

# **CITY OF HAYWARD**

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
[www.Hayward-CA.gov](http://www.Hayward-CA.gov)



CITY OF  
**HAYWARD**  
HEART OF THE BAY

## **Agenda**

**Tuesday, October 22, 2019**

**6:00 PM**

**Conference Room 2A**

## **Homelessness-Housing Task Force**

**CALL TO ORDER**

**ROLL CALL**

**PUBLIC COMMENTS**

The Public Comment section provides an opportunity to address the Task Force on items not listed on the agenda as well as items on the agenda. The Task Force welcomes your comments and requests that speakers present their remarks in a respectful manner, within established time limits, and focus on issues which directly affect the City or are within the jurisdiction of the City. As the Task Force is prohibited by State law from discussing items not listed on the agenda, any comments on items not on the agenda will be taken under consideration without Task Force discussion and may be referred to staff.

**APPROVAL OF MINUTES**

1. [MIN 19-121](#) Minutes of the Homelessness-Housing Task Force Meeting on September 5, 2019

**Attachments:** [Attachment I Draft Minutes 9/5/19](#)

**REPORTS/ACTION ITEMS**

2.     [ACT 19-198](#)     Referral Regarding Leisure Terrace Apartment Conversion to Affordable Housing

**Attachments:**   [Attachment I Leisure Terrace Referral Presentation](#)  
                          [Attachment II Council Referral Memorandum](#)  
                          [Attachment III Letter to Mayor Halliday - Response to Referral 10.1.19 \(002\)](#)

**INFORMATIONAL ITEMS**

3.     [RPT 19-357](#)     Senate Bill 2 Grant Application

**Attachments:**   [Attachment I Staff Report](#)  
                          [Attachment II Parcels with Inconsistent Zoning and General Plan Designation](#)  
                          [Attachment III 2019 SB2 Planning Grants NOFA](#)

**FUTURE AGENDA ITEMS**

TENTATIVE SCHEDULE

DECEMBER 5, 2019

1. Incentivizing Housing Production Workplan, including:
  - Land Trust
  - Student/Workforce Housing
  - High Density Housing
  - Tiny Homes

MARCH 5, 2020

1. Residential Rent Stabilization 6-month Update
  - Ordinance Implementation Status Report
  - Recommended Ordinance Clean-up Revisions
  - Relocation Assistance
  - Leisure Terrace Follow-up
  - Expanded Role of Mediation and Arbitration
2. Hayward Resident/Employee Preference on Market Rate Housing on City Owned Land – Informational Item

JUNE 4, 2020

1. Hayward’s Homelessness Strategic Plan (possibly September)
  - Workforce Development Pathways
2. Affordable Ownership Models – Informational Item
  - Below Market Rate
  - Land Trust
  - Down payment Assistance
  - Tenant Right of First Refusal

SEPTEMBER 3, 2020

1. Criteria/Priorities for Next NOFA (if sufficient funding is available)
  - Hayward Specific Area Median Income or Income Targeting Reflecting Specific Needs of Hayward Residents
  - Potential for Hayward Down payment Assistance Program

**TASK FORCE MEMBER/STAFF ANNOUNCEMENTS AND REFERRALS**

**ADJOURNMENT**





# CITY OF HAYWARD

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**File #:** MIN 19-121

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**DATE:** October 22, 2019

**TO:** Homelessness-Housing Task Force

**FROM:** Deputy City Manager

**SUBJECT**

Minutes of the Homelessness-Housing Task Force Meeting on September 5, 2019

**RECOMMENDATION**

That the Task Force approves the minutes of the meeting on September 5, 2019.

**ATTACHMENTS**

Attachment I Draft Minutes 9/5/2019



**MINUTES OF THE HOMELESSNESS-HOUSING TASK FORCE MEETING**  
**Thursday, September 5, 2019, 6:00 p.m.**  
**Conference Room 2A**  
**777 B Street, Hayward, CA 94541**

**CALL TO ORDER**

Council Member Lamnin called the meeting to order at 6:00 p.m.

**ROLL CALL**

Present: Council Member Wahab  
Council Member Salinas  
Council Member Lamnin  
Absent: None

**OTHERS IN ATTENDANCE**

Kelly McAdoo, City Manager; Jennifer Ott, Deputy City Manager; Christina Morales, Housing Division Manager; Jane Kim, Housing Specialist and Yolanda Cruz, Administrative Clerk

**PUBLIC COMMENTS**

There were none.

**APPROVAL OF MINUTES**

**1. Minutes of the Homelessness-Housing Task Force Meeting on June 6, 2019**

It was moved by Council Member Wahab, seconded by Council Member Salinas, to approve the minutes of the Homelessness-Housing Task Force meeting on June 6, 2019, with an amendment.

**REPORTS/ACTION ITEMS**

**2. Proposed Workplan to Incentivize Housing Production in the City of Hayward**

Deputy City Manager Ott announced the report and presented a PowerPoint on the proposed workplan to incentivize housing production in the City of Hayward. The presentation focused on the: 1) review of the objectives; 2) review of the housing production strategies; and 3) the approval of the proposed short-term, mid-term and long-term workplan.

**MINUTES OF THE HOMELESSNESS-HOUSING TASK FORCE MEETING**  
**Thursday, September 5, 2019, 6:00 p.m.**  
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Housing Manager Morales also presented a PowerPoint regarding various categories of the Housing Production Incentives which consisted of: 1) Zoning and Housing Approvals; 2) Accessory Dwelling Units Approvals; 3) Impact fees and Transparency; 4) Funding Resources; 5) Public Land Disposition; and 6) Streamlining of the Approval Process.

Council Member Lamnin opened the public comments section at 7:05 p.m.

Bill Espinola, Bay East Association of Realtors representative

Shreya Shah, EAH Housing Senior Project Manager

Council Member Lamnin closed the public comments section at 7:10 p.m.

There was consensus among the Task Force members to not take the item to Council on September 24<sup>th</sup> and to bring it back to the Task Force with a full staff report at the December meeting. The members recommended that staff do additional stakeholder outreach to get more feedback from both the developers and affordable housing advocates. City Manager will provide Task Force members feedback during their one on one meetings as the report is being developed.

### **3. Informational Report Comparing Tenant Protections in Other Cities**

Informational only.

### **FUTURE AGENDA ITEMS**

There was consensus among the Task Force members to consolidate and prioritize future agenda items. Staff will have the items scheduled in a calendar and present it at the next Task Force meeting in December.

1. Student workforce housing
2. High density housing
3. First-time homebuyer assistance program with focus on Hayward residents
4. Tiny homes
5. Landtrust co-op (City Housing Authority) - what the financial model might look like that enables people to own or rent at a starter home market price
6. Workforce development pathways
7. Use of Hayward AMI to set affordable housing rental rates
8. Tenant relocation assistance program
9. 2019 Point-in-Time Count
10. EveryOne Home's Five-Year Homelessness Strategic Plan
11. Navigation Center Update
12. Hayward's Five-Year Consolidated Plan

**MINUTES OF THE HOMELESSNESS-HOUSING TASK FORCE MEETING**  
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**TASK FORCE MEMBER/STAFF ANNOUNCEMENTS AND REFERRALS**

There were none.

**ADJOURNMENT**

Council Member Lamnin adjourned the meeting at 8:15 p.m.



