

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: JEREMIA MILLS, DEPUTY DIRECTOR HUMAN RESOURCES  
HUMAN RESOURCES DEPARTMENT  
CLARE HARTMAN, INTERIM ASSISTANT CITY  
MANAGER/PLANNING & ECONOMIC DEVELOPMENT  
DIRECTOR/DEPUTY DIRECTOR PLANNING  
SUBJECT: AMENDMENT TO THE CITY CLASSIFICATION AND SALARY  
PLAN TO ADD 2.0 FTE LIMITED TERM SENIOR PLANNERS  
AND 1.0 FTE LIMITED TERM CITY PLANNER POSITIONS IN  
THE PLANNING AND ECONOMIC DEVELOPMENT  
DEPARTMENT; REALLOCATE LEAP GRANT FUNDS; ACCEPT  
AND APPROPRIATE STATE DEPARTMENT OF CANNABIS  
CONTROL LOCAL JURISDICTION ASSISTANCE GRANT  
PROGRAM FUNDS; AND APPROPRIATE PG&E SETTLEMENT  
FUNDS

AGENDA ACTION: TWO RESOLUTIONS

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RECOMMENDATION

It is recommended by the Planning and Economic Development Department and Human Resources Department that the Council, by two resolutions: 1) amend the City Classification and Salary Plan to add 1.0 FTE Limited Term Senior Planner for one year, 1.0 FTE Limited Term Senior Planner for 3.5 years, and 1.0 FTE Limited Term City Planner for two years; 2) reallocate \$500,000 in California Department of Housing and Community Development Local Early Action Planning (LEAP) grant funds from the Mendocino Avenue Specific Plan to the House Santa Rosa project; 3) accept and appropriate \$775,841 in State Department of Cannabis Control Local Jurisdiction Assistance Grant Program funds; and 4) appropriate \$240,550 of the PG&E settlement funds.

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EXECUTIVE SUMMARY

This item is a summary request to add three different limited term planning positions, each of which is supported by a different non-general fund funding source:

- 1 FTE Senior Planner – 1 year – Housing LEAP grant
- 1 FTE Senior Planner – 3.5 years – Cannabis Control Local Assistance Grant

ADDITION OF TWO LIMITED TERM SENIOR PLANNER POSITIONS, ONE LIMITED TERM CITY PLANNER POSITION, REALLOCATION OF LEAP FUNDS, ACCEPTANCE AND APPROPRIATION OF CANNABIS LOCAL JURISDICTION ASSISTANCE GRANT PROGRAM FUNDING, AND APPROPRIATION OF PG&E SETTLEMENT FUNDS  
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- 1 FTE City Planner – 2 years – PG&E settlement funds

In November 2020, the City was awarded California Department of Housing and Community Development Local Early Action Planning (LEAP) grant funding for the development of a Mendocino Avenue Specific Plan with the intention of layering additional grant or general fund funding to accomplish the full project scope and timeline. No additional funds were allocated in time for the project to be completed within the time limits of the LEAP grant, and therefore the project was found to be infeasible. The LEAP grant funding is eligible for reassignment, however, and as such is now proposed to be repurposed for the “House Santa Rosa” project. This project will focus on development of a data driven publicly accessible program to help achieve and report performance on the Council’s housing production goals. The funds will specifically fund a one-year Limited Term 1.0 FTE Senior Planner and the technology needed to advance the project’s goals.

In November 2021, the City Council directed that PG&E settlement funds be used to cover the cost of a two-year Limited Term City Planner for the purpose of streamlining affordable and by right housing, in support of City Council goals and direction received through City Council study sessions related to this one-time funding source. “Housing and affordable housing” is one of the Council’s long-standing goals and priorities, which was reiterated in their February 2021 annual priority setting workshop. To reach this goal, the City has an immediate need for additional planning capacity to support the streamlining of new housing applications and to ensure that project deadlines are achieved for affordable and by right housing applications.

In December 2021, the City was awarded one-time grant funds from the Department of Cannabis Control (DCC) Local Jurisdiction Assistance Grant Program (Local Assistance Grant) to aid provisional licensees in completing compliance requirements necessary to achieve annual licensure. The City has identified four areas of focus to assist local cannabis applicants in obtaining annual licenses, which results in the Department’s request for a 3.5 year 1.0 FTE Limited Term Senior Planner.

## BACKGROUND

In 2019, Governor Newsom signed Assembly Bill 101 (AB 101) to increase housing production within the State. This Bill established \$250,000,000 of Local Early Action Planning (LEAP) grant funding to jurisdictions for technical assistance, the preparation and adoption of planning documents, and process improvements to accelerate housing production and to facilitate compliance with the upcoming 6<sup>th</sup> cycle of the Regional Housing Needs Allocation (RHNA).

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On June 16, 2020 the Council approved the filing of an application for the LEAP grant and the City was awarded funding of \$500,000. At that time, the funding was proposed for the development of a Mendocino Avenue Specific Plan with the intention of layering additional grant or general fund funding to accomplish the full project scope and timeline. No additional funds were allocated in time for the project to be completed within the time limits of the LEAP grant (expires September 2023), and therefore the specific plan project was found to be infeasible. The LEAP grant funding is eligible for reassignment, however, and as such is now proposed to be repurposed for the “House Santa Rosa” project. This project will focus on development of a data driven publicly accessible program to help achieve and report performance on the Council’s housing production goals. The funds will specifically fund a one-year Limited Term 1.0 FTE Senior Planner and the technology needed to advance the project’s goals.

In 2021, the California State budget included \$100M for local jurisdictions to update their cannabis permit licensing process through its Department of Cannabis Control (DCC) Local Jurisdiction Assistance Grant Program (Local Assistance Grant). The City of Santa Rosa was awarded \$775,841 of this Local Assistance funding. These funds would be utilized for a 3.5 year 1.0 FTE Limited Term Senior Planner to accomplish numerous cannabis program improvements to better assist applicants and DCC.

The City of Santa Rosa received \$95M from PG&E to settle a claim for its 2017 wildfire damages. As there are no restrictions on how these funds can be used, Santa Rosa City Council has considered a range of projects primarily focused on strengthening the resiliency of the community. Of the \$95M, \$68M was obligated to General Fund reserves, fire resiliency, and fire recovery projects. An additional \$20M was committed to the Renewal Enterprise District (RED) Housing Accelerator Fund and the Roseland Library. Uses for the remaining \$7M were discussed by Council, culminating in the final October 26, 2021 Council study session during which the two-year FTE Limited Term City Planner position, to be focused on housing streamlining and processing of new housing development, was considered.

## ANALYSIS

### **1 FTE Senior Planner – 1 year – Housing LEAP grant**

California Assembly Bill 101 directed the State of California, Department of Housing and Community Development (HCD) to create a Local Government Planning Support Grants Program to allocate one-time funding to increase housing production within local jurisdictions. The Bill required local agencies to submit an annual report to HCD and make that report publicly available on its website, containing specified information regarding the uses of funds allocated under the program.

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On June 16, 2020 the Council approved the filing of an application for the LEAP grant and the City was awarded \$500,000 to be spent by September 2023. At that time, the funding was proposed for the development of a Mendocino Avenue Specific Plan with the intention of layering additional funding to accomplish the full project scope of \$1,000,000. Unfortunately, no additional funds were allocated, and the Mendocino Avenue Specific Plan is no longer feasible due to a budget gap.

The Planning and Economic Development Department would like to repurpose the LEAP grant funds to hire a one-year 1.0 FTE Limited Term Senior Planner to allow existing Planning staff to focus on developing a “House Santa Rosa” program that will help to stimulate housing production Citywide by integrating housing opportunity, regulatory and project development environments in an online, user-friendly housing portal.

On December 17, 2021 this revised grant project was submitted to HCD for approval, which is expected to be approved by HCD in January 2022.

The proposed House Santa Rosa program would include key elements such as creation of maps identifying housing development opportunities and the location of existing and proposed housing Citywide, review of the existing regulatory requirements for housing and ways to streamline housing development, and application status tracking and creation of a housing portal for data sharing.

The program will include analysis of the following tools:

1. People – House Santa Rosa will respond to stakeholder needs to be informed and make decisions about how to support housing production. This may include focus groups, user interface design principles, and a steering committee.
2. Geographic Information Systems (GIS) – Digital mapping of development opportunities, equity, regulatory, and project development environments.
3. Accela – Creation of project data and digital management of the project development environment.
4. Internet/Web-based housing portal – Creation of a real-time housing environment for stakeholders, that may include the following:
  - How many units are under review/under construction;
  - Target housing units within the City;

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- How stakeholders can explore permit activity on an opportunity site, or on an application under review; and
  - How advocates can support housing projects under review.
5. Data Resources – Develop opportunities, equity, regulatory, and project development data to fuel and support identification of housing opportunities and action to produce housing, as well as to inform/evaluate housing policy decision-making.

Santa Rosa has a vital need for additional planning capacity to support opportunities to streamline and develop housing. A one-year Limited Term 1.0 FTE Senior Planner, funded by the LEAP grant, would provide a unique opportunity for focused development of a program to help meet the Council's housing goals.

