Senate Bill 2
Planning Grant Program

Year 1 Guidelines

State of California
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The matters set forth herein are regulatory mandates, and are adopted in accordance with the authorities set forth below:

> Quasi-legislative regulations … have the dignity of statutes … [and]… delegation of legislative authority includes the power to elaborate the meaning of key statutory terms…
>
> *Ramirez v. Yosemite Water Co.*, 20 Cal. 4th 785, 800 (1999)

In consultation with stakeholders, the California Department of Housing and Community Development (Department) may adopt Guidelines to implement this section, including determining allocation methodologies. Any guideline, rule, policy, or standard of general application employed by the Department in implementing this chapter shall not be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Gov. Code).

NOTE: Authority Cited: Health and Safety Code section 50470, subdivision (d).

The Department reserves the right, at its sole discretion, to suspend or amend the provisions of these Guidelines, including, but not limited to, grant award amounts.

INTRODUCTION

Chapter 354, Statutes of 2017 (SB 2, Atkins) was part of a 15 bill housing package aimed at addressing the state's housing shortage and high housing costs. Specifically, it establishes a permanent source of funding intended to increase the affordable housing stock in California. The revenue from SB 2 will vary from year to year, as revenue is dependent on real estate transactions with fluctuating activity. The legislation directs the California Department of Housing and Community Development (Department) 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 and zoning ordinances in order to streamline housing production, including, but not limited to, general plans; community plans; specific plans; implementation of sustainable communities strategies; and local coastal programs. Eligible uses also include new environmental analyses that eliminate the need for project-specific review and local process updates that improve and expedite local permitting.

Guidelines for the SB 2 Planning Grants program are organized into seven Articles as follows:

Article I. General provisions: This article includes information on the purpose of the Guidelines, program objectives, and definitions used throughout the document.

Article II. Eligibility and threshold criteria: This article describes the eligibility requirements for applicants and proposals in order to apply for funds under the SB 2 Planning Grants program.

Article III. Eligible activities and uses: This article describes eligible uses for the SB 2 Planning Grants funds, including priority policy areas and ineligible uses.

Article IV. Award amounts and distribution: This article describes award amounts and geographic distribution.

Article V. Application review: This article describes the application review process.

Article VI. Administration: This article describes administrative functions such as terms, non-performance remedies and reporting requirements.

Article VII. Technical assistance: This article describes technical assistance.

SB 2 Planning Grants Program: Year 1 Guidelines

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ARTICLE I. GENERAL PROVISIONS

Section 100. Purpose and Scope

(a) These Guidelines (hereinafter "Guidelines") implement, interpret, and make specific the Chapter 364, Statutes of 2017 (SB 2, Atkins) (hereinafter "SB 2") as authorized by Health and Safety Code section 50470.

(b) These Guidelines establish terms, conditions, and procedures for a local government to submit an application for planning grants funds to the Department.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

Section 101. Program Objectives

(a) The principal goal of this program is to make funding available to all local governments in California for the preparation, adoption and implementation of plans that streamline housing approvals and accelerate housing production.

(b) This grant program is meant to facilitate planning activities that will foster an adequate supply of homes affordable to Californians at all income levels. It is designed to help local governments meet the challenges of preparing and adopting land use plans and integrating strategies to promote housing development.

(c) Funded activities are intended to achieve the following program objectives:
- 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

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

Section 102. Definitions

All terms not defined below shall, unless their context suggests otherwise, be interpreted in accordance with the meanings of terms described in Health and Safety Code section 50470.

(a) "Accelerating Housing Production" means improving the timing; cost; feasibility; approval and amount of development through various mechanisms such as zoning incentives; upzoning; zoning amendments to permit residential in non-residential zones; corridor planning; development standards modifications; non-discretionary

review; financing strategies; sliding scale fee modifications; approval streamlining that addresses quickness and ease of entitlements; and other mechanisms that remove or mitigate regulatory barriers.

(b) “Affordability” means a housing unit that satisfies at least one of the following criteria:

1. It is available at an “affordable rent” as that term is used and defined in Section 50053 of the Health & Safety Code;

2. It is offered at an “affordable housing cost”, as that term is used and defined in Section 50052.5 of the Health & Safety Code; or

3. It is available at an “affordable rent” or an “affordable housing cost” according to the alternative percentages of income for agency-assisted rental and cooperative housing developments pursuant to Department regulations adopted under Health and Safety Code section 50462(f).