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**File #:** ACT 19-198

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**DATE:** October 22, 2019

**TO:** Homelessness-Housing Task Force

**FROM:** Deputy City Manager

**SUBJECT**

Referral Regarding Leisure Terrace Apartment Conversion to Affordable Housing  
**RECOMMENDATION**

That the Homelessness and Housing Task Force directs staff to study anti-displacement policy options and return with a recommendation as part of the Residential Rent Stabilization update scheduled for March 2020.

**SUMMARY**

On September 10, 2019, a referral was submitted to discuss implications of the conversion of the Leisure Terrace Apartments to affordable housing. City Council delegated further discussion of the referral to the Homelessness and Housing Task Force. The attached presentation (Attachment I) provides an outline for discussing the referral (Attachment II).

The referral requests consideration of the following:

1. Compensation for displaced tenants;
2. Stopping further displacement of tenants caused by termination of tenancy or large rent increases; and
3. Removal of exemption for affordable housing conversion projects from the Just Cause for Eviction provisions.

The presentation focuses on the third referral item, including additional policy options. The first two items of the referral need to be addressed by the property owner, Reliant Management Group (Reliant). Staff requested that Reliant respond formally to the concerns raised by the referral and the public speakers at the September 10<sup>th</sup> meeting. Reliant's response is attached (Attachment III).

**ATTACHMENTS**

Attachment I	Leisure Terrace Referral Presentation
Attachment II	Council Referral Memorandum Leisure Terrace
Attachment III	Letter from Reliant Group Management

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**File #:** ACT 19-198

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# Homelessness-Housing Task Force Referral Regarding Leisure Terrace Apartment Conversion to Affordable Housing

Jennifer Ott, Deputy City Manager and Christina Morales, Housing Division Manager  
Tuesday October 22, 2019

# Background

Fall  
2018

- Reliant Group Management requested public hearing to finance the acquisition and rehabilitation of Leisure Terrace with tax credits and bond funds.

Jan  
2019

- Reliant Group Management submitted application for tax credits and bond financing.

Feb 19,  
2019

- Public Hearing and approval of bond financing.
- Work session to provide direction on modifying the Rent Stabilization Ordinance.

Mar 5,  
2019

- Adoption of Emergency Ordinance extending Just Cause for Eviction protections.



# Background

Mar 26,  
2019

- Adoption of amendment exempting Affordable Housing Conversion Projects from Just Cause for Eviction protections and provision of \$20,000 in relocation assistance to Leisure Terrace Tenants

June  
2019

- The City and Reliant enter into an agreement to provide tenant relocation assistance.

Sept 10,  
2019

- Referral to discuss the implication of the conversion of Leisure Terrace to Affordable Housing delegated to the HHTF.

Sept 17,  
2019

- Staff sent letter to Reliant Management group requesting that they address issues raised in the referral.

Oct 1,  
2019

- Reliant Management Group provided response to referral.

# Referral Summary

1

Reliant

- Compensation for displaced tenants

2

Reliant

- Stop displacement caused by termination of tenancy and large rent increases

3

City

- Removal of exemption for affordable housing conversion projects from Just Cause for Eviction

# Policy Options

## Referral Item 3

Policy	
<p><b>Remove affordable housing conversion exemption from Just Cause</b></p>	<ul style="list-style-type: none"> <li>• Prevents displacement related to the conversion of a property from market rate to affordable.</li> <li>• Policy limited to affordable housing conversion project</li> </ul>
<p>Remove conversion exception and add to allowable reasons for eviction if relocation assistance provided.</p>	<ul style="list-style-type: none"> <li>• Adding as a reason for eviction will allow the city to add specific criteria such as relocation assistance.</li> <li>• Policy limited to affordable housing conversion projects.</li> <li>• Need to evaluate in connection with AB 1482.</li> </ul>
<p>Relocation Assistance</p>	<ul style="list-style-type: none"> <li>• Requires relocation assistance from landlord for no-fault just cause evictions.</li> <li>• Citywide policy and adds protection for multiple type of no-fault evictions.</li> </ul>
<p>TEFRA Hearing Criteria</p>	<ul style="list-style-type: none"> <li>• Adds a level of scrutiny.</li> <li>• No enforcement mechanism.</li> <li>• Possible ways to circumvent</li> </ul>

# Responsible Housing Development Advocacy - Low Income Housing Tax Credit Local Impacts

Work with California State Treasurer Fiona Ma and the California Tax Credit Allocation Committee to:

- Identify administrative or regulatory changes to ensure compliance and responsible housing development; and,
- As appropriate, develop legislative proposals toward the same result.

Work with Senator Bob Wieckowski and Assembly Member Bill Quirk on:

- Potential legislative proposals to address relevant changes to the tax credit programs; and
- Coordinate with stakeholders such as the League of California Cities and affordable housing advocates.

# Owner Response

## Referral Item 1 & 2

- Staff sent request to Reliant to address referral items 1 & 2.
- Reliant prepared a response on October 1, 2019.



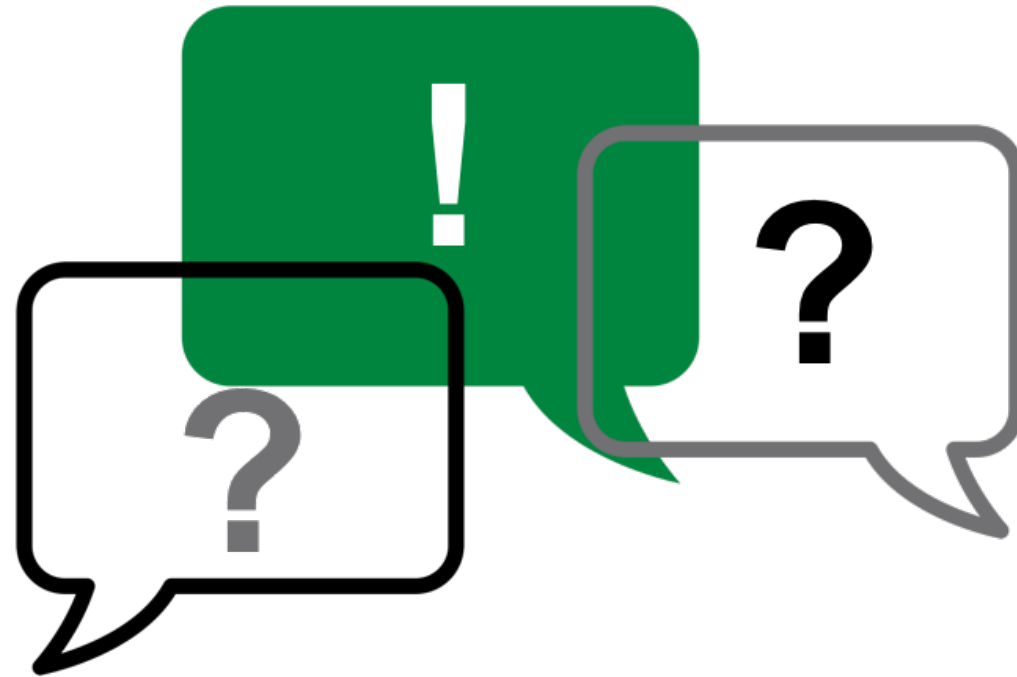
# Next Steps

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- Staff will conduct analysis of policy options based on HHTF feedback.
- Staff will provide recommendation at the March 5<sup>th</sup> HHTF meeting as part of the Residential Rent Stabilization update.

