



TOWN OF FAIRFAX

STAFF REPORT

June 5, 2019

TO: Mayor and Town Council

FROM: Ben Berto, Planning and Building Services Director *BB*

SUBJECT: Adopt a Resolution Authorizing the Town Manager to Collaborate with Marin County and other Local Marin Jurisdictions in Applying for Building Jobs and Homes Act Planning Grant (SB 2) Program Grant Funding to Develop Objective Development Standards, Facilitate Accessory Dwelling Unit (ADU) Projects, and Develop Inclusionary Housing Requirements

RECOMMENDATION

Adopt the resolution.

BACKGROUND

The State is accepting applications for planning grants in 2019 under funding provided by Senate Bill 2 Building Jobs and Homes Act. It is very unusual for grant funding to be available for local planning efforts. SB 2 recognizes that along with State-imposed housing mandates on local government, it is helpful to provide some assistance to local jurisdictions to plan for that housing. In this first year of SB2 funding, 50% of its funds are set aside to provide financial assistance for planning work to help facilitate development of affordable housing.

Planning agencies in Marin, under the auspices of its Planning Director's group, have been working cooperatively to cost-share grant funding for local programs to help develop objective design standards, provide information for ADU projects, and develop inclusionary housing fees.

DISCUSSION

The County of Marin will take the lead, with participation from the Planning Director's group, to select and contract with consultants to perform the following work:

Objective Development Standards

The State continues to promulgate housing bills attempting to facilitate housing development to address its housing crisis. Deputy Town Attorney Heather Lee reported on State housing bills at the June 2018 Town Council meeting. She noted that several of these housing bills have reduced local governmental review and control of housing development. Specifically, SB 35 and the various Housing Accountability Act (HAA) statutes have significantly reduced local governmental oversight to a non-discretionary review of building permit applications, to determine whether they comply with 'objective development standards' that are already in effect locally.

Responding to the State requirements, the Town Council identified developing objective development standards as a Town priority at this year's goal-setting workshop. The Town already adopted certain objective development standards for the Planned Development District (PDD) zone, ensuring that residential development on PDD-zoned properties is subject to a maximum density based on a property's slope.

Grant funds from Fairfax and ten other Marin jurisdictions will be used to develop an objective development standards toolkit from which these local governments can select standards that best reflect the priorities of each jurisdiction. As part of the scope of work, the consultant will be able to tailor a portion of the work to reflect local considerations such as objective standards to maintain the historic character of downtown and community participation in the process. It is estimated that Fairfax's grant amount for the combined work will be approximately \$45,000 plus the costs for the Town requested additional consulting work (e.g., historic standards, additional outreach). Staff will apply for grant funding for the additional costs. Staff is working with the County to identify the additional costs which could be eligible for grant funding.

Accessory Dwelling Units

The Town General Plan supports creation of Accessory Dwelling Units (ADU's]. Housing Element Goal H-6 reads: "Create additional opportunities for the creation of second units". Indirectly, Housing Element Goal H-4 also supports ADU's, stating "Include housing opportunities for Fairfax workers and public service employees." ADU's typically offer a more realistic, affordable housing option for most such workers than a market-rate residence. Housing Element Objective H-6.1 is "Well-designed, legal second units in all residential neighborhoods applying reasonable parking and street capacity standards". Policy H-6.1.2 reads "*New Second Unit Approach*. Permit construction of well-designed second units in both new and existing residential neighborhoods, consistent with parking and street capacity standards." Program H-6.1.2.3 reads *Second Unit Incentives*. The Town will create guidelines and incentives to ensure affordability of second units."

The County of Marin currently has a website that acts as a general reference for ADU-related information. The proposed scope of work includes upgrading this website in collaboration with participating jurisdictions, to better function as an information clearinghouse for every jurisdiction's ADU regulations and information, show code-compliant floor plans, and provide a cost-estimator for each jurisdiction. Additional web and print materials, including a workbook, will also be prepared.