(c) “Annual Progress Report” (APR) means the housing element Annual Progress Report required by Gov. Code section 65400 on the prior year’s activities and due to the Department April 1 of each year.

(d) “Department” means the California Department of Housing and Community Development.

(e) “Disadvantaged Communities” means:

1. Communities pursuant to Gov. Code section 65302(4)(A), communities in the lowest quartile according to the California Healthy Places Index, or a low resource or high segregation and poverty community according to Tax Credit Allocation Committee/Housing Community Development Opportunity Area Maps.

   or

2. Localities demonstrating, to the satisfaction of the Department, to have disproportionate socio-economic concentrations and lack of safe and decent community infrastructure such as water, sewer and parks.

   and

3. The proposed activity directly benefits the disadvantaged community.

(f) “Fund” means the Building Homes and Jobs Trust Fund pursuant to Health and Safety Code section 50470.

(g) "High-quality transit corridor" means an existing corridor with fixed route bus service with service intervals no longer than 15 minutes during peak commute

hours. An "existing stop along a high-quality transit corridor" may include a planned and funded stop that is included in an adopted regional transportation improvement program.

(h) “Housing” means any development that satisfies both of the following criteria:

(1) At least one half of the square footage of the development must be designated for residential use; and

(2) Includes a house, an apartment, a mobile home or trailer, a group of rooms, or a single room that is occupied as separate living quarters, or, if vacant, is intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live separately from any other individuals in the building and which have a direct access from the outside of the building or through a common hall.

Please note, accessory dwelling units (ADU) and junior accessory dwelling units (JADU) pursuant to Gov. Code sections 65852.2 and 65852.22 meet the definition above.

(i) “Local government” or “Locality” means any city, including a charter city, county, including a charter county or city and county, including a charter city and county.

(j) “Location Efficient” means either of the following definitions (1) within one half of a mile of a major transit stop or high-quality transit corridor, or (2) where the household vehicle miles traveled is 15 percent below the regional average per capita vehicle miles travelled, or lower as determined by a regional travel demand model.

(k) “Lower-Income” means households whose incomes are less than 80 percent of area median income pursuant to Health and Safety Code section 50079.5.

(l) “Lower-Income Community” means a locality with a median household income at or below 80 percent of the state median income.

(m) "Major Transit Stop" means a site containing an existing rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with frequencies of service intervals of 15 minutes or less during the morning and afternoon peak-commute periods. An existing “Major Transit Stop" may include a planned and funded stop that is included in an adopted regional transportation improvement program.

(n) “Moderate Income” means households whose income does not exceed 120 percent of area median income pursuant to Health and Safety Code section 50093.

(o) “Objective Zoning Standards” and “Objective Design Review Standards” mean standards that involve no personal or subjective judgment by a public official and

are uniformly verifiable by reference to an external and uniform benchmark or criterion available to and knowable by the development applicant or proponent and the public official prior to submittal.

(p) "Other Planning Priorities" means planning, policies, programs or investments to promote housing choices and affordability to lower and moderate income households, the encouragement of conservation of the existing affordable housing stock and efforts to take into account current and future impacts of climate change, including hazard mitigation.

(q) "Priority Policy Areas" means any of the following:

1. By-right zoning: Rezoning for additional housing capacity and establishing by-right zoning to permit residential development, particularly multifamily, without discretionary action.

2. Objective design and development standards: Developing objective design standards or pre-approved site and architectural plans that facilitate non-discretionary permitting.

3. Specific plans and CEQA streamlining: Designating and rezoning for additional housing capacity or preparing specific plans and plan-level environmental analysis that can be used to streamline future housing projects.

4. Accessory Dwelling Units and other innovative building strategies: Encouraging ADUs and other innovative building types through ordinances, outreach, fee waivers, pre-approved plans, website zoning clearance assistance, and other homeowner tools or funding.

5. Expedited permit processing: Speeding up approvals and permit processing, including programs that streamline or consolidate the review process or create a separate process for expedited review of housing projects.