# Questions & Feedback



**Date:** 9/10/19

**To:** Mayor & City Council of Hayward

**From:** Aisha Wahab, City Council Member

**Referral:** The City Council should proceed and discuss corrective actions with Reliant, in regards to the mass displacement of Leisure Terrace tenants in the areas of:

- 1.) Appropriate compensation for tenants already displaced and for tenants that still remain but are not income eligible under LIHTC program or who will be forced to leave due to rent increases they are unable to afford.
- 2.) Work with Reliant to stop all efforts to remove the existing tenants (including evictions), raise rents on existing tenants, until the parties are able to meet to discuss the appropriate steps to ensure that no additional Hayward residents are unfairly and illegally displaced.
- 3.) Remove the exemption of the Just Cause Ordinance that would allow for conversion units to evict tenants without good cause.

**Background:** Reliant acquired Leisure Terrace Apartments in 2018 with the intent of converting it to a LIHTC property. As part of an application to the California Tax Credit Allocation Committee (“CTCAC”), Reliant was required to submit a relocation plan to address tenants who would be economically displaced by the conversion. Reliant prepared a relocation plan, but represented that no tenants were likely to be economically displaced. At the time that Reliant submitted this statement to CTCAC, Reliant's own analysis demonstrated that Reliant intended to substantially increase rents on most units on the property and bar many of the residents from remaining – thus causing economic displacement.

In several emails to Reliant in early 2019, CTCAC stated that the relocation plan lead them to believe that “most or all of the existing tenants would be staying at the property” and that they wanted to see confirmation in the form of current rent rolls and existing tenant income levels. However, it appears that this information was never provided.

This displacement was also aided by the City of Hayward’s March 26th amendment to the newly approved “Just Cause for Eviction Ordinance.” In its original iteration, the ordinance would have barred Reliant from evicting any of Leisure Terrace’s tenants (even those not income qualifying under the LIHTC program) without good cause. However, Reliant petitioned the Hayward City Council to pass a midnight amendment that created an exemption to the ordinance specifically for them. The amendment states that during a LIHTC conversion, units "not occupied by tenants meeting the eligibility requirements of the program under which such subsidy or funding is made" are not subject to the requirements of just cause.

California’s Relocation Assistance Act mandates that adequate relocation assistance be administered to affected tenants who have been displaced as a result of an action by a public entity. (CA Govt. § 7260). Given the City of Hayward’s significant public action of stripping Leisure Terrace’s tenants from just cause protections and approval of the bonds to support Reliant’s rehabilitation of the property, the law mandates that the City of Hayward provide relocation assistance to all displaced tenants. This includes



reasonable moving expenses and a payment to allow them to lease a comparable replacement dwelling. (CA Govt. § §7262; 7263). Most of the previous residents of Leisure Terrace have not received any such compensation.

**Goal:** The City of Hayward should initiate corrective action with regards to Reliant's handling of Leisure Terrace, and provide appropriate compensation to tenants, and strengthen the Just Cause Ordinance.

**Timeline:** 2- 3 months

**Stakeholders:** Tenants, Reliant, City, and others.

*Aisha Wahab*

**Aisha Wahab,**

Hayward City Council Member

Concerns, Notes & Additional Points of Reference:

- <https://www.sfchronicle.com/bayarea/article/East-Bay-tenants-face-eviction-as-developer-14404867.php>
- California's Relocation Assistance Act mandates that adequate relocation assistance be administered to affected tenants who have been displaced as a result of an action by a public entity.

Information Provided by the National Housing Law Project:

- Reliant displaced low income, fixed income, and working class tenants to create "affordable housing". Roughly 106 tenants to date were displaced in Hayward, whereas roughly 1000 tenants have been displaced with Reliant's conversion project in other cities (Napa, Antioch, etc.)
- Tenants who were told that they did not income qualify and were subsequently evicted or forced out, actually did income qualify and should have been allowed to stay. Reliant's income verification forms are questionable. There were 3 tenants who income qualified but were all told to leave or that they can address the city council.
- Incorrect notices being given to tenants and translation of legal documents were not provided to monolingual tenants.
- Construction, which is about to start, will keep tenants out of their homes for 8 hours of the day for over a month straight. There is currently no plan to relocate senior, disable or at risk tenants. Also there is no plan to address if the units will be contaminated with lead or asbestos. And tenants are expected to enter into the units after massive construction work is being done, on a

daily basis. Currently, tenants do not know if they will be without a bathroom or kitchen during construction, or if their items will be at risk of damage.

- Attached Documents

# RELIANT GROUP MANAGEMENT

October 1, 2019

Mayor Barbara Halliday  
City of Hayward  
777 B Street  
Hayward, CA 95814

Dear Mayor Halliday:

I am writing to you to address the Council's request for Reliant to proactively respond to items #1 and #2 in the Council's referral memorandum and to correct much of the misinformation that continues to surround the conversion of Leisure Terrace to long-term affordable housing. First and foremost, it is important to acknowledge the good work we all are doing to provide homes for the most vulnerable members of our communities, who often have woefully few housing options. Not only are we providing affordable housing, we are providing quality homes for people, as part of the Low-Income Housing Tax Credit Program (LIHTC) – the most successful affordable housing program in the United States. We are proud to provide these units that are receiving significant renovations, including a seismic retrofit, solar panels, new energy efficient appliances, new kitchens, bathrooms, flooring, lighting, windows and roofing, which would not otherwise be possible without this program.

### Relocation Assistance/Compensation

The referral memorandum states that "Reliant intended to bar many of the residents from remaining." To the contrary, our goal was to qualify all residents who were eligible under the LIHTC rules and submitted financial information. If any tenant submitted information showing they were qualified and was not accepted, Reliant is willing to accommodate the tenant at Leisure Terrace, assuming a unit is available. If we are unable to accommodate the tenant, we are willing to make a \$10,000 payment to the household which has been displaced, upon demonstration of LIHTC qualification.

The referral memorandum states that California's Relocation Assistance Act mandates payment to displaced tenants. As there were no public funds used in the Leisure Terrace conversion, the Act does not apply. We confirmed this with the California Tax Credit Allocation Committee (CTCAC) and the relocation specialist last January and conveyed this information to the City's housing staff. Nonetheless, we are willing to match, dollar-for-dollar, the relocation assistance provided by the City to all tenants who the City determines are eligible. The determination of who is eligible or not, should not come from us, so once the City makes the determination, we will advance the funds.

Based on the work we've done thus far and the information we were able to get from existing tenants, other than three residents who will receive payments as settlements in unlawful detainer cases, there is only one remaining over-income resident at Leisure Terrace who will be displaced. The tenant is scheduled to move out on October 25<sup>th</sup>, and we are negotiating a payment to assist the transition. Other than the aforementioned tenants, we know of no other



tenants who will be displaced. If the City can identify tenants who are LIHTC- qualified but will be forced to leave due to rent increases, we will work cooperatively with them to phase in the rent increase over a longer period of time. This will be accomplished on a case- by-case basis.

Because of some of the erroneous information that has been spread on this issue, I want to be clear that all rents are set by the LIHTC rules. These rates are approximately half of the market rate rents for comparable properties in a 2.5-mile radius.

#### Response to Allegations of Council Members

Members of the Council have stated that The Reliant Group misled the Council when seeking the TEFRA and/or amendment to the Just Cause eviction ordinance. However, the City Council received a Staff Report, authored by city staff with information provided by Reliant, dated February 19, 2019, that stated, “Based on limited information currently available to Reliant, it is anticipated that a little over half of the residents will qualify as low-income or very low-income under the LIHTC program. Tenants who are over-income and not eligible under the LIHTC program will be displaced.” A second staff report, dated March 26, 2019, also stated, “Reliant has not yet done a comprehensive tenant survey to determine compliance with rent limit guidelines. This will not occur until after their financing is complete so they do not have a good estimate for the number of market rate tenants that may be displaced as a result of this conversion to affordable housing.”

