



**TOWN OF LOS GATOS  
COUNCIL POLICY COMMITTEE REPORT**

MEETING DATE: 09/24/2019

ITEM NO: 5

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DATE: September 20, 2019  
TO: Council Policy Committee  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Discuss and Provide Direction on a Planning Grants Program Application

**RECOMMENDATION:**

Discuss and provide direction on a Planning Grants Program application.

**BACKGROUND:**

In 2017, Governor Brown signed a 15-bill housing package aimed at addressing the State's housing shortage and high housing costs. Specifically, it included the Building Homes and Jobs Act (SB 2), which establishes a \$75 recording fee on real estate documents to provide a permanent source of funding, intended to increase the supply of affordable homes in California.

The legislation directs the Department of Housing and Community Development (HCD) to use 50 percent of the first year's revenue (January through December 2018) to establish a Planning Grants Program (PGP) that provides financial and technical assistance to local governments to update planning documents and land-use ordinances. A maximum award amount of \$160,000 is available for localities with a population of less than 60,000 people. The application period is anticipated to end on November 30, 2019 (see Attachment 1).

The program provides grants through a noncompetitive, over-the-counter process to eligible local governments (cities and counties) who must: have an HCD-compliant housing element, have submitted a recent Annual Progress report, demonstrate a nexus to accelerating housing production, and demonstrate consistency with State Planning Priorities (Government Code Section 65041.1) or other planning priorities.

**PREPARED BY:** JOEL PAULSON  
Community Development Director

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Reviewed by: Town Manager and Town Attorney

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BACKGROUND (continued):

Applicants proposing activities in at least one of the Priority Policy Areas below are automatically deemed to demonstrate a nexus to accelerating housing production without any further documentation:

- **Rezone to Permit By-right:** Rezoning for significant additional housing capacity without or with lesser discretionary review or establishing zoning to permit residential development by-right, particularly multifamily, without discretionary action pursuant to Government Code Section 65583.2(h) and (i).
- **Objective Design and Development Standards:** Developing objective design standards or pre-approved site and architectural plans that facilitate non-discretionary permitting.
- **Specific Plans or Form based Codes Coupled with CEQA Streamlining:** Designating and rezoning for additional housing capacity or preparing specific plans or form codes that include zoning and development standards and plan-level environmental analysis that can be used to streamline future housing projects and facilitate affordability.
- **Accessory Dwelling Units or Other Innovative Building Strategies:** Encouraging ADUs and other innovative building types through actions above state law such as, outreach, fee waivers, pre-approved plans, website zoning clearance assistance, and other homeowner tools or finance tools. Also, establishing other approaches to intensify existing lower density residential areas and “missing model” typologies to encourage significantly more residential development (e.g., duplexes, triplexes) in lower density residential areas.
- **Expedited Processing:** Speeding up approvals and permit processing, including instituting programs that streamline or consolidate the review process or create a separate process for expedited review of housing projects.
- **Housing Related Infrastructure Financing and Fee Reduction Strategies:** Develop and implement approaches to local, regional or sub-regional housing related infrastructure financing. Create plans and programs to finance and increase infrastructure with accompanying enhanced housing capacity, such as enhanced infrastructure financing districts. Fee reduction and rationalization approaches, such as reassessing fees to adhere to best practices in reducing costs, deferrals, sliding scales or proportionate impacts fees (e.g., ADUs, transit oriented, and infill development, special needs housing), or fee transparency measures including publicly available fee calculators.

Staff looks forward to the Policy Committee discussion and direction regarding whether the Committee recommends the Town submit a Planning Grants Program application, and if so, in which Priority Policy Area activities should be proposed.

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SUBJECT: State Planning Grant Application

DATE: September 20, 2019

COORDINATION:

The preparation of this report was coordinated with the Town Manager's and Town Attorney's Offices.

Attachment:

1. Notice of Funding Availability – SB 2 Planning Grants Program