



Folsom City Council Staff Report

MEETING DATE:	9/24/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11268- A Resolution Authorizing the City Manager to Execute a Memorandum of Understanding Grant Reduction Amendment with SACOG for the Green Means Go Program and Addition of \$15,000 from the City’s Housing Fund to Complete the Mixed-Use and Multifamily Objective Design and Development Standards Project, and Appropriation of Funds
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff respectfully recommends that the City Council Move to approve Resolution No.11268– A Resolution Authorizing the City Manager to Execute a Memorandum of Understanding Grant Reduction Amendment with SACOG for the Green Means Go Program and Addition of \$15,000 from the City’s Housing Fund to Complete the Mixed-Use and Multifamily Objective Design and Development Standards Project, and Appropriation of Funds.

BACKGROUND / ISSUE

The Sacramento Area Council of Governments (SACOG) Green Means Go grant program is designed to fund non-transportation infrastructure and planning that accelerates infill housing within locally adopted Green Zones and supports housing affordability. Eligible project sponsors (i.e., lead applicants) are the 22 cities and six counties within the SACOG region. For the 2022 funding round, the grant program included one early activation grant and three competitive grant categories. The city was successful in obtaining four grant awards under several categories and on April 25, 2023, the City Council approved Resolution 11027 accepting the four awarded Green Means Go grants. None of the grant awards required a city match.

One of the grants awarded by SACOG was a Green Means Go Planning Grant in the amount of \$243,000 for the development of Objective Design and Developments Standards for Mixed-

use and Multifamily Housing, and on July 5, 2023, the city entered in a consultant and professional services with Opticos Design. Inc to carry out this work.

In January of this year, the Governor released a draft state budget which proposed rescinding \$300 million (half of the original \$600 million) for the statewide Regional Early Action Planning (REAP) 2.0 grant program, which is the funding source for the SACOG Green Means Go program awards. In response to this unprecedented retraction in fully committed funding for the REAP 2.0 grant program, SACOG and other regional agencies began a campaign to urge the Legislature to reject the \$300 million cut to the REAP 2.0, highlighting that these funds have already been fully committed and are important to achieve the region's climate and affordable housing goals. As a result of these advocacy efforts, the Governor and the Legislature agreed to save most of the original REAP 2.0 budget, and the Governor signed the state budget with \$560 million of the original \$600 million.

The state budget cuts resulted in a six percent reduction in Green Means Go funds creating a gap of approximately \$2 million for regional projects funded by the program. Consequently, on August 14, 2024, the SACOG Board adopted a revised Green Means Go program budget that implements an across-the board 6.2% reduction in all REAP 2.0 expenditures categories. This action reduces the City's \$243,000 Planning Grant to \$228,000, thus leaving a gap of \$15,000 in funding. To make up this funding gap for the development of Objective Design and Developments Standards for Mixed-use and Multifamily Housing, staff recommends that the City Council authorize \$15,000 from the City's housing funds for this qualifying project.

POLICY / RULE

The City Council Adopted Resolution No. 7332 - Financial Policies of the City of Folsom on May 25, 2004. Section D - Intergovernmental Revenues, Paragraph C - Grant Project Resolutions states, "All grants received from the Federal or State government for operating or capital purposes shall be recognized in separate grant project resolutions. A balanced grant project resolution must be adopted prior to beginning the project."

ANALYSIS

State legislation, including Senate Bill 330 (2019) and Senate Bill 8 (2021) require that jurisdictions conduct design review for all residential projects, especially for multi-family development, using objective design standards. To ensure high quality design for new residential development, the City executed a Professional Services Agreement with Opticos for the development of the Objective Design and Development Standards.

Additionally, the development of Objective Design and Development Standards (ODDS) for multi-family and mixed-use development is consistent with the following Housing Element Policies and Implementation Programs:

Policy H-2.5 Objective Standards

The City shall endeavor through its development and design standards and decision making to provide consistent and predictable policy direction based on objective standards for multi-family residential project applicants.

Implementation Program H-3: Standards for Transit Oriented Development

The City shall establish development standards for transit-oriented development located within SACOG Transit Priority Areas as part of the comprehensive zoning code update. Development standards should promote sustainable land use practices that reduce vehicle trips and should allow for mixed-use developments as well as stand-alone residential. In addition, the City shall provide for CEQA streamlining consistent with the provisions of SB 375.

Implementation Program H-8: Objective Design Standards for Multifamily Housing

The City shall rescind the Design Guidelines for Multifamily Development upon adoption of the Housing Element and shall adopt objective design standards for multifamily development, as part of the comprehensive zoning code update.

Furthermore, development of the ODDS implements the August 27, 2024-adopted General Plan and Folsom Plan Area Specific Plan amendments (Resolution No. 11251 and Resolution No. 11252) for increased residential capacity and is consistent with City Council direction.

