



Contra  
Costa  
County

To: Board of Supervisors  
From: John Kopchik, Director, Conservation & Development Department  
Date: June 16, 2020

Subject: Authorizing Application for, and Receipt of, Local Government Planning Support Grant Program Funds

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## **RECOMMENDATION(S):**

ADOPT Resolution No. 2020/153 to:

1. AUTHORIZE the Department of Conservation and Development Director to apply for and execute documents to accept grant funds in the amount of \$500,000 from the State of California's Local Early Action Plan (LEAP) Grant Program to fund various activities for the preparation and adoption of planning documents and process improvements that will facilitate the acceleration of housing production and facilitate compliance to implement the 6th Cycle Regional Housing Needs Assessment (RHNA), for the grant period of January 27, 2020 through December 31, 2023;

2. ACKNOWLEDGE that the County will be subject to the terms and conditions included in the State of California Agreement (Standard Agreement).

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY  
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD  
COMMITTEE

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Action of Board On: **06/16/2020** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

### **VOTE OF SUPERVISORS**

AYE: John Gioia, District I Supervisor  
Candace Andersen, District II Supervisor  
Diane Burgis, District III Supervisor  
Karen Mitchoff, District IV Supervisor  
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: June 16, 2020

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Stephanie Mello, Deputy

Contact: Christine Louie, (925)  
674-7787

cc:

### FISCAL IMPACT:

One hundred percent State funded, no County match. This authorization by the Board of Supervisors is for the Department of Conservation and Development (DCD) to apply for LEAP non-competitive allocation funds from the State. Two proposed activities will be funded by the grant. The Housing Element Update activity will be partially funded by the grant with the remaining amount funded by DCD's budgeted costs in Land Development or potentially by other grant opportunities.

### BACKGROUND:

In the 2019-20 State Budget Act, \$250 million was allocated for all regions, cities, and counties to prioritize and carry out planning activities that accelerate housing production. The California Department of Housing and Community Development (HCD) established the LEAP Grant, which is a new program that provides one-time non-competitive grant funding to cities and counties. The LEAP Grant is for planning activities only, such as, the preparation and adoption of planning documents and process improvements that will facilitate the acceleration of housing production and facilitate compliance to implement the 6th Cycle Regional Housing Needs Assessment (RHNA). Eligible applicants are limited to local governments (i.e., cities and counties) with the maximum award amounts based on population. The County's maximum award amount is \$500,000.

The housing activities proposed for the LEAP Grant are required planning documents that the County must adopt for compliance with various State laws, or updates to existing outdated County ordinances.

### 6th Cycle Housing Element Update

The County seeks \$200,000 in LEAP funds to be applied towards the County's 6th Cycle 2023-2030 Housing Element Update efforts. The total project cost at this early stage is estimated to be \$1,000,000 for all Housing Element update activities, staff work, and consultant costs. The project tasks and costs not funded by the LEAP Grant will be part of the County's contribution to the project, although additional grant opportunities may be sought.

The Housing Element is one of seven mandatory elements in a local jurisdiction's General Plan. The state law mandating the Housing Element requires that local jurisdictions plan for their share of the state's housing need for people at all income levels. The Association of Bay Area Governments (ABAG) is responsible for allocating the State-determined regional housing need to all cities and counties within the nine-county San Francisco Bay Area region. Based on the RHNA, each jurisdiction must update its Housing Element to document how it will achieve its share of RHNA during a defined planning period, or cycle.

This project falls under the program's Eligible Activities #13, "Preparing and adopting Housing Elements of the General Plan that include an implementation component to

facilitate compliance with the 6th Cycle RHNA.” Tasks related to this project will include a property inventory, sites analysis, preparation of a sites inventory, mapping, identifying housing constraints, housing needs analysis, public outreach/community participation, California Environmental Quality Act (CEQA) environmental review, community outreach, preparing a draft housing plan, and the public hearing process.

The 6th Cycle Housing Element update will begin in late summer/early fall of 2020 and is anticipated to be substantially completed and adopted by the end of 2022. The estimated deadline for the 6th Cycle Housing Element Update is December 15, 2022. This application is for securing grant funds to cover the costs for a portion of this future project. Additional information regarding the 6th Cycle Housing Element update will be presented to the Board of Supervisors once the RHNA is provided by ABAG, and the final document will be proposed to the Board prior to review and adoption.