   NOTE: Priority Policy Areas are subject to change and will be defined in the Notice of Funding Availability.

(r) "Program" means the program developed to implement the first year of the Fund pursuant to Health and Safety Code section 50470(b)(1)(A).

(s) "Rural Localities" means localities pursuant to Gov. Code section 65583.2(c)(3)(B)(i) and (ii).

(t) "State Planning Priorities" means priorities which are intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety in the state, including in urban, suburban, and rural communities pursuant to Gov. Code Section 65041.1.

(u) "Streamlined Housing Production" means modifying the entitlement process through removing, mitigating or minimizing local regulatory requirements, such as reforming the local approval process to reduce processing times, the number of local discretionary approvals and permits needed for projects, improving approval certainty, establishing non-discretionary processes, other efforts to reduce costs and taking the fullest advantage of existing streamlining mechanisms provided in state law.

(v) "Suburban Localities" means localities pursuant to Gov. Code section 65583.2(c)(3)(B)(iii).

(w) "Under-resourced Localities" means a

1. Lower-income community or locality experiencing a federally declared disaster in the last five years, if either of the following criteria is met: (1) a population less than 25,000 (2018 Department of Finance (DOF) population estimate, report E-5) and two or less planners (as reported to the Office of Planning and Research (OPR) in 2018) or (2) a population less than 50,000 and three or less planners.

   or

2. A locality demonstrating to the Department a significant lack of planning capacity based on population size; poverty levels, median household incomes relative to the state median incomes; unemployment rates; number of planners; and budget size.

(x) "Urban Localities" means localities pursuant to Gov. Code section 65583.2(c)(3)(B)(iv).

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470.5 and 50470, subdivision (b)(1)(A).

ARTICLE II. ELIGIBILITY AND THRESHOLD CRITERIA

The Program does not use a competitive process to award funds. All localities that meet the eligibility requirements outlined below will be funded as provided in these Guidelines.

Section 200. Eligible Applicants

(a) Eligible applicants are limited to local governments.

(b) 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, special districts or any duly constituted governing body of an Indian Reservation or Rancheria.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

Section 201. Threshold Criteria

Applicants must meet all the following threshold requirements for participation in the Program:

(a) **Housing element compliance**: The applicant must have a housing element that has been adopted by the jurisdiction's governing body by the deadline specified in the Notice of Funding Availability (NOFA) and subsequently determined to be in substantial compliance with state housing element law pursuant to Gov. Code Section 65585.

1. The jurisdiction's adopted housing element will be deemed to have met this requirement if the adopted element is received by the Department on or prior to the date specified in the NOFA and the Department subsequently determines the adopted housing element to be in substantial compliance pursuant to Gov. Code Section 65585 without further amendment.

2. However, applicants not meeting housing element requirements may be considered to meet these requirements at the discretion of the Department and based on factors such as significant progress in meeting housing element requirements, 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.

3. No documentation is necessary to meet this threshold requirement.

A jurisdiction's current housing element compliance status can be obtained by referencing the Department's website at http://www.hcd.ca.gov/hpd/hrpp/ or by contacting the Program representative for your region.

(b) **APR on the housing element submitted to the Department**: The applicant must submit to the Department the APR required by Gov. Code Section 65400 for the current or prior year by the date established in the NOFA.

1. Charter cities are not exempt from this specific Program requirement and must submit an APR to be eligible for the Program.

2. Please be advised that the Department will not accept other reports in lieu of the APR. Housing Authority Financial Reports, Redevelopment Reports, and other

similar reports will not be accepted as meeting this requirement. If uncertain of the status of the report submittal for a jurisdiction, please contact the Department for more information.

3. No documentation is necessary to meet this threshold requirement.

(c) **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, and impact on housing supply and choices. An application not utilizing priority policy areas must include an explanation and documentation of the nexus based on a reasonable and verifiable methodology and must utilize the Department's form (see Attachment 1).

Applicants proposing priority policy areas do not require a nexus demonstration and are automatically deemed to accelerate housing production without any documentation.

(d) **State Planning and Other Planning Priorities**: Applicants must demonstrate that the locality is consistent with the 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 2).

