



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MAY 19, 2020

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARDS: ALL
DEPARTMENT

**SUBJECT: ADOPT A RESOLUTION AUTHORIZING THE CITY TO SUBMIT A LOCAL
EARLY ACTION PLANNING GRANT APPLICATION TO THE CALIFORNIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR UP TO
\$750,000– SUPPLEMENTAL APPROPRIATION**

ISSUE:

Adoption of a Resolution authorizing the City Manager, or his designee, to submit and execute a Local Early Action Planning Grant Program application to the California Department of Housing and Community Development for up to \$750,000 to fund planning and policy development projects that streamline housing approvals and accelerate housing production.

RECOMMENDATION:

That the City Council:

1. Adopt the attached Resolution authorizing the City Manager, or his designee, to submit a grant application to the California Department of Housing and Community Development for up to \$750,000 as part of the Local Early Action Planning Program;
2. Approve the two projects identified by staff (Housing Element Update and e-Plan submission software) as part of the grant application;
3. Upon award of the grant, authorize an increase in revenue up to the amount of \$750,000 and a supplemental appropriation in the same amount to be recorded in the Development Grants fund; and
4. Authorize the City Manager, or his designee, to execute the HCD grant application including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction, including, but not limited to agreements, payment requests and so on, which may be necessary to complete grant funded activities.

BACKGROUND:

In the 2019-2020 Budget Act, Governor Newsom allocated \$250 million for all jurisdictions for planning activities that accelerate housing production. The State established the Local Early Action Planning Grant Program (LEAP) to provide one-time grant funding to cities and counties

to update Plans and improve processes to lead to housing production. The funds are also available to assist jurisdictions in meeting the 6th cycle Regional Housing Needs Allocation (RHNA).

The LEAP grants are similar to the Senate Bill 2 (SB2) Planning Grants. The California Department of Housing and Community Development (HCD) authorized up to \$119,000,000 as part of the LEAP Program and on January 27, 2020 issued a Notice of Funding Available (NOFA), allowing “over the counter” allocations to jurisdictions. As a large jurisdiction, the City of Riverside is eligible for up to \$750,000 with projects adopted and completed by December 31, 2023. The application deadline for LEAP grants is July 1, 2020.

As part of the application, a City Council resolution, authorizing the City Manager or his designee to sign and submit a grant application and execute an agreement with HCD when the grant is awarded, is required.

DISCUSSION:

Following collaboration with other City departments, staff identified two potential projects to include in the grant application. The City is eligible to receive \$750,000 and identified the following:

1. *Housing Element Update, Safety Element Update and Environmental Justice Element Preparation - Including Pro-housing policies and Land Use Element Updates - \$600,000*

Funds from the LEAP grant will be used to update the Housing Element, update the Safety Element and develop the Environmental Justice Element. As the Housing Element is updated, State Law requires the Safety Element to be updated. In addition, an Environmental Justice Element will be prepared. The updates must be completed by October 2021.

The grant will be used to expedite these three Element updates. Housing policies will be developed as part of the Housing Element update to allow the City to be eligible for future grant opportunities for affordable and market rate housing. As part of the update, the site inventory from the 5th Cycle Regional Housing Needs Allocation, will be updated. According to the RHNA allocation methodology currently under consideration by SCAG, it is expected that the 6th Cycle Housing Element Rezoning Program will facilitate more than 18,000 additional “by-right” units within the City. As such, the City will explore the possibility of allowing very high density residential housing in the Innovation District.

The LEAP grant will be used to: 1) develop pro-housing policies, 2) update the land use inventory, 3) revise the Housing Element, including ways to expedite high density housing in the Innovation District, 4) complete the CEQA analysis, and 5) conduct the public hearing and ensure adoption by City Council.

2. *e-Plan submission software for Planning – (\$150,000)*

The LEAP grant funds would be used to update the City Planning Division e-Plan submission capabilities. Using the City's current permitting software (POSSE), workflows would be developed for all Planning Entitlements including Conditional Use Permits, Minor Conditional Use Permits, Variances, Design Review, General Plan Amendments, Rezoning, Specific Plan Amendments, etc. to allow applicants to submit plans and make payments on-line to help streamline the process.

Tasks to be completed include evaluate current workflows, identify barriers to an expedited review process, engage key housing developers, establish more streamlined processes, develop the software, test the software and launch to the public.

FISCAL IMPACT:

Upon award and acceptance of the Local Early Action Planning Grant, staff will increase revenue in the Development Grants fund up to the amount of \$750,000 in LEAP grant account number 9341700-334100, and an appropriation of the same amount in the Development Grants fund to LEAP grant expenditure account number 9341700-440210. The LEAP Grant is a reimbursement grant and matching funds are not required for this grant.

Prepared by: David Welch, Community & Economic Development Director
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachment:

1. Resolution
2. Draft LEAP Grant Application
3. Presentation