Currently the consultant team has completed the majority of work associated with the ODDS project. However, in order to complete the final tasks (release of public review draft, public meetings/hearing, ODDS adoption, and implementation) staff anticipates that the full contract amount of \$243,000 will be necessary. And, given that adoption the ODDS is consistent with general plan housing element policies and programs, staff is requesting that City Council approve up to \$15,000 from the City’s housing funds to make up the project funding gap and an appropriation of funds. In addition, staff is recommending that the City Council authorize the City Manager to execute a memorandum of understanding agreement amendment with SACOG for the Green Means Go Program that reflects the reduced grant amount of \$228,000 and includes the addition of \$15,000 from the City’s housing funds for the development of objective design and development standards.

FINANCIAL IMPACT

Funds are currently available in the Folsom Housing Fund (Fund 238) in an amount of \$15,000 to cover the funding gap created as a result of the Green Means Go Planning Grant award reduction from \$243,000 to \$228,000, however an appropriation will be required to ensure that the project does not impact the City’s General Fund.

ENVIRONMENTAL REVIEW

Implementation of the grant does not meet the CEQA definition of a project and as a result this action is exempt from environmental review. The adoption of the associated objective design and development standards will be required to include environmental review and thus prior to their adoption an environmental review will be conducted

ATTACHMENT

Resolution No.11268– A Resolution Authorizing the City Manager to Execute a Memorandum of Understanding Grant Reduction Amendment with SACOG for the Green Means Go Program and Addition of \$15,000 from the City’s Housing Fund to Complete the Mixed-Use and Multifamily Objective Design and Development Standards Project, and Appropriation of Funds

Submitted,

A handwritten signature in blue ink, appearing to read "Pam Johns", with a long horizontal flourish extending to the right.

Pam Johns, Community Development Director

RESOLUTION NO. 11268

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING GRANT REDUCTION AMENDMENT WITH SACOG FOR THE GREEN MEANS GO PROGRAM AND ADDITION OF \$15,000 FROM THE CITY'S HOUSING FUND TO COMPLETE THE MIXED-USE AND MULTIFAMILY OBJECTIVE DESIGN AND DEVELOPMENT STANDARDS PROJECT, AND APPROPRIATION OF FUNDS

WHEREAS, the Sacramento Area Council of Governments (SACOG) 2022 Green Means Go grant program is designed to fund non-transportation infrastructure and planning that accelerates infill housing within locally adopted Green Zones and supports housing affordability; and

WHEREAS, eligible project sponsors (i.e., lead applicants) are the 22 cities and six counties within the SACOG region; and

WHEREAS, for the 2022 funding round, the grant program included three competitive grant categories associated with this funding: Early Activation, Planning, and Capital; and

WHEREAS, on October 25, 2022, the City Council approved Resolution No. 10937 authorizing Green Means Go grant applications under the Planning and Capital categories including a \$243,000 Planning Category Grant for the development of Multi-Family and Mixed-Use Objective Design and Development Standards; and

WHEREAS, under Resolution No. 11027, the City Council approved the acceptance of four grant awards from the SACOG Green Means Go Grant including a grant in the amount of \$243,000 for the Multi-Family and Mixed-Use Objective Design and Development Standards project; and

WHEREAS, in 2024 state budget cuts resulted in a six percent reduction in Green Means Go funds creating a gap of approximately \$2 million for regional projects funded by the program; and

WHEREAS, on August 14, 2024, the SACOG Board responded to the state budget cuts and adopted a revised Green Means Go program budget that implements an across-the board 6.2% reduction in all REAP 2 expenditures categories; and

WHEREAS, the revised Green Means Go program budget, reduces the City's \$243,000 Green Means Go Planning Grant to \$228,000, thus leaving a gap of \$15,000 in funding for the of Multi-Family and Mixed-Use Objective Design and Development Standards project; and

WHEREAS, State legislation, requires that jurisdictions conduct design review for all residential projects, especially for multi-family development, using objective design standards; and

WHEREAS, the development of multi-family and mixed-use objective design and development standards is consistent with Housing Element policies and program; and

WHEREAS, funding for the \$15,000 funding gap for the Multi-Family and Mixed-Use Objective Design and Development Standards project is available from the City’s Housing Fund (Fund 238).

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Folsom that the City Council does hereby approve the use of housing funds for the of Multi-Family and Mixed-Use Objective Design and Development Standards project to cover the \$15,000 funding gap resulting from the SACOG board action that reduced the City’s \$243,000 Green Means Go Planning Grant to \$228,000.

BE IT FURTHER RESOLVED that the City Manager is authorized to execute a Memorandum of Understanding Grant Reduction Amendment with SACOG for the Green Means Go Program and other related documents, consistent with and in furtherance of this Resolution.

BE IT FURTHER RESOLVED that the Finance Director is directed to appropriate up to \$15,000 from the City’s Housing Fund (Fund 238) to complete the Multi-Family and Mixed-Use Objective Design and Development Standards project.

PASSED AND ADOPTED this 24th day of September 2024, by the following roll-call vote:

- AYES:** Councilmember(s):
- NOES:** Councilmember(s):
- ABSENT:** Councilmember(s):
- ABSTAIN:** Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK