



City of Arts & Innovation

# City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: OCTOBER 22, 2024

FROM: COMMUNITY & ECONOMIC DEVELOPMENT      WARDS: ALL  
DEPARTMENT

SUBJECT: ADOPT A RESOLUTION AUTHORIZING ACCEPTANCE OF GRANT AWARD FROM THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS REAP 2.0 HOUSING INFILL ON PUBLIC AND PRIVATE LANDS PILOT PROGRAM GRANT FOR MISSING MIDDLE PROTOTYPE HOUSING PLANS IN THE AMOUNT OF \$500,000

**ISSUE:**

Adopt a Resolution authorizing the acceptance of a grant award from the Southern California Association of Governments Housing Infill on Public and Private lands Pilot Program for the preparation of Missing Middle Prototype Housing plans in the amount of \$500,000.

**RECOMMENDATIONS:**

That the City Council:

1. Adopt a Resolution authorizing the acceptance of a grant award from the Southern California Association of Governments Housing Infill on Public and Private lands (HIPP) pilot program for the preparation of Missing Middle Prototype Housing plans in the amount of \$500,000;
2. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record an increase in revenue and a supplemental appropriation in an amount equal to the grant award in the Grants and Restricted Programs Fund, Housing Infill on Public and Private (HIPP) Pilot Program revenue and expenditure accounts; and
3. Upon grant award, authorize the City Manager, or designee, to execute all grant documents with the Southern California Association of Governments HIPP Pilot Program, including making minor and non-substantive changes.

**BACKGROUND:**

The Regional Early Action Planning Grants of 2021 (REAP 2.0) is a strategic investment program administered by the California Department of Housing and Community Development (HCD) in collaboration with the Governor’s Office of Planning and Research (OPR), the Strategic Growth Council (SGC), and the California Air Resources Board (CARB). REAP 2.0 provides funds to regional governments to accelerate housing production and facilitate compliance with the 6<sup>th</sup> Cycle Housing Element.

In June 2022, the Southern California Association of Governments (SCAG) approved the REAP 2.0 Program Development Framework which outlined the Programs to Accelerate Transformational Housing (PATH) program. The PATH program provides funding for projects which accelerate infill development and facilitate housing supply, choice, and affordability through the Regional Utilities Supporting Housing (RUSH) and Housing Infill on Public and Private Lands (HIPP) pilot programs. The HIPP pilot program allocated approximately \$8,000,000 to be awarded to public agencies which identify projects that either: 1) scale up the development of surplus publicly owned land, or other privately owned land which can be developed with affordable housing; or 2) initiate corridor-wide or area-wide infill housing initiatives.

On July 10, 2023, the City of Riverside applied for \$500,000 through the HIPP pilot program for the Missing Middle Prototype Housing Plans for Infill Housing Sites Project (Attachment 1). In September 2023, SCAG subsequently notified the City that it was conditionally awarded the grant in the amount of \$500,000 (Attachment 2). However, finalization of formal grant awards was delayed significantly due to proposed cuts to the REAP 2.0 program included in the Governor’s 2024 budget proposal. After a successful lobbying campaign by SCAG and other agencies, REAP 2.0 funding was nearly completely restored in the final adopted state budget, and as such formal grant award activities resumed in July 2024.

**DISCUSSION:**

The Missing Middle Prototype Housing Plans for Infill Housing Sites Project (“Project”) seeks to increase housing opportunities at strategic locations throughout the City by incentivizing infill development through preapproved prototype plans catered to a variety of missing middle housing types.

Missing middle housing is generally defined small- to medium-sized residential development in-between detached single-family residences such as those typically found in residential suburbs and high-density apartments such as those typically found in downtown areas. It is characterized as “missing” because it is typically substantially restricted or altogether prohibited by Zoning and other regulations in many modern development codes, and for this and other financial and regulatory reasons is not commonly seen in new residential development. Examples of missing middle housing include duplexes, triplexes, cottage style housing, townhouses, condos, live-work buildings, and courtyard apartments.