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

ARTICLE III. ELIGIBLE ACTIVITIES AND USES

Section 300. Eligible Activities

(a) Eligible activities must demonstrate a nexus to accelerating housing production and 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; and

4. Local process improvements that improve and expedite local planning;

Applicants proposing priority policy areas are automatically deemed to accelerate housing production without any documentation or demonstration to the Department.

(b) Eligible activities are not necessarily jurisdiction wide and may include a smaller geography with a significant impact on housing production. For example, eligible activities may include a housing development related project with a significant community level impact or planning or process improvement for a project with an ongoing community impact beyond the project. Eligible activities also include an overlay district, project level specific plan or development standards modifications proposed for significant areas of a locality, such as a corridors, downtown or priority growth areas.

(c) Eligible activities may include a housing sustainability district pursuant to AB 73 (Chapter 371, Statutes of 2017), workforce housing opportunity zone pursuant to SB 540 (Chapter 369, Statutes of 2017), by right supportive housing, including pursuant to Government Code section 65651 (Chapter XXX, Statutes of 2018), pre-approved architectural and site plans, and financing plans.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

Section 301. Ineligible Activities

(a) Activities unrelated to housing production.

(b) Activities that obstruct or hinder housing production, e.g. moratoriums, downzoning, planning documents with conditional use permits that significantly impact approval certainty and timing, planned development, or other similarly constraining processes.

(c) The Department may consider proposals that include activities listed in subdivisions (a) and (b) if a significant housing component is also present and the net effect on accelerating housing production is positive. For example, an applicant may propose combining an open-space designation or downzoning with by-right upzoning that has a significant net gain in housing capacity.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

Section 302. Eligible Uses

(a) Grant funds shall be used for the costs of preparing and adopting the proposed activity.

(b) Program grant funds may not be used for administrative costs of persons employed by the grantee for activities not directly related to the preparation and adoption of the proposed activity.

(c) A jurisdiction that receives funds under this Program may use a subcontractor. The

subcontract shall provide for compliance with all the requirements of the Program. The subcontract shall not relieve the jurisdiction of its responsibilities under the Program.

(d) Applicants will enter into a State Standard Agreement (Standard Agreement) for distribution of funds. Program grant funds must be spent by June 30, 2022.

(e) No costs incurred prior to the execution date of the Standard Agreement may be charged to Program funds. After the contract has been executed by the state, eligible expenditures may be incurred and expended for the project(s) subject to the terms and conditions of the Standard Agreement.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

ARTICLE IV. AWARD AMOUNTS AND DISTRIBUTION

Section 400. Award Amounts

(a) The minimum award is $50,000.

(b) The maximum award amount is a sliding scale based on population estimates from the DOF (2018 DOF Population Estimates, E-5), as follows:

1. $500,000 for large localities (greater than 200,000 people)

2. $250,000 for medium localities (60,000 to 200,000 people)

3. $125,000 for small localities (less than 60,000 people)

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

(c) Applicants seeking partnerships with other local governments will be additive. For example, two large localities could submit a proposal for up to $1,000,000.

(d) The maximum or minimum award amounts may be adjusted based on the amount collected in the Fund.

(d) The maximum or minimum awards may be adjusted in the event the Department considers a supplemental round of funding.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

Section 401. Geographic Distribution

(a) The Department will ensure geographic equity in the distribution and expenditure of funds, including through marketing, outreach and technical assistance to potential applicants.

(b) In the event of a supplemental round of funding, the Department will consider geographic distribution criteria such as minimum set-asides, under-resourced localities, disaster recovery and location efficient communities (e.g., access to transportation).

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(C).

ARTICLE V. APPLICATION REVIEW AND AWARD

Section 500. Application Review

(a) The Program will not initially utilize a competitive process to award funds. Funds will be available to eligible applicants upon request “over the counter.”

(b) Funds will be available for a six month over-the-counter period, commencing from the application due date.

(c) The Department may extend the over-the-counter period.

(d) Applicants must submit an application to be eligible for funding. An application form will be available upon release of the NOFA and will at least include forms to demonstrate meeting threshold requirements, a proposed budget and timeline and letters of support from key stakeholders and decision-makers in the adoption process.

(e) Complete applications must be submitted to the Department by the deadline detailed in the NOFA.