Respectfully, Council Member Wahab writes in her referral memorandum that “Reliant prepared a relocation plan, but represented that no tenants were likely to be economically displaced.” A relocation plan was prepared in January 2019, by Laurin Associates, which was part of the submittal to CTCAC. It was not prepared by Reliant. Many may not understand that “economic displacement” is a CTAC technically defined term (See CTAC Regulation Section 10322 (h) (28)). The term refers to “existing low-income tenants” who will “receive a rent increase exceeding five percent (5%) of their current rent.” For those tenants, the CTCAC applicants are required to provide a relocation plan “addressing economic displacement.” There was no recorded regulatory agreement on the property, therefore the issue of economic displacement did not apply, as there were no “existing low-income tenants” as that term is defined.

The full statement by the author of the report is as follows: “Current rents are below the maximum LIHTC allowable 2018 rents. As tenant income certifications are completed post acquisition, rents will be raised to the maximum allowable rents for tenants who are income qualified to remain at the property; the sponsor believes that the rent increases will not cause any economic displacement due to current market conditions. New tenants will be charged the maximum allowable LIHTC rents.” This statement holds true today...charging the tenants the allowable LIHTC rents didn’t cause displacement. The displacement resulted from tenants who refused to provide income information or who were over-income.

Many of the former tenants provided false or misleading statements to the Council. We have developed a matrix of those who spoke and would be willing to share the information with the Council and City Attorney. We respect the privacy of the individuals involved, so we will not disclose the names and rent discrepancies in this letter.

While we believe that opponents of the LIHTC conversion process should have a voice, they are not entitled to a false narrative. Information attached to the referral memorandum provided by National Housing Law project was misleading.

- National Housing Law Project writes that there were 1,000 tenants displaced by the conversions. There is simply no factual basis for the statement. In all three properties, (264 units), there aren't 1,000 tenants total, and they certainly did not all vacate. Over the 264 units, there were eight eviction filings, of which two withdrew, five were settled and one was resolved through the courts.
- National Housing Law Project alleges that the "income verification forms are questionable." We have a full team of compliance specialists who serve that role for thousands of units. This was an allegation made by National Housing Law Project months ago. Our counsel responded to National Housing Law Project on August 6<sup>th</sup>, 2019 and asked for substantiation. There has never been a response from National Housing Law Project.
- National Housing Law Project alleges that incorrect notices were given to tenants. This was an allegation made by National Housing Law Project months ago based on their lack of understanding of the LIHTC program. Our counsel responded to National Housing Law Project on August 6<sup>th</sup>, 2019 and asked for substantiation. There has never been a response from National Housing Law Project.
- National Housing Law Project alleges that tenants will be kept out of their homes for a month during construction. Tenants will be out of their homes during the day, for approximately five days, unless they are in one of the six ADA units, where the renovation will take longer. There will be hospitality units on site, with TV, internet, snacks and drinks, while work occurs in the tenants' units. We have completed dozens of projects with in-place tenants and the process is well-tested. Our management team is working with tenants on a case-by-case basis to set up alternative arrangements, if necessary, based on their specific circumstances.
- National Housing Law Project alleges that there is no plan for lead or asbestos abatement. There is a certified asbestos contractor, and a process in place, which requires each unit to have an inspection from the state before a tenant can move back in. A copy of the notice clearing the units will be on site in the rental office for examination by any interested tenant or city official.

We are very sympathetic to those who have been uprooted through the creation of additional affordable housing in the Bay Area, but, in the long term, creating rent-restricted affordable housing in Hayward is in the best interests of the City and its residents. We would be open to meeting with any or all the Council Members if we have not fully addressed the request of the referral memorandum.

Joseph L. Sherman



President  
The Reliant Group

CC Jennifer Ott  
Christina Morales



# CITY OF HAYWARD

Hayward City Hall  
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**File #:** RPT 19-357

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**DATE:** October 22, 2019

**TO:** Homelessness-Housing Task Force

**FROM:** Deputy City Manager

**SUBJECT**

Senate Bill 2 Grant Application

**RECOMMENDATION**

That the Homelessness-Housing Task Force (HHTF) reviews the report and provides comments on the proposed Senate Bill 2 Planning Grant projects that are intended to streamline housing approvals.

**SUMMARY**

The City is eligible for \$310,000 in planning grant money from the State Department of Housing and Community Development (HCD) provided that the funds are used to accelerate housing production, streamline the approval of housing development at all income levels, and prioritize infill development. Staff recommends that the City apply for and utilize the funds to update the City's Density Bonus Ordinance to allow for density bonuses in excess of the maximum permitted under State Law subject to specific criteria; and, to adopt Zoning Map and Ordinance Amendments to bring the zoning on various properties in line with their applicable General Plan designations. This would streamline the approval, environmental review process, and development of mixed density housing within the City. HHTF members will have the opportunity to vote for or against the SB 2 Resolution when it goes before the full Council at regularly scheduled November 19, 2019 City Council meeting.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Map of Properties with Inconsistent Zoning/General Plan Designation
Attachment III	Notice of Funding Availability for SB 2 Planning Grants Program





DATE: October 22, 2019  
TO: Homelessness-Housing Task Force  
FROM: Deputy City Manager  
SUBJECT: Senate Bill 2 Grant Application

#### RECOMMENDATION

That the Homelessness-Housing Task Force (HHTF) reviews the report and provides comments on the proposed Senate Bill 2 Planning Grant projects that are intended to streamline housing approvals.

#### SUMMARY

The City is eligible for \$310,000 in planning grant money from the State Department of Housing and Community Development (HCD) provided that the funds are used to accelerate housing production, streamline the approval of housing development at all income levels, and prioritize infill development. Staff recommends that the City apply for and utilize the funds to update the City's Density Bonus Ordinance to allow for density bonuses in excess of the maximum permitted under State Law subject to specific criteria; and, to adopt Zoning Map and Ordinance Amendments to bring the zoning on various properties in line with their applicable General Plan designations. This would streamline the approval, environmental review process, and development of mixed density housing within the City. HHTF members will have the opportunity to vote for or against the SB 2 Resolution when it goes before the full Council at regularly scheduled November 19, 2019 City Council meeting.

#### BACKGROUND

In 2017, Governor Brown signed a 15-bill housing package aimed at addressing the state's housing shortage and high housing costs. One of those bills, Senate Bill 2 (SB 2) established a \$75 recording fee on real estate documents to provide a permanent source of funding to increase the affordable housing stock. Revenue from SB 2 will vary from year to year as the funds are dependent on real estate transactions with fluctuating activity. SB 2 revenues shall be allocated via state and locally administered planning and technical assistance grants to help cities and counties prepare, adopt, and implement plans, programs and improvements to streamline housing approvals and accelerate housing production at all income levels. As a medium-sized locality, Hayward would be eligible for up to approximately \$310,000 in housing grant funding.

To apply for the housing grant, a jurisdiction must: have a certified Housing Element; have submitted a recent Annual Progress Report (APR) to HCD; and, shall demonstrate a nexus from the proposed project to the acceleration of housing production. The proposed project shall also be consistent with State Planning Priorities: to promote infill development; to protect environmental resources; to encourage efficient development patterns by using land efficiently; to build adjacent to developed area; and to locate development in an area planned for growth which is served by transportation and other essential utilities and services.