**1 FTE Senior Planner – 3.5 years - Cannabis Control Grant (Local Assistance Grant)**

The Local Assistance Grant was included in the State's 2021 budget to fund local jurisdictions with the greatest need to transition provisional cannabis licensees to annual licensees. Cannabis applicants are required to obtain two approvals, one local and one state. The State approves a license once an applicant meets all state regulation requirements. The State may issue a provisional license if the applicant has submitted a completed license application that confirms compliance with the California Environmental Quality Act (CEQA) and local regulations are underway. However, the State's ability to offer provisional licenses will sunset. Currently, approximately 75 percent of California's commercial cannabis licenses are provisionally licensed.

The City of Santa Rosa was identified as one of seventeen local jurisdictions within California with significant numbers of provisional licenses who are legacy and equity applicants. The City was awarded one-time grant funds of \$775,841 to aid provisional licensees in completing compliance requirements necessary to achieve annual licensure.

The City of Santa Rosa has identified four areas of focus to assist local cannabis applicants in obtaining annual licenses, which results in the Department's request for a 3.5 year 1.0 FTE Limited Term Senior Planner.

1. Cannabis Ordinance Updates: The current ordinance was last updated in 2017 and does not recognize all state license types, such as processing. An updated ordinance is necessary to address this license type and to better define the permit process and environmental review required, in order to inform the state

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license process. This work will also include an exploration of CEQA and how best to streamline the process for applicants and to address state licensing. A white paper will be prepared to provide a deep exploration of this issue and how the City can best work with the state to streamline the process for applicants.

2. Online Application Tools and Dashboard: The City proposes the creation of new tools for cannabis applicants through online services providing better education for applicants. This will include revised application checklists, online tools to assist with process, an online dashboard and map to show where operations can locate and how many operations are active or are in process. This will also include a robust outreach program to create a series of classes/webinars to assist applicants with applications and implementing their permit through conditions of approval or post-approval needs.
3. Permit Software Process Improvements: The City proposes the revamping of reporting and tracking methods to accurately track permit applicants for state licensing response, and to connect permitting, tax, and enforcement for faster reporting and customer service. This is also necessary to provide data to the online dashboard so applicants can track implementation progress and troubleshoot issues.
4. Staff Capacity for State Licensing: Santa Rosa has a vital need of additional planning capacity in order to move provisional to annual licenses. This would create a limited term dedicated cannabis position to serve as a single point of contact for the state and oversee the ordinance update and process improvements noted above.

**1 FTE City Planner – 2 years - PG&E Settlement Funds**

Recent State legislation including, but not limited to, Senate Bills (SB) 9, 35 and 330 and Assembly Bill (AB) 2162, are aimed at streamlining review of residential projects. As a result of the new housing laws, in addition to more State and Federal funding for developers who are proposing affordable housing projects, the number of new housing developments submitted to the City in recent years has increased dramatically. To keep up with the pace of new residential applications, additional Planning staffing is needed.

With the Council's goal of providing additional housing and affordable housing, there was support at the November 30, 2021 Council study session to use a portion of the

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PG&E settlement funds to cover the cost of a two-year Limited Term City Planner to process new residential development applications.

PRIOR CITY COUNCIL REVIEW

On June 16, 2020 via RES-2020-092, the City Council authorized the application for, and receipt of, the Local Government Agency Planning Support Grant Program from the Local Early Action Planning (LEAP) grant in the amount of \$500,000 to create a Mendocino Avenue Specific Plan to accelerate and incentivize housing production.

The City Council held a One-Time Monies Study Session related to the PG&E settlement funds at five prior meetings: November 17, 2020, December 15, 2020, July 13, 2021, October 26, 2021 and November 30, 2021. Direction provided was provided by the Council, but no action was taken.

FISCAL IMPACT

No impact to the General Fund is anticipated from these actions. The two grants and the PG&E settlement funds are one-time funding opportunities which will allow the use of Limited Term staff accomplish process improvements to further the Council goals of housing production and economic resiliency; and facilitate cannabis permit applicants to obtain state licenses.

ENVIRONMENTAL IMPACT

This Council action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline Section 15378. The limited-term positions being sought would allow the City to further the Council goals of housing production and economic resiliency.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

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### ATTACHMENTS

- Attachment 1 – Department of Cannabis Control Local Jurisdiction Assistance Grant Agreement
- Attachment 2 – Department of Cannabis Control Grant Agreement
- Resolution 1 – Reallocation of LEAP Funds, Appropriation of PG&E Settlement Funds, and Limited Term Senior Planner and City Planner Positions
- Resolution 2 – Acceptance and Appropriation of Cannabis Local Jurisdiction Assistance Grant and Limited Term Senior Planner

### CONTACT

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