Figure 1. Examples of Missing Middle Housing

Image Source: Opticos Design, Inc. ©

The project aims to increase the City’s housing stock and fulfill key objectives outlined in the 6<sup>th</sup> Cycle Housing Element by removing barriers in the permitting process for smaller scale multi-family development (e.g., two to four-unit properties, small cluster development and low-rise apartments) tailored to infill development sites to enrich existing neighborhoods with a broader

range of housing types attainable to middle income households. The project also aims to reduce overall housing costs in the City by increasing the number of housing units available.

The project focuses on a holistic scope of work which includes a robust community engagement plan comprised of two major phases. A professional design consultant will be procured through the City's RFP process to lead both phases, with support from City staff. The first phase will include public outreach, specifically to disadvantaged and historically divested communities, and will also include a Technical Advisory Committee to inform City Staff and a professional design consultant on the various desired housing types, designs and plan configurations. The second phase includes a broad-based information campaign to effectively inform the development community and educate the public about the availability and benefits of prototype missing middle plans. A series of workshops will be conducted to share project outcomes and ideally provide technical assistance for small-scale or first-time developers. The City will solicit and partner with a Consultant through a Request for Proposals (RFP) in the preparation of technical assistance and development of prototype designs informed by community need and the practical realities of infill development.

The proposed project area will focus on High Quality Transit Areas throughout the City including the Magnolia and University Avenue Corridors and priority growth areas identified in the SCAG's [2040 Regional Transportation Plan/Sustainable Communities Strategy \(RTP/SCS\)](#). Originally, the project was envisioned to take place throughout a two-year period; however, due to uncertainty with the State budgets, REAP 2.0 projects are anticipated to be complete by November 2025. It should be noted that this timeline may change as SCAG works with the State legislature to advocate for extending the grant expenditure deadline.

### **STRATEGIC PLAN ALIGNMENT:**

This item contributes to **Strategic Priority 2 – Community Well-Being, Goal 2.1** – Facilitate the development of a quality and diverse housing supply that is available and affordable to a wide range of income levels and **Goal 2.3** – Strengthen neighborhood identities and improve community health and the physical environment through amenities and programs that foster an increased sense of community and enhanced feelings of pride and belonging citywide.

This Project aligns with the following Cross-Cutting Threads:

1. **Community Trust** – The proposed project information is presented at an open public meeting and contains transparent information on City processes and regulations.
2. **Equity** – The proposed project will facilitate a variety of equitable housing options which encourage much needed housing development in the region.
3. **Fiscal Responsibility** – The proposed project will provide \$500,000 as a onetime grant to support the availability of infill housing in the City.
4. **Innovation** – The proposed project incorporates a robust community engagement and technical assistance plan to streamline innovative housing production in strategic locations within the City.
5. **Sustainability & Resiliency** – The proposed project will incentivize development on otherwise vacant residential lots and are environmentally sensitive to surrounding neighborhoods and are consistent with the objectives of the General Plan.

### **FISCAL IMPACT:**

If awarded, the total fiscal impact of this action is an increase in revenue and expenditures of up to \$500,000. No City matching funds are required. Upon City Council approval and grant award,

an increase in revenue in the amount up to \$500,000 will be recorded and an equal amount in expenditures will be appropriated as outlined in the table below:

Fund	Program	Account	Amount
<i>Revenue</i>			
Grants & Restricted Programs	HIPP Pilot Program	9928700 - 334100	\$500,000
	<i>Expenditures</i>		
	HIPP Pilot Program	9928700 - 440210	\$500,000

Prepared by: Matthew Taylor, Principal Planner  
 Approved by: Jennifer A. Lilley, Community & Economic Development Director  
 Certified as to availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer  
 Approved by: Mike Futrell, City Manager  
 Approved as to form: Phaedra A. Norton, City Attorney

- Attachments:
1. Resolution
  2. Housing Infill on Public and Private Lands (HIPP) Pilot Program – Application
  3. SCAG Conditional Award Letter
  4. Presentation