Eligible uses and activities shall demonstrate a nexus to accelerating housing production and may include updates to planning documents, zoning ordinances, environmental analysis to eliminate the need for project level review, and local process improvements to expedite permitting. Applications for the first-round planning grants are due in November 30, 2019 and shall be accompanied by a City Council Resolution authorizing application for and receipt of SB 2 planning grant funds.

On September 5, 2019, City staff presented a summary and analysis of policies and programs to incentivize housing in the City of Hayward. Two of the policies described in that document would be eligible for the SB 2 grant funding in that they show a clear nexus to accelerating housing production at all levels of affordability. Those two programs include: 1) establishing a Density Bonus in excess of 35% for affordable housing; and 2) amending the zoning on RS (Single Family Residential) District properties to match an underlying higher density General Plan designation. See further information about each program under Discussion below.

## DISCUSSION

Density Bonus. Density bonus law allows developers to request development concessions and/or increase density in exchange for on-site affordable units. The percent density increase allowed is relative to the percentage of affordable units and the level of affordability; however, a density bonus may not exceed 35% unless a jurisdiction has specifically adopted an Ordinance allowing for a higher increase.

Other jurisdictions that have Density Bonus provisions that allow bonuses to exceed 35% include Anaheim, Glendale, Sacramento County, San Diego, Santa Rosa, Walnut Creek, and San Francisco. Some jurisdictions allow density bonuses with no specific limit or geographical area and are decided on a case by case basis in exchange for some community benefit like higher affordable housing allocations (i.e. Anaheim, Glendale and Walnut Creek). San Diego allows up to 50% density bonus plus five exceptions for projects that allocate higher numbers of affordable housing units or deeper levels of affordability. Santa Rosa and Sacramento County allow higher density bonuses within certain geographical areas (i.e. proximity to transit, located within downtown areas) or in exchange for certain development features (i.e. preservation of environmentally sensitive areas and energy conservation features), respectively.

Allowing for higher density bonuses and concessions would require amendments to the Hayward Municipal Code and would require outreach with the development community to



determine appropriate levels of density bonus increases and the concessions to make such development feasible. Depending on level of density bonus requested, this could result in a requirement for CEQA clearance for an otherwise exempt project (depending on site acreage and location, project size, underlying General Plan designation). All outreach and work could be accomplished with grant funds and would take approximately nine months to one year to complete.

Consistency between Zoning/General Plan. This program would only apply to properties that have inconsistent Zoning and General Plan designations, which is applicable to approximately 1,558 properties or about 289 acres throughout the City (see Attachment II for map of properties). All of the subject properties are currently zoned RS (Single Family Residential District) which allows up to 8.7 units per acre; however 819 of the properties have an underlying Limited Medium Density General Plan designation which allows up to 12 units per acre; 731 of the properties have a Medium Density Residential General Plan designation which allows up to 17.4 units per acre; and eight of the subject properties have a High Density Residential General Plan designation which allows up to 34.8 units per acre.

Only 2% of the applicable properties are over one acre in size, so the proposed rezoning would not result in a significant number of large-scale projects. Rather this program would result in the potential for a significant number of small scale, infill developments with micro-increases in density to fill in that missing middle housing typically comprised of duplexes, triplexes, and small lot development that are typically considered “affordable by design” and have the appearance of single family development from the street. It is important to note that the proposed program would not require that a property owner take any specific and unwanted action with their property. The updated regulations would only be applicable upon redevelopment of the lot.

State law requires that Zoning and General Plan designations be consistent. If the applicable Zoning and General Plan designation are inconsistent, then the General Plan takes precedence. Thus, in the case of these properties, the higher density would be permitted. Further, if an applicant requests to process a streamlined application subject to Senate Bill 35, staff would only be able to utilize the objective standards set forth in the General Plan which consists of minimum and maximum density. Typical objective standards related to setbacks, height, lot coverage, parking, minimum open space, or what makes up the building form and site layout would not be permitted in the review because those standards reside in the Zoning Ordinance.

The proposed project covered by the grant would include: outreach in applicable neighborhoods and with decisionmakers; a zone change or development of an Overlay District to ensure consistency with General Plan designation; development of objective Small Lot and Infill Design Guidelines to ensure compatibility between the proposed development and surrounding neighborhoods; and environmental clearance for the project.

Staff recommends that the Homeless-Housing Task Force recommend that the City Council authorize staff to prepare a grant application and, if awarded, receive and expend funds to incentivize housing production in the City of Hayward. The proposed programs would

prioritize development of affordable housing and allow for development on specific properties subject to the adopted General Plan designation without requiring expensive and time-consuming Zone Change process and related environmental review.

## STRATEGIC INITIATIVES

This agenda item supports the Complete Communities Strategic Initiative. The purpose of the Complete Communities Initiative is to create and support structures, services, and amenities to provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work, and play for all. This item supports the following goal and objectives:

- Goal 2: Provide a mix of housing stock for all Hayward residents and community members, including the expansion of affordable housing opportunities and resources.
- Objective 2b: Facilitate the development of diverse housing types that serve the needs of all populations.
  - Objective 2d: Increase the supply of affordable, safe and resilient housing in Hayward.
- Goal 3: Develop a regulatory toolkit for policy makers.
- Objective 3a: Update, streamline, and modernize zoning & codes.

## PUBLIC CONTACT

If the City is awarded the grant funds, City staff would conduct outreach with property owners, developers, and other interested parties through the project development and review process.

## NEXT STEPS

On November 19, 2019, the City Council will consider adopting a Resolution to authorize application for and receipt of SB 2 planning grant program funds. If adopted, City staff will prepare and submit the SB 2 Planning Grant Application before November 30, 2019. If the grant funds are awarded to the City, Planning staff will start work on the Zoning Map and Ordinance Amendments and related Design Guidelines in Spring 2020.

Prepared by: Leigha Schmidt, AICP, Senior Planner

Recommended by: Jennifer Ott, Deputy City Manager

Approved by:



