



Legislation Text

File #: 20-0410, **Version:** 1

Recommendation to adopt resolution approving the application for, and acceptance of, a Planning Grant from the California Department of Housing and Community Development (HCD), in the amount not to exceed \$750,000; and

Authorize City Manager, or designee, to execute all necessary documents with HCD, relating to the grant application and award, for professional planning services to prepare and adopt planning documents and process improvements that accelerate housing production, and facilitate compliance in implementing the sixth cycle of the Regional Housing Needs Assessment (RHNA) in the context of updating the City's General Plan Housing Element. (Citywide)

On January 27, 2020, the State of California Department of Housing and Community Development (HCD) released a Notice of Funding Availability (NOFA) for grants as part of the Local Early Action Planning Grants Program (LEAP). The program provides over-the-counter (non-competitive) grants accompanied by technical assistance to local governments for the preparation and adoption of planning documents and process improvements that accelerate housing production and facilitate compliance with the sixth-cycle Regional Housing Needs Assessment (RHNA).

Eligible grant activities include, but are not limited to: updates to planning documents and zoning ordinances to encourage development; establishment of housing incentive zones or other area-based housing incentives beyond State Density Bonus Law; environmental analyses that eliminate the need for project-specific review; rezoning efforts to comply with Housing Element requirements; preparation and adoption of a Housing Element of the General Plan; and other local process improvements that speed up housing production. Staff will be seeking reimbursement for preparation and implementation of the City's Housing Element and associated ordinances. A City Council Resolution is required by HCD before staff can apply for the grant.

Prospective Work Program

Each city and county in California is required to prepare a Housing Element with documented updates for each new RHNA. The current cycle, Cycle 6 of the Housing Element for 2021-2029, is underway, and all updates are required to be adopted and submitted to HCD by October 2021.

Preparation of the City's Housing Element is expected to result in excess of \$1 million in direct costs plus associated staffing over a two-year period. Development Services staff, and

a consultant team, will update the Housing Element and make any associated changes to the Zoning Code and other development regulations and policies affecting housing development. This planning effort will build upon both the Everyone Home Task Force and the Affordable and Workforce Housing Study Group efforts. Preparation of the Housing Element involves two related tasks: (1) preparing the General Plan Element; and, (2) within a limited time period, establishing the tools to implement the plan. These tools and programs include adjustments to impact fees, zone changes, creation of new density bonuses and other incentive programs, inclusionary zoning, pursuing additional revenue sources for affordable housing, outreach to potential developers, and other related actions to facilitate housing production. This work has already begun.

In light of the above substantial costs and the legal necessity of completing the Housing Element, staff is preparing a LEAP grant application to fund planning efforts and programs directly linked to the Housing Element work program, as well as to accelerate housing production citywide, consistent with the Land Use Element adopted in December 2019, and to facilitate compliance with the Housing Element and new RHNA allocations.

City Council action is requested on May 12, 2020, to meet the grant application deadline of July 1, 2020.

Existing budgeted positions within the Development Services Department will administer this grant. These positions are not supported by the General Fund. Should the grant be awarded, acceptance of the grant would offset \$750,000 of expenses in the Development Services Fund Group related to consultant services. These expenses would otherwise have been offset by General Plan Surcharge revenue collected in the Development Services Fund Group. This recommendation has no staffing impact beyond the budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

Approve recommendation.

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APPROVED:

THOMAS B. MODICA
ACTING CITY MANAGER