and all activities funded, information provided, and timelines represented in the application to be enforceable through the executed Standard Agreement; and be it

FURTHER RESOLVED: That the City Council hereby agrees to use the funds for eligible uses in the manner presented in the application as approved by HCD and in accordance with the Planning Grants NOFA, the Planning Grants Program Guidelines, and the 2019 Planning Grants Program Application; and be it

FURTHER RESOLVED: That the City Administrator or her designee is authorized to execute the City of Oakland Planning Grants Program application, the Planning Grants Program Grant Documents, and any amendments thereto, on behalf of the City as required by HCD for receipt of the Planning Grants Program Grant.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE: **OCT 15 2019**

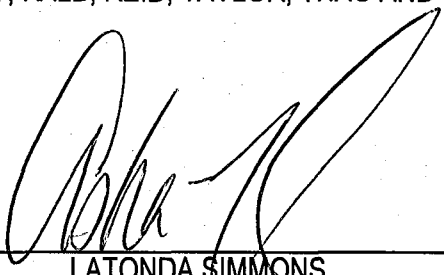
AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND
PRESIDENT KAPLAN - 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST:



LATONDA SIMMONS
City Clerk and Clerk of the Council of the
City of Oakland, California