(f) The Department may request additional information to complete the initial application for funding.

(g) Applications recommended for funding are subject to conditions specified by the Department. Applicants will receive an official letter of award after the Department approves funding recommendations.

(h) If funds are not fully awarded at the conclusion of the over-the-counter period, the Department may consider a supplemental funding round.

1. The supplemental funding round will be available to prior applicants or localities that have not submitted a request for funding. The supplemental funding round will either use the initial complete application for funding, a new application where localities have not submitted a request for funding, or a new application and NOFA.

2. Localities that have not submitted a previous request for funding will receive top priority in the supplemental funding round, subject to minimum and maximum award amounts described in Section 400. All other applicants for the supplemental funding round will be subject to scoring criteria. Scoring criteria will include priority policy areas, under-resourced localities and location efficient. Impact on housing supply, affordability or housing choices will be used as a tie-breaker. See Attachment 3 for draft scoring criteria. The Department may adjust scoring criteria to accommodate changes in conditions and circumstances, such as the results of the initial funding round and coordination with subsequent rounds of SB 2 funding (funds collected in 2019 and beyond).

3. In the event that two or more applications have the same scores, the Department has discretion to make the final selection based on objectives set out in these Guidelines, including equitable geographic distribution.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

ARTICLE VI. ADMINISTRATION

Section 600. Grant Execution and Term

(a) The grantee will be notified by the state if they have been selected for a grant award.

(b) After the Standard Agreement and attachments have been finalized, the grantee will follow provided instructions for signing all required documents. The grantee must submit all supporting materials and a signed Standard Agreement within the timeline provided in the instructions or risk forfeiting the grant award.

(c) The grant term begins on the day the Department and the grantee have both signed the completed Standard Agreement. The Department will notify the grantee and partners when work may proceed.

(d) The end of the grant term will be determined by the state based on the availability of grant funds and the administrative requirements for liquidation. The anticipated grant term runs through June 30, 2022.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

Section 601. Payment and Accounting of Grant Funds

(a) Grant funds cannot be disbursed until the Standard Agreement has been fully executed.

(b) The grantee will be responsible for compiling and submitting all invoices and reporting documents. grantees will submit for reimbursements to the Department based on actual cost incurred.

(c) Grantee must bill the state based on clear deliverables outlined in the Standard Agreement. Only approved and eligible costs incurred for work as of the award date and completed during the grant term will be reimbursable. Work must be completed prior to requesting reimbursement.

(d) Grant fund payment will be made on a reimbursement basis; advance payments are not allowed. The grantee and partners must have adequate cash flow to pay all grant-related expenses prior to requesting reimbursement from the Department. Project invoices will be submitted to the Department by the grantee on a quarterly basis. However, the Department may consider alternative arrangements based on cost burdens or project characteristics.

(e) Supporting documentation may include, but is not limited to: purchase orders, receipts, progress payments, subcontractor invoices, time cards, etc.

(f) Invoices must be accompanied by reporting materials where appropriate. Invoices without the appropriate reporting materials will not be paid. The Department may withhold 10 percent (10%) of the grant until grant terms have been fulfilled.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

Section 602. Accounting Records and Audits

(a) The grantee must establish a separate ledger account for receipts and expenditures of grant funds and maintain expenditure details in accordance with the attached Work Plan and Budget. Separate bank accounts are not required.

(b) The grantee shall maintain documentation of its normal procurement policy and competitive bid process (including the use of sole source purchasing), financial records of expenditures incurred during the course of the project in accordance with generally accepted accounting principles, including matching funds that may be required.

(c) The grantee agrees that the state or designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Standard Agreement.

(d) The grantee agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated.

(e) Subcontractors employed by the grantee and paid with moneys under the terms of this Standard Agreement shall be responsible for maintaining accounting records as specified above.

(f) At any time during the term of the Standard Agreement, the Department may perform or cause to be performed a financial audit of any and all phases of the award. At the Department's request, the awardee shall provide, at its own expense, a financial audit prepared by a certified public accountant. The State of California has the right to review project documents and conduct audits during project implementation and over the project life.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

Section 603. Remedies of Non-performance

(a) In the event that it is determined, at the sole discretion of the state, that the grantee is not meeting the terms and conditions of the Standard Agreement, immediately upon receiving a written notice from the Department to stop work, the Grantee shall cease all work under this Standard Agreement. The state has the sole discretion to determine that the grantee meets the terms and conditions after a stop work order, and to deliver a written notice to the Grantee to resume work under this Standard Agreement.