### Inclusionary Housing Ordinance and Density Bonus Ordinance Update

A large portion (\$210,000) of the LEAP grant would be dedicated to revising two County ordinances administered by DCD in order to better promote the construction of affordable housing in new housing projects. The County’s Inclusionary Ordinance provisions date from 2006, and the County’s density bonus ordinance pre-dates State Density Bonus Law. The local ordinances are often applied in tandem for housing applications in the County’s unincorporated communities, but because they were adopted and amended at different times, they occasionally conflict, they are not consistent with current best practice as seen in more recently adopted ordinances statewide, and they leave room for ambiguity in interpretation – which takes time to resolve. Additionally, the County’s density bonus ordinance (DBO) is not entirely consistent with the State’s density bonus law. While the State prevails, there are multiple inconsistencies throughout the local ordinance needing an update to resolve confusion and help staff and applicants more quickly determine the bonus numbers.

The inclusionary ordinance (IO) update is anticipated to be an overhaul of the old IO that will result in requirements to build affordable units at deeper affordability with longer term income restrictions for for-sale units. Currently, developers are provided the option to build affordable units on site as well as three options to fulfill the inclusionary requirements off-site or via an in-lieu fee. This results in significant negotiation with staff to determine the mutually agreed path forward to meet the IO requirements. Streamlining the options will reduce predevelopment time and ultimately increase the production and number of affordable units, bring them to market more quickly, and preserve the affordable units for a longer period of time.

The goals for this project include the preparation of a technical study to potentially adjust the in-lieu fee option and/or cost, to reflect current market values, driven by a new economic analysis component. These changes are intended to result in units that are affordable longer, to households below moderate income, but their nature means there will be a significant public and stakeholder process, as well as technical consultant

assistance. The ultimate deliverable will be a well-crafted, thoughtful pair of ordinances that will work seamlessly to create more long-term affordable housing with reduced development time.

This project falls under the program's Eligible Activities #19, "Other planning documents or process improvements that demonstrate an increase in housing related planning activities and facilitate accelerating housing production." The timeline for the Inclusionary Ordinance-Density Bonus update project (IODB) spans approximately two years and the work is estimated to cost \$210,000.

### Objective Design Standards

In 2017, Governor Brown signed multiple housing bills with the intent of streamlining the approval process for housing projects to accelerate the production of housing within the state. More specifically, SB 35 added Section 65913.4 to the Government Code providing for a streamlined, ministerial approval process for multi-unit residential development in localities that have not met their RHNA targets for any given year, subject to certain conditions and consistent with objective planning (zoning and design review) standards in effect at the time the development application is submitted for approval. Contra Costa County falls into this category because, while we still have capacity in our sites inventory this cycle, not all the County's RHNA units have been built. (As of 2019, we have built out 16% very low-income units, 83% low-income units, 53% moderate-income units, and 257% above-moderate income units.) Thus, the County proposes to use a portion of LEAP Grant funds for staff and consultant time to establish and implement objective residential design review standards (ODS) aligned with current state law requirements. This will facilitate a streamlined, ministerial approval process for residential developments.

Contra Costa County currently relies on its discretionary review process to maintain the community's aesthetic standards for residential developments. Going forward, certain projects that qualify under SB35 and other new legislation may be eligible for streamlined ministerial approval if objective residential design standards are in place. Consequently, the County seeks \$90,000 in grant funds to support the development of new residential objective design review standards. The development of ODS will allow Contra Costa County to uniformly and verifiably implement a set of design criteria that will be known and available to applicants. This will establish expectations and minimize personal or subjective analysis. These standards will also promote a clear identity and sense of place for the communities within Contra Costa County. The project falls under the program's Eligible Activities #19, "Other planning documents or process improvements that demonstrate an increase in housing related planning activities and facilitate accelerating housing production."

### CONSEQUENCE OF NEGATIVE ACTION:

Negative action will prevent the County from receiving non-competitive grant funds up to \$500,000 from the State.

ATTACHMENTS

Resolution 2020/153