



City Manager’s Report
February 9, 2021 City Council Meeting
Prepared By: Pierre Rivas

Item#: 12.5

Subject: Adopt a Resolution:

1. Authorizing the City Manager to apply to the State Department of Housing and Community Development Department (HCD) for the Local Early Action Planning (LEAP) Grant for Housing Production Grant Program in the amount of \$65,000; and
2. Authorizing the City Manager to execute the standard agreement and any other documentation necessary to secure the award.

Purpose: To authorize City staff to pursue available grant money to fund eligible planning activities to further the production of affordable housing and assist with implementation of the City’s Housing Element goals and programs.

Background: In January 2020, HCD announced the release of a Notice of Funding Availability (NOFA) for approximately \$119,040,000 as part of the Local Early Action Planning Grants Program (LEAP). Cities can use program funds to prepare and adopt planning documents and process improvements accelerating housing production and facilitating compliance to implement the sixth cycle of the Regional Housing Needs Allocation (RHNA). Based upon its population size, Placerville qualifies for \$65,000 in non-competitive LEAP grant funding. Completed applications were due by Friday, January 29, 2021. Staff has been working with HCD staff in completion and submittal of the application which requires a resolution adopted by the governing authority. Council adoption of the resolution authorizes the submittal of the application and to execute a Standard Agreement with HCD to allow funds to be disbursed. Once awarded, funds must be expended by December 31, 2023.

Awards are anticipated within 60 days of application submittal and another 60 days are granted to execute the Standard Agreement. This noncompetitive grant does not require matching funds from the City. Staff would be able to use funding up to the amount awarded for both staff time and consultant work, if needed. Staff will return to Council to request a budget amendment to recognize grant revenue and corresponding expense following execution of the Standard agreement.

Discussion: The LEAP program provides funds to local jurisdictions throughout the State of California to prepare and adopt planning documents and process improvements that accelerate housing production. Projects eligible for LEAP funding align with the City Housing Element goals to further production of affordable housing. Staff anticipates that the \$65,000 in LEAP

grant funding could augment City funding of the 2021-2029 Cycle 6 Housing Element Update efforts. Specifically, staff proposes to seek consulting services to develop “objective design standards” that can be applied to the affordable housing sites identified in the Housing Element. Policy 3 of Goal C of the 2013-2021 Housing Element calls for the City to review the Zoning Ordinance, permit processes, and development fees to identify and remove potential constraints to the development of a range of housing for all income levels and needs. Once the objective design standards are developed, staff would pursue rezoning of these sites. The City was awarded \$160,000 in SB 2 funding in November 2019 intended to fund environmental review. With the development of multi-family residential objective design standards consistent with the ministerial approval requirements under SB 35 Streamlining provisions and environmental analysis necessary to amend the land use and zoning, the City will create additional vacant land inventory for development of affordable housing by-right at the minimum twenty dwelling units per acre density adequate for anticipated lower income housing need for the 2021-2029 (Cycle 6) Housing Element.

Environmental Review: The actions recommended in this report are exempt from review under the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Sections 15061(b)(3). The actions would initiate a planning process and are not determinative of any specific outcome. Any proposed changes to the Municipal Code or plan adoption resulting from projects proposed from LEAP grant funding would be subject to CEQA public review process prior to Council adoption.

Options:

1. Adopt the resolution as recommended by staff.
2. Do not adopt the resolution and provide additional direction to staff.

Cost: Negligible costs incurred in preparation of the application and associated documents.

Budget Impact: Up to 5% of the grant funding may be used to cover costs.

Recommendation:

1. Authorizing the City Manager to apply to the State Department of Housing and Community Development Department (HCD) for the Local Early Action Planning (LEAP) Grant for Housing Production Grant Program in the amount of \$65,000; and
2. Authorizing the City Manager to execute the standard agreement and any other documentation necessary to secure the award.



M. Cleve Morris, City Manager



Pierre Rivas, Development Services Director

Attachments:

1. Resolution
2. Notice of Funding Availability (NOFA)