(b) Both the grantee and the Department have the right to terminate this Standard Agreement at any time upon 30 days written notice. The notice shall specify the reason for early termination and may permit the grantee or the Department to rectify any deficiency(ies) prior to the early termination date. The grantee will submit any requested documents to the Department within 30 days of the early termination notice.

(c) There must be a strong implementation component for the funded activity through this program, including, where appropriate, agreement by the locality to formally adopt the completed planning document. Localities that do not formally adopt the funded activity could be subject to repayment of the grant.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

Section 604. Reporting

(a) During the term of the Standard Agreement, and according to the annual deadline identified in the Standard Agreement, the awardee shall submit, upon request of the Department, a performance report that demonstrates satisfaction of all requirements identified in the Standard Agreement.

(b) Upon completion of all deliverables within the Standard Agreement, the awardee shall submit a close out report. See Attachment 4.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b).

ARTICLE VII. TECHNICAL ASSISTANCE

Section 700. Method

(a) 5 percent of the SB 2 planning funds will be available for technical assistance to localities updating planning documents, zoning ordinances, environmental analyses or local processes to meet the objectives of the Program.

(b) The Department will coordinate with the OPR.

(c) With minor exceptions, technical assistance will be used for priority policy areas or priority policy areas.

(d) Technical assistance will include toolkits and direct assistance to applicants.

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

Section 701. Geographic Distribution

(a) The Department will prioritize geographic distribution in the provision of technical assistance to potential applicants.

(b) Geographic distribution considerations include minimum set-asides, under-resourced localities, disaster recovery and location efficiency (e.g., access to jobs and a variety of transportation modes).

NOTE: Authority cited: Health and Safety Code section 50470, subdivision (d). Reference cited: Health and Safety Code section 50470, subdivision (b)(1)(A).

Attachment 1
Nexus to Accelerating Housing Prduction Form (Only for proposals not using the priority policy areas)

City or County: _____
Planned Activity: _____

Applicants shall demonstrate how the application includes a nexus to accelerating housing production. Applicants selecting priority policy areas are automatically deemed to demonstrate a nexus to accelerating housing production and do not need to complete this form. Please complete the following chart by providing information about the current conditions and expected outcomes with respect to the planned activity and housing production.

Application Nexus to Accelerating Housing Production

Type (Select At least One)	Baseline*	Projected**	Difference***	Additional notes
Timing				
Development cost				
Approval certainty and reduction in discretionary review				
Entitlement streamlining (e.g., number of approvals)				
Feasibility of development				
Impact on housing supply				

* Baseline – current conditions in the jurisdiction (e.g. 6-month development application review)
**Projected – expected conditions in the jurisdiction because of the planning grant actions (e.g. 2-month development application review)
***Difference – Potential change resulting the planning grant actions (e.g., 4-month acceleration in permitting, creating a more expedient development process)

Attachment 2
State Planning and Other Planning Priorities Form

City or county: _____

Applicants shall report on meeting state objectives by showing completed activities in one or more of the State Planning Priorities (i.e., Infill and Equity, Resource Protection, Efficient Development Patterns) **or** Other Planning Priorities (i.e., Affordability, Conservation, Climate Change)

Please select one or more of the areas in the following chart by marking X in the completed box and describe the action and completion date.

STATE PLANNING PRIORITIES (Select one or more)		
Action	**Completed**	**Describe Action and Completion Date**
Promote Infill and Equity		
Rehabilitating, maintaining, and improving existing infrastructure that supports infill development and appropriate reuse and redevelopment of previously developed, underutilized land that is presently served by transit, streets, water, sewer, and other essential services, particularly in underserved areas.		
Seek or utilize funding or support strategies to facilitate opportunities for infill development.		
Other (describe how this meets subarea objective)		
Promote Resource Protection		
Protecting, preserving, and enhancing the state's most valuable natural resources, including working landscapes such as farm, range, and forest lands, natural lands such as wetlands, watersheds, wildlife habitats, and other wildlands, recreation lands such as parks, trails, greenbelts, and other open space, and landscapes with locally unique features and areas identified by the state as deserving special protection.		