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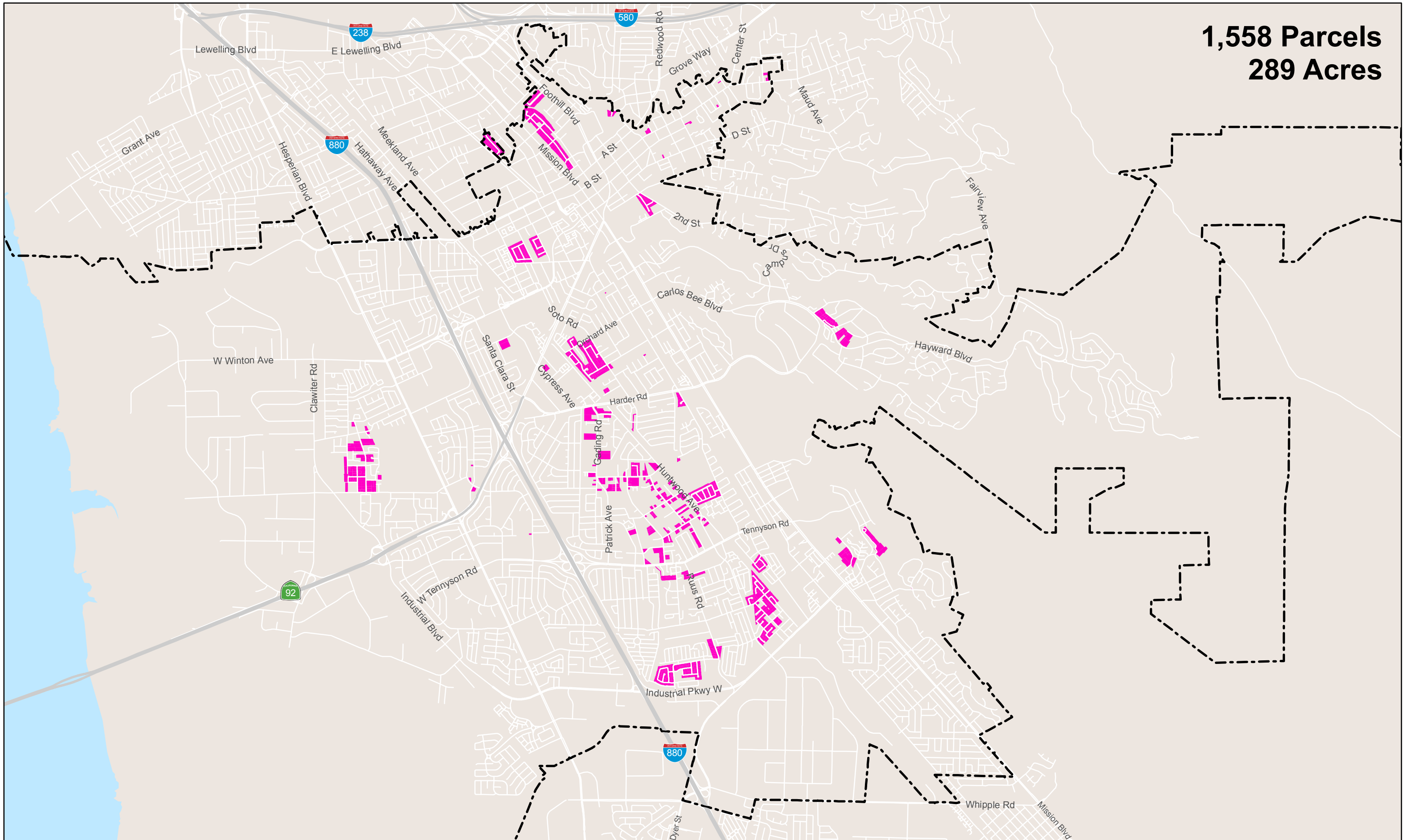
Kelly McAdoo, City Manager



# Parcel Sections that are both RS(any) Zoning and MDR/LMDR/HDR General Plan



**1,558 Parcels**  
**289 Acres**



**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833  
(916) 263-2771 / FAX (916) 263-2763  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



March 28, 2019

**MEMORANDUM FOR: All Potential Applicants**

**FROM: Zachary Olmstead, Deputy Director  
Division of Housing Policy Development**

**SUBJECT: NOTICE OF FUNDING AVAILABILITY -  
SB 2 PLANNING GRANTS PROGRAM**

The Department of Housing and Community Development (Department) is pleased to announce the release of this Notice of Funding Availability (NOFA) for approximately \$123 million under the Senate Bill 2 (SB 2, 2017) Planning Grants Program (PGP). SB 2 established a permanent source of funding intended to increase the affordable housing stock in California. The legislation directs the Department to use 50 percent of the first year's revenue to establish a program that provides financial and technical assistance to local governments to update planning documents and land-use ordinances. The PGP is intended for the preparation, adoption, and implementation of plans that streamline housing approvals and accelerate housing production.

In order to be eligible for grant funding, an applicant must submit a complete, signed original application and an electronic copy on CD or USB flash drive. OTC applications will be accepted for an eight-month period ending on **November 30, 2019**. The Department will only accept applications through a postal carrier service that provides date stamp verification confirming delivery to the Department's office, such as the U.S. Postal Service, UPS, FedEx, or other carrier services. No facsimiles, late applications, incomplete applications, application revisions, electronic submittals, or walk-in application packages will be accepted. All applications must be submitted to the Department at the following address:

**Department of Housing and Community Development  
Division of Housing Policy Development  
2020 West El Camino Ave, Suite 500  
Sacramento, CA 95833**

PGP applications and forms are available on the Department's [website](#). Please refer to the [Planning Grants Program Guidelines](#) for detailed information on eligible activities, applicants, and awards. If you have questions regarding this NOFA, please email the Department at [sb2planninggrant@hcd.ca.gov](mailto:sb2planninggrant@hcd.ca.gov).

Attachment

# **PLANNING GRANTS PROGRAM (SB 2, 2017) 2019 NOTICE OF FUNDING AVAILABILITY**



**State of California  
Governor Gavin Newsom**

**Alexis Podesta, Secretary  
Business, Consumer Services and Housing Agency**

**Ben Metcalf, Director  
Department of Housing and Community Development**

**Zachary Olmstead, Deputy Director  
Department of Housing and Community Development  
Division of Housing Policy Development**

2020 West El Camino Avenue, Suite 500  
Sacramento, CA 95833  
Telephone: (916) 263-2771

Website: <http://www.hcd.ca.gov/grants-funding/active-funding/planning-grants.shtml>

Email: [sb2planninggrant@hcd.ca.gov](mailto:sb2planninggrant@hcd.ca.gov)

March 29, 2019

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## 2019 NOTICE OF FUNDING AVAILABILITY SB 2 PLANNING GRANTS PROGRAM

### I. Introduction

The Department is releasing this Notice of Funding Availability (NOFA) for approximately \$123 million to make funding available to all local governments in California under the Senate Bill 2 (SB 2) Planning Grants Program (PGP). The PGP program is intended for the preparation, adoption, and implementation of plans that streamline housing approvals and accelerate housing production.

The PGP is authorized by Health and Safety Code sections [50470 et seq.](#) (Chapter 364, Statutes of 2017, ([SB 2](#))). Funding is subject to the December 2018 [Planning Grants Program Guidelines](#) (hereinafter referred to as the “Guidelines”), which includes detailed information on eligibility requirements, conditions, and procedures for awarding funds.

### II. Program Summary

SB 2 (2017) is part of a [15 bill housing package](#) aimed at addressing the state’s housing shortage and high housing costs. Specifically, SB 2 established a permanent source of revenue intended to increase the affordable housing stock in California.

PGP grants are funded through 50 percent of the revenues collected during the first calendar year (January through December, 2018). The PGP program is a one-time component of SB 2 that, among other provisions, provides financial and technical assistance to local governments to update planning documents in order to:

- Accelerate housing production;
- Streamline the approval of housing development affordable to owner and renter households at all income levels;
- Facilitate housing affordability, particularly for all income groups;
- Promote development consistent with the State Planning Priorities; and
- Ensure geographic equity in the distribution and expenditure of allocated funds

The Department, in conjunction with the Governor’s Office of Planning and Research, will provide technical assistance to localities pursuant to the provisions set forth in Article VII, Section 700(a) through (e) of the Guidelines. For further information, contact the Department at [sb2planninggrant@hcd.ca.gov](mailto:sb2planninggrant@hcd.ca.gov) for details regarding local technical assistance.

Please refer to the Guidelines for other administrative provisions not summarized in this NOFA.

### III. Program Timeline

Pursuant to Section 500(a) of the Guidelines, funds will be initially available to eligible applicants on a noncompetitive, over-the-counter (OTC) basis. Applications will be accepted over an eight-month period, commencing from the date of the release of this NOFA (Section 500(b) of the Guidelines). See Table 1 below for the projected timeline for awards for the initial OTC period.

