Agenda Report

August 17, 2020

TO: Honorable Mayor and City Council

FROM: Planning & Community Development Department

SUBJECT: **AUTHORIZE THE CITY MANAGER OR HIS DESIGNEE TO APPLY FOR AND EXECUTE A GRANT AGREEMENT WITH THE STATE OF CALIFORNIA, DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD) FOR GRANT FUNDING THROUGH THE LOCAL EARLY ACTION PLANNING GRANT PROGRAM (LEAP)**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the recommended action is exempt from review pursuant to the California Environmental Quality Act (CEQA), pursuant to the State CEQA guidelines Section 15061(b)(3); and

2. Adopt a revised resolution authorizing the City Manager or his designee to apply for and submit an application to the State of California, Department of Housing and Community Development (HCD) for $500,000 in grant funding through the Local Early Action Planning Grant Program (LEAP), and if the application is approved, execute a grant agreement with HCD to receive up to $500,000 in grant funding through the Local Early Action Planning Grant Program (LEAP).

BACKGROUND:

The Local Early Action Planning Grant Program (LEAP) is made available pursuant to Chapter 3.1 of the Health and Safety Code (Sections 50515 to 50515.05) (Chapter 159, Statutes of 2019). LEAP provides funding to jurisdictions for the preparation and adoption of planning documents, process improvements that accelerate housing production, and facilitation of compliance in implementing the sixth cycle of the Regional Housing Needs Assessment (RHNA).

The LEAP Grant Program is part of the broader program formerly known as the Local Government Planning Support Grants Program, which was established as part of the

2019-20 Budget Act. The 2019-20 Budget Act provides a spectrum of support, incentives, resources and accountability to meet California's housing goals. The over-arching goals of the Program are to (1) accelerate housing production; and (2) facilitate compliance to implement the sixth cycle of the RHNA.

Eligible activities under the LEAP Grant Program must demonstrate an increase in housing related planning activities and facilitate accelerated housing production. Eligible activities may include a variety of planning documents and processes, including, but not limited to, the following as set forth in Health and Safety Code section 50515.03(c):

- Rezoning and encouraging development by updating planning documents and zoning ordinances, such as General Plans, community plans, specific plans, implementation of sustainable communities' strategies, and local coastal programs;
- Completing environmental clearance to eliminate the need for project-specific review;
- Planning documents to promote development of publicly-owned land, such as partnering with other local entities to identify and prepare excess or surplus property for residential development;
- Developing or improving an accessory dwelling unit ordinance in compliance with Section 65852.2 of the Government Code;
- Planning documents for a smaller geography (less than jurisdiction-wide) with a significant impact on housing production, including an overlay district, project level specific plan, or development standards modifications proposed for significant areas of a locality, such as corridors, downtown or priority growth areas;
- Rezoning to meet requirements pursuant to Gov. Code Section 65583(c)(1), and other rezoning efforts to comply with Housing Element requirements; and
- Preparing and adopting Housing Elements of the General Plan that include an implementation component to facilitate compliance with the sixth cycle RHNA.

Medium localities, such as the City of Pasadena, with a population between 100,000 and 299,999 are eligible to apply for a maximum award amount of $500,000. The City submitted the application for the maximum grant amount on July 1, 2020. The grant funds will be used to update the City's Housing Element and facilitate subsequent implementation programs. The project utilizing this grant funding must be completed by December 31, 2023.

This resolution was adopted by City Council on May 18, 2020 and included with the grant program application. Upon further review by HCD, Section 1 of the adopted Resolution 9783 should be revised to read, "The City Manager is hereby authorized and directed to apply for and submit to the Department the Application package." This revision is required by HCD to meet application requirements.

COUNCIL POLICY CONSIDERATION:

The LEAP Grant Program and the project to be funded by the grant funds support all Housing Element goals and policies intended to address the City's existing and future housing needs (Housing Element Goal HE1, HE-2, HE-3, and HE-4).

ENVIRONMENTAL ANALYSIS:

Adoption of a resolution authorizing the application and subsequent execution of a grant agreement with HCD to receive grand funding for the LEAP Grant Program is covered by the general rule that the California Environmental Quality Act (CEQA) applies only to projects that have the potential for causing a significant effect on the environment in accordance with Section 15061(b)(3) of the Guidelines. Adoption of the resolution does not result in any adverse environmental impacts.

FISCAL IMPACT:

By entering into an agreement with HCD for the LEAP Grant Program, the City may receive $500,000 in grant funding to cover a portion of the costs associated with the update to the City's Housing Element and facilitation of subsequent implementation program that would otherwise utilize General Fund resources. Receipt of the LEAP grant will result in significant cost savings for the City.

Respectfully submitted,

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