Actively seek a variety of funding opportunities to promote resource protection in underserved communities.		
Other (describe how this meets subarea objective)		
Encourage Efficient Development Patterns		
Ensuring that any infrastructure associated with development, other than infill development, supports new development that does the following: (1) Uses land efficiently. (2) Is built adjacent to existing developed areas to the extent consistent with environmental protection. (3) Is located in an area appropriately planned for growth. (4) Is served by adequate transportation and other essential utilities and services. (5) Minimizes ongoing costs to taxpayers.		
Other (describe how this meets subarea objective)		

OTHER PLANNING PRIORITIES
(Select one or more)

Action	Completed	Describe Action and Completion Date
Affordability and Housing Choices		
Incentives and other mechanisms beyond State Density Bonus Law to encourage housing with affordability terms.		
Efforts beyond state law to promote accessory dwelling units or other strategies to intensify single-family neighborhoods with more housing choices and affordability.		
Upzoning or other zoning modifications to promote a variety of housing choices and densities.		
Utilizing surplus lands to promote affordable housing choices.		
Other (describe how this meets subarea objective)		
Conservation of Existing Affordable Housing Stock		
Policies, programs or ordinances to conserve stock such as an at-risk preservation ordinance, mobilehome park overlay zone, condominium conversion ordinance and acquisition and rehabilitation of market rate housing programs.		
Policies, programs and ordinances to protect and support tenants such as rent stabilization, first right of refusal policies, resources to assist tenant organization and education and “just cause” eviction policies.		

Other (describe how this meets subarea objective)		
Climate Adaptation		
Building standards, zoning and site planning requirements that address flood and fire safety, climate adaptation and hazard mitigation.		
Long-term planning that addresses wildfire, land use for disadvantaged communities, flood and local hazard mitigation.		
Community engagement that provides information and consultation through a variety of methods such as meetings, workshops, surveys and that focuses on vulnerable populations (e.g., seniors, people with disabilities, homeless, etc.).		
Other (describe how this meets subarea objective)		

I certify under penalty of perjury that all of the information contained in this SB 2 Planning Grants State Planning and Other Planning Priorities Form is true and correct.

Certifying official's name: _____

Certifying official's title: _____

Certification date: _____

Certifying official's signature: _____

Attachment 3
Supplemental Rounds Draft Scoring Criteria Form

SB 2 Planning Guidelines

Supplemental Round Draft Scoring Criteria

Scoring Criteria	Points
Priority Policy Areas	50
Under-resourced locality	25
Location efficient	25
TOTAL	100
Tie-Breaker: Impact on housing supply, affordabiltiy or housing choices	

Attachment 4
Close Out Reporting Form

SB 2 Planning Close Out Reporting Template

Brief Summary

- Overview of the project
- project start date and duration
- Project goals and relevance to SB 2 Program goals
- Outcomes

Lead Agency and Partnerships

- List lead agency and partnerships (including names, titles, organizations, and roles and responsibilities of each)
- What did those collaborative relationships and processes look like?

Drivers

- Did any local, state, or federal legislation or mandates drive it? (SB 35, AB 1397, etc.)
- Was it a community driven effort?
- Were there additional funding opportunities present?

Engagement Process

- Who were your stakeholders?
- What did the engagement process look like?
- What role did stakeholders play in the process? (Keep in mind: training, education, council formation, technical assistance, etc.)
- What were the outcomes of the engagement process?

Challenges

- What challenges were encountered?
- What solutions were encountered or created?
- Are there areas for improvement of policy alignment at the state or federal level to help achieve this project more easily?

Outcomes

- What are the current or projected outcomes? Benefits?
- Were outcomes as anticipated?
- Have new opportunities arisen as a result of this project?
- What are the next steps?

Replicability

- What aspects of the project could be replicated in other communities?
- Useful resources and tools? For a specific region or sector?

Additional Resources

- Links to the project itself
- Links to resources used throughout and any other relevant resources

Further Information

- Who can be reached to ask more questions about this project?
    - Name
    - Number and/or email