Table 1: *Projected Timeline for Awards for OTC Applications*

Event	Date(s)
NOFA release	March 28, 2019
NOFA-Application Workshops / Webinar Period	April 1 - May 1, 2019
Final due date for OTC applications	November 30, 2019
Supplemental round	TBD
Anticipated end of grant term	June 30, 2022

The Department anticipates awards in 2-3 month intervals, depending on the volume of applications, and reserves the right to make adjustments to the projected timeline at any time. If OTC funds are not fully awarded at the end of the eight-month period, the Department may extend the final OTC application due date or consider a supplemental funding round (Section 500(g) of the Guidelines). During any supplemental round, top priority will be given to localities that have not submitted a previous request for funding. All other applicants may be subject to competitive scoring criteria during any supplemental round (Section 500(g)(2) of the Guidelines).

### IV. Funding Available

The Department determined maximum award amounts for large, medium, and small localities, based on population estimates from the Department of Finance (DOF). Table 2 below shows the minimum and maximum awards available pursuant to Article IV, Section 400 of the Guidelines. Applicants can view maximum award amounts for all jurisdictions [here](#).

Table 2: *Minimum and Maximum Award Amounts*

All Localities	Large Localities – Defined as ≥ 200,000 people	Medium Localities – Defined as 60,000 to 200,000 people	Small Localities – Defined as ≤ 60,000 people
Minimum award amount:	Maximum award amount:	Maximum award amount:	Maximum award amount:
<b>\$25,000</b>	<b>\$625,000</b>	<b>\$310,000</b>	<b>\$160,000</b>

For a link to the 2018 DOF Population Estimates, E-5, see:  
<http://www.dof.ca.gov/Forecasting/Demographics/Estimates/E-5/>

Applicants seeking partnerships with other local governments will be additive. For example, two large localities could submit a proposal for up to \$1.25 million; three small localities up to \$480,000, etc. Note: All applicants, including those who are forming partnerships, must submit separate, complete and signed application packages, pursuant to section X of this NOFA, to the Department in order to be awarded funds.



## V. Eligible Applicants

Pursuant to Article II, Section 200 of the Guidelines, eligible applicants are limited to local governments, i.e., cities and counties. However, local governments may partner through legally binding agreements with other forms of governments or entities where the proposal will have a direct effect on land-use or development within the locality. This includes, but is not limited to, partnerships with other localities, regional governments, housing authorities, school districts, special districts, community based organizations, or any duly constituted governing body of an Indian Reservation or Rancheria.

Multi-jurisdictional partnerships between local governments are encouraged in order to coordinate with regional governments, leverage regional and state investment, promote consistency with the sustainable communities strategy, and affirmatively further fair housing.

Note: All localities must pass the Threshold Criteria as stated in section VIII of this NOFA. To ensure compliance with section VIII, all applicants, including those who are forming partnerships, must submit separate, complete and signed application packages, including resolutions, to the Department in order to be awarded funds.

## VI. Eligible Activities

Applicants proposing Priority Policy Areas, as defined in section VIII of this NOFA, are automatically deemed to accelerate housing production without any documentation or demonstration to the Department.

Pursuant to Article III, Section 300 of the Guidelines, a variety of planning documents, planning activities and strategies, are considered eligible activities and must demonstrate a nexus to accelerating housing production, which may include:

- (1) Updates to general plans, community plans, specific plans, local planning related to implementation of sustainable communities strategies, or local coastal plans;
- (2) Updates to zoning ordinances;
- (3) Environmental analyses that eliminate the need for project-specific review;
- (4) Local process improvements that improve and expedite local planning;
- (5) A smaller geography with a significant impact on housing production including an overlay district, project level specific plan, or development standards modifications proposed for significant areas of a locality, such as corridors, downtown or priority growth areas;
- (6) The creation or enhancement of a housing sustainability district pursuant to AB 73 (Chapter 371, Statutes of 2017);
- (7) Workforce housing opportunity zone pursuant to SB 540 (Chapter 369, Statutes of 2017);

- (8) Zoning for by-right supportive housing, pursuant to Government Code section 65651 (Chapter 753, Statutes of 2018);
- (9) Zoning incentives for housing for persons with special needs, including persons with developmental disabilities;
- (10) Rezoning to meet requirements pursuant to Government Code Section 65583.2(c) and other rezoning efforts to facilitate supply and affordability;
- (11) Rezoning for multifamily housing in high resource areas (according to Tax Credit Allocation Committee/Housing Community Development Opportunity Area Maps);
- (12) Pre-approved architectural and site plans;
- (13) Regional housing trust fund plans;
- (14) SB 2 funding plans;
- (15) Infrastructure financing plans;
- (16) Environmental hazard assessments; data collection on permit tracking; feasibility studies, site analysis, or other background studies that are ancillary and part of a proposed activity with a nexus to accelerating housing production; and
- (17) Other planning activities demonstrating a nexus to accelerating housing production.

Eligible activities may be part of a larger planning effort (e.g., a comprehensive zoning code update) if proposed activities have not been completed prior to the NOFA date, are distinct, and demonstrate a nexus to accelerating housing production.

As part of the PGP program, HCD, in coordination with the Governor's Office of Planning and Research (OPR), will work with a team led by Placeworks to provide technical assistance (TA) to applicants throughout the application period. The TA team will work closely with regions, sub-regions, and counties to help jurisdictions identify activities and provide tools that will accelerate housing production. For further information, contact the Department at [sb2planninggrant@hcd.ca.gov](mailto:sb2planninggrant@hcd.ca.gov) for details regarding local technical assistance.

## **VII. Eligible Uses**

Pursuant to Article III, Section 302 of the Guidelines, grant funds shall be used for the costs of preparing and adopting the proposed activity. Subcontracting is allowable under conditions set forth in Section 302(c) of the Guidelines. Pursuant to Section 302(b) of the Guidelines, grant funds may not be used for administrative costs of persons employed by the grantee for activities not directly related to the proposed activity. No more than 5 percent of the grant amount may be used for administrative costs for any proposed use, to be approved by the Department upon disbursement.

Only approved and eligible costs incurred for work after the NOFA date, continued past the date of the Standard Agreement, and completed during the grant term, will be reimbursable. Approved and eligible costs incurred prior to the NOFA date are ineligible.

(Section 601(c) of the Guidelines).

Refer to Section 301 of the Guidelines for a list of all ineligible activities.

## VIII. Threshold Requirements

In accordance with Article II, Section 201 of the Guidelines, all applicants must meet the following threshold requirements:

- (1) **Housing element compliance:** The applicant must have a housing element that has been adopted by the jurisdiction's governing body by the date the applicant submits the application package, and is subsequently determined to be in substantial compliance with state housing element law pursuant to Gov. Code Section 65585 by the time of award. A jurisdiction's current housing element compliance status can be obtained by referencing the Department's website at <http://www.hcd.ca.gov/community-development/housing-element/index.shtml> or emailing the Department at [sb2planninggrant@hcd.ca.gov](mailto:sb2planninggrant@hcd.ca.gov). For more information on housing element requirements, please contact Paul McDougall at [paul.mcdougall@hcd.ca.gov](mailto:paul.mcdougall@hcd.ca.gov).

Pursuant to Section 201(a)(2) of the Guidelines, applicants not meeting housing element requirements may be considered to meet this threshold requirement at the discretion of the Department on a case by case basis by applying factors such as significant progress in meeting housing element requirements (e.g., a draft found to meet statute, rezoning near completion), proposing activities to meet housing element requirements (e.g., rezoning to accommodate housing needs pursuant to Gov. Code Section 65583(c)(1)) and adoption of a compliant element prior to the award of funds.

