

**CITY OF TEMECULA  
AGENDA REPORT**

**TO:** City Manager/City Council

**FROM:** Luke Watson, Director of Community Development

**DATE:** July 9, 2019

**SUBJECT:** Adopt a Resolution to Authorize Application for, and Receipt of, SB 2 Planning Grants Program Funds (Long Range Planning Project No. LR19-0274)

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**PREPARED BY:** Sara Toma, Assistant Planner

**RECOMMENDATION:** That the City Council adopt a resolution entitled:

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
OF TEMECULA AUTHORIZING APPLICATION FOR, AND  
RECEIPT OF, SB 2 PLANNING GRANTS PROGRAM  
FUNDS**

**BACKGROUND:** In 2017, Governor Brown signed a fifteen bill housing package aimed at addressing the state's housing shortage and high housing costs. Specifically, it included the Building Homes and Jobs Act (Senate Bill 2), which established a \$75 recording fee on real estate to increase the supply of affordable homes in California. Because the number of real estate transactions recorded in each county will vary from year to year, the revenues collected will fluctuate. The purpose of SB 2 is to provide funding and assistance to all local governments in California to help cities and counties prepare, adopt, and implement plans and process improvements that streamline housing approvals and accelerate housing production. Funded activities are intended to:

- Accelerate housing production
- Streamline the approval of housing development
- Facilitate housing affordability, particularly for lower and moderate-income households
- Promote development consistent with the State Planning Priorities

The legislation directed the California Department of Housing and Community Development (HCD) to use 50 percent of the revenue in the first year to establish a program that provides financial and technical assistance to local governments to:

- Update planning documents to streamline housing production including:
  - General Plans
  - Housing Element
  - Community Plans

- Specific Plans
- Implementation of sustainable communities strategies
- Prepare new environmental analyses that eliminate the need for project-specific review and local process updates that improve and expedite local permitting.

On March 28, 2019, HCD released the Notice of Funding Availability (NOFA) for approximately \$123 million under the SB 2. Jurisdictions are eligible to participate in a non-competitive grant process for funds. Funds are determined by jurisdiction population. For a jurisdiction with a population of 60,000 to 200,000 residents, based on City of Temecula population size of 113,181 residents, the maximum available funding is \$310,000.

The City of Temecula will be applying to HCD for the maximum available grant funding authorized underneath the Planning Grants Program (PGP) provisions of SB 2 (Chapter 364, Statutes of 2017) for the following eligible planning activities:

- Housing Element Update
- Objective Design and Development Standards
- Accessory Dwelling Unit (ADU) Expedited Program
- Water Quality Master Plan (WQMP) for Uptown and Old Town Specific Plans

The goals of the planning activities listed above coincide with the City's Quality of Life Master Plan and the adopted General Plan, as well as meet state mandated housing laws.

**FISCAL IMPACT:** If the City is successful at securing SB 2 funds, the City may receive up to \$310,000 towards the cost of the Housing Element Update, Objective Design Standards, ADU Expedited Program, and Water Quality Master Plan. If awarded, the grant funds would offset the cost of these anticipated projects from the City's General Fund.

**ATTACHMENTS:**

1. Resolution
2. HCD NOFA Letter Dated March 28, 2019