Ten County jurisdictions have indicated that they will participate in the ADU program, with a per-jurisdiction grant cost of approximately \$10,000 per jurisdiction.

Inclusionary Fee Nexus Study

State regulations require a study before enacting an inclusionary housing ordinance that requires either the provision of affordable housing or cash-in-lieu requirements for larger-scale residential or commercial development projects. Fairfax, similar to several other jurisdictions in the County, currently lacks any inclusionary housing requirements or cash-in-lieu fee. The Town's General Plan Housing Element, Program H-6.1.2.4 supports this effort: "*In-Lieu Fee/Second Dwelling Unit Program*. Fairfax will establish an affordable housing in-lieu fee. This fee will be imposed on all new homes, and on major remodels and additions that result in a structure that exceeds

2,000 square feet. The fee will be based on a study commissioned by the Town. The affordable housing in-lieu fee shall be deposited in a housing trust fund or other similar repository.”

The SB 2-funded Inclusionary Fee Nexus Study will fit neatly into the Town's General Plan Program H-6.1.2.4. A consultant will conduct the necessary local jurisdiction housing and commercial linkage studies for affordable inclusionary housing and in-lieu fee requirements. It is anticipated that 7 Marin County jurisdictions will participate in this effort, for a per jurisdiction cost and grant amount of approximately \$13,000.

FISCAL IMPACT

Town will be applying for a minimum of \$68,000 in SB 2 grant funding, plus funding for the costs for the Town's requested additional consultant work (e.g., community outreach/meetings). Staff is working with County staff to estimate the cost for the additional consulting work. We believe the added costs will be eligible for SB 2 grant funding.

ATTACHMENT

Resolution

RESOLUTION 19-__

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FAIRFAX
AUTHORIZING THE TOWN MANAGER TO COLLABORATE WITH MARIN COUNTY AND OTHER
LOCAL MARIN JURISDICTIONS IN APPLYING FOR BUILDING JOBS AND HOMES ACT
PLANNING GRANT (SB 2) PROGRAM GRANT FUNDING TO DEVELOP OBJECTIVE
DEVELOPMENT STANDARDS, FACILITATE ACCESSORY DWELLING UNIT (ADU) PROJECTS,
AND DEVELOP INCLUSIONARY HOUSING REQUIREMENTS**

WHEREAS, the State of California, Department of Housing and Community Development (Department) has issued a Notice of Funding Availability (NOFA) dated March 29, 2019, for its SB 2 Planning Grants Program (PGP); and

WHEREAS, the Department is authorized to provide up to \$1.2 million under the SB 2 Planning Grants Program from the Building Homes and Jobs Trust Fund for assistance to local jurisdictions as described in Health and Safety Code section 50470 et seq. (Chapter 364, Statutes of 2017 (SB 2)) related to the PGP Program; and

WHEREAS, Planning agencies in Marin, under the auspices of its Planning Directors group, have been working collaboratively to develop programs using SB 2 funding to develop objective design standards, provide information for Accessory Dwelling Unit (ADU) projects, and develop inclusionary housing requirements; and

WHEREAS, collaborating in this joint effort to secure the SB2 Building Jobs and Homes Act planning grant to facilitate Housing Element Programs would be consistent with a number of the Housing Goals, Policies & Programs in the Town of Fairfax adopted Housing Element of the General Plan, and the Town Council's work program goals for this year;

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the Town Council of the Town of Fairfax authorizes the Town Manager or his/her designee to collaborate with Marin County and other local Marin jurisdictions to apply for Building Jobs & Homes Act Planning Grant (SB 2) funds;

AND BE IT FURTHER RESOLVED, that the Town Manager or his/her designee is hereby authorized to do everything necessary and appropriate to secure and implement the PGP grant funds, the Town's obligations related thereto, and all amendments thereto (collectively, the "PGP Grant Documents").

The foregoing Resolution was duly passed and adopted at a regular meeting of the Town Council of the Town of Fairfax held in said Town on the __ day of June 2019 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

BARBARA COLER, Mayor

Attest: _____
Michele Gardner, Town Clerk