- (2) **Annual Progress Report (APR) on the housing element:** The applicant must submit the APR to the Department, as required by Gov. Code section 65400, for the current or prior year by the date the applicant submits the application package.
- (3) **Nexus to accelerating housing production:** The applicant must propose and document plans or processes that accelerate housing production. The application must demonstrate a significant positive effect on accelerating housing production through timing, cost, approval certainty, entitlement streamlining, feasibility, infrastructure capacity, or impact on housing supply and affordability. An application not utilizing Priority Policy Areas must include an explanation and documentation of the nexus plans or processes impact on accelerating housing production based on a reasonable and verifiable methodology and must utilize the Department's form (see Attachment 2 in the Application). A verifiable methodology may include a statement of support from a non-profit or for-profit developer that is active in the locality.

Applicants proposing Priority Policy Areas do not require a nexus demonstration and are automatically deemed to accelerate housing production without any documentation. Pursuant to Section 102(q) of the Guidelines, Priority Policy Areas means any of the following:

- (a) Rezone to Permit By-right: Rezoning for significant additional housing capacity without, or 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).
- (b) Objective Design and Development Standards: Developing objective design standards or pre-approved site and architectural plans that facilitate non-discretionary permitting.
- (c) 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.
- (d) Accessory Dwelling Units (ADU) or Other Low-Cost Building Strategies: Encouraging ADUs and other low-cost 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.
- (e) 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.
- (f) 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 publically available fee calculators.

**Note:** HCD will be rolling out best practice toolkits and technical assistance in these topic areas over the course of 2019.

**Note:** If the applicant is proposing only Priority Policy Areas ((PPA), as defined in section VIII, subsection (3) of the NOFA), do not fill out Attachment 2. However, if the applicant is proposing to fund PPAs AND other activities that are not considered PPAs, the application must demonstrate how these other activities have a nexus to accelerating housing production by filling out Attachment 2 of the application.

- (4) **State Planning and Other Planning Priorities:** Applicants must demonstrate that the locality is consistent with State Planning or Other Planning Priorities.

Consistency may be demonstrated through activities (not necessarily proposed for SB 2 funding) that were completed within the last five years. Applicants must self-certify utilizing the Department's form (see Attachment 1 in the Application).

## **IX. NOFA Application Workshops**

The Department will hold workshops and a webinar to review the PGP NOFA and application, and will be conducting technical assistance to aid applicants throughout the OTC period. For a list of dates, times, and locations for the workshops as well as information on technical assistance, please visit the Department's [SB 2 Planning Grants webpage](#), or [register here](#).

## **X. Application Submission Requirements**

In order to be eligible for grant funding, an applicant must submit a complete, signed original application and an electronic copy on CD or USB flash drive. Applications will be accepted on an OTC basis for an eight-month period anticipated to end **November 30, 2019**. Note: All localities must pass the threshold criteria as stated in section VIII of this NOFA. To ensure compliance with section VIII, all applicants, including those who are forming or have formed partnerships, must submit separate, complete and signed application packages, including resolutions, to the Department in order to be awarded funds.

The Department will only accept applications through a postal carrier service that provides date stamp verification confirming delivery to the Department's office, such as the U.S. Postal Service, UPS, FedEx, or other carrier services. No facsimiles, late applications, incomplete applications, application revisions, electronically submitted, or walk-in application packages will be accepted. All applications must be submitted to the Department at the following address:

**Department of Housing and Community Development  
Division of Housing Policy Development / Land Use Planning Unit  
2020 West El Camino Ave, Suite 500  
Sacramento, CA 95833**

Applications must be on Department forms and cannot be altered or modified by the applicant. Program applications and forms are available on the Department's website located at <http://www.hcd.ca.gov/grants-funding/active-funding/planning-grants.shtml#forms>.

## **XI. Application Review Process**

Each application will first be reviewed for completeness, threshold eligibility requirements, and accuracy. In order to be considered complete, an application must contain all requested information and supporting documentation. All applications must also meet the eligibility and threshold requirements as specified in this NOFA and the

Guidelines. If the application is ineligible, it will not be considered for funding. Applicants may resubmit their applications prior to the November 30, 2019 deadline. All applicants not meeting the eligibility and threshold requirements will be informed within 60 days from the date the Department receives the application.

## **XII. Applicant Notification**

Applicants will be notified within 60 days of the Department's receipt of their application regarding the status of their application and/or if any additional information is required (Section 500(e)) of the Guidelines). Applicants will receive an official letter of award after the Department approves funding recommendations (Section 500(f) of the Guidelines).

## **XIII. Award Letter and Standard Agreement**

Successful applicants will receive an Award Letter from the Department and will be awarded funds through the Standard Agreement process that will specify, among other things, the amount of funds granted, timeline for expenditure of funds, and the approved use of funds. Expenditure report dates and other requirements will also be identified in the SB 2 Planning Grants Program Standard Agreement.

## **XIV. Appeals**

### (1) Basis of Appeals:

- (a) Upon receipt of the Department's notice deeming an application incomplete or ineligible, applicants under this NOFA may appeal such decision(s) to the Director pursuant to this Section.
- (b) No applicant shall have the right to appeal a decision of the Department relating to another applicant's eligibility, point score, award, denial of award, or any other related matter.

### (2) Appeals Process and Deadlines:

- (a) Process. In order to lodge an appeal, applicants must submit to the Director by the deadline set forth in subsection (b) below, a written appeal which states all relevant facts, arguments, and evidence upon which the appeal is based. No new or additional information will be accepted. Once the written appeal is submitted to the Director, no further information or materials will be accepted or considered thereafter. Appeals are to be submitted to the Director at following address:

Department of Housing and Community Development  
 Division of Housing Policy Development  
 2020 W. El Camino Avenue, Suite 500  
 Sacramento, California 95833  
[sb2planninggrant@hcd.ca.gov](mailto:sb2planninggrant@hcd.ca.gov)

The Director will accept appeals delivered through a carrier service such as

the U.S. Postal Service, UPS, Fed Ex, or other carrier services that provide date stamp verification of delivery. Deliveries must be received during the Department's weekday (non-state holiday) business hours of 9:00 a.m. to 5:00 p.m. Pacific Standard Time. Additionally, emails to the email address listed above will be accepted if the email time stamp is prior to the appeal deadline.

(b) **Filing Deadline.** Appeals must be received by the Director no later than (5) five business days from the date of the Department's determination.

(3) **Decision:**

Any request to amend the Department's decision shall be reviewed for compliance with the December 2018 Guidelines and the March 29, 2019 NOFA. The Director shall render his/her decision in writing within fifteen (15) business days of receipt of the applicant's written appeal. The decision of the Director shall be the Department's final decision, and shall not be appealable to any court or tribunal.

(4) **Effectiveness:**

In the event that the statute and/or guidelines governing the PGP program contain an existing process for appealing decisions of the Department with respect to NOFA awards made under such programs, this Section shall be inapplicable and all appeals shall be governed by such existing authority.

## **XV. Right to Modify or Suspend**

The Department reserves the right, at its sole discretion, to suspend, amend, or modify the provisions of this NOFA at any time, including, without limitation, the amount of funds available hereunder. If such an action occurs, the Department will notify all interested parties and will post the revisions to the Department's website. You may subscribe to the Department's email list here: [http://www.hcd.ca.gov/HCD\\_SSI/subscribe-form.html](http://www.hcd.ca.gov/HCD_SSI/subscribe-form.html).