



Folsom City Council Staff Report

MEETING DATE:	8/25/2020
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10511 - A Resolution Authorizing the City Manager to Execute an Agreement to Accept Grant Funds for the Housing Element Update
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends that City Council approve Resolution No. 10511 - A Resolution Authorizing the City Manager to Execute an Agreement to Accept Grant Funds for the Housing Element Update.

BACKGROUND / ISSUE

In the 2019-20 Budget Act, Governor Gavin Newsom allocated \$250 million for all regions, cities, and counties to do their part by prioritizing planning activities that accelerate housing production to meet identified needs of every community. With this allocation, the state Department of Housing and Community Development (HCD) established the Regional Early Action Planning Grant Program (REAP) with \$125 million to regions. REAP provides one-time grant funding to regional governments and regional entities for planning activities that will accelerate housing production and facilitate compliance in implementing the sixth cycle of the Regional Housing Needs Allocation (RHNA).

The Sacramento Area Council of Governments (SACOG) is eligible to receive \$6,612,880 in REAP funds to address the greater Sacramento region's unique housing priorities and planning needs. In March of this year, the SACOG board recommended approval of a framework for spending an initial 25 percent of the REAP funds using an early access option provided by the state. These early funds will provide a formula allocation directly to local agencies for housing element updates or other planning projects related to housing.

The City's allocation from this initial portion of REAP funds is \$41,000 and is explicitly for use on our Housing Element update. A second direct allocation of \$90,000 to the City will occur early next year. The second allocation will be more flexible, but explicitly not to be used for housing element updates and will require a separate agreement.

POLICY / RULE

This grant acceptance requires City Council approval.

ANALYSIS

The City's current Housing Element was adopted in August 2013 and covers the January 1, 2013 through October 31, 2021 planning period. The upcoming sixth cycle Housing Element will cover the 2021 through 2029 planning period and will reassess the community's housing-related goals and objectives, while addressing issues and establishing objectives with respect to a wide range of possible housing related programs.

The sixth cycle Housing Element presents several new challenges for the City in terms of meeting an increased Regional Housing Needs Assessment (RHNA) and navigating new state laws pertaining to housing. Since February of this year staff and the consultant, Ascent Environmental, have been working diligently on the Housing Element Update. Staff and the consultant team have been quantifying existing sites/opportunities for higher density housing, as well as identifying potential new sites for consideration of zoning for higher density housing to meet the state requirements. In addition, we have also met with numerous property owners and other stakeholders in the community through focus groups and interviews to better understand affordable housing issues and to discuss potential strategies to meet the City's RHNA for this sixth cycle Housing Element.

Because the REAP Grant funds are retroactive, acceptance of the \$41,000 REAP funds allows the City to recover eligible costs associated with Housing Element update activities that have taken place between October 1, 2019 and June 30, 2020.

FINANCIAL IMPACT

There is no General Fund fiscal impact associated with this grant. This first allocation of the Regional Early Action Planning Grants Program funding award is \$41,000 and does not require a financial match. The City Council previously appropriated \$158,153 of Community Housing Fund (Fund 238) for the Housing Element Update. The funds provided by this grant will be used to offset the amount of Community Housing Funds needed to complete the City's Housing Element Update.

ENVIRONMENTAL REVIEW

The grant acceptance is not considered a project under the California Environment Quality Act (CEQA) in accordance with CEQA Guidelines Section 15061(b)(3). As a result, these actions are exempt from environmental review. The Housing Element Update itself will be required to include environmental review and thus prior to adoption of the updated Housing Element, environmental review will be conducted and the appropriate environmental document prepared.

ATTACHMENTS

1. Resolution No. 10511 - A Resolution Authorizing the City Manager to Execute an Agreement to Accept Grant Funds for the Housing Element Update

Submitted,



Pam Johns, Community Development Director

Attachment 1

Resolution No. 10511 - A Resolution Authorizing the City Manager to Execute an Agreement to Accept Grant Funds for the Housing Element Update

RESOLUTION NO. 10511

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT TO ACCEPT GRANT FUNDS FOR THE HOUSING ELEMENT UPDATE

WHEREAS, the State 2019-20 Budget Act allocated \$250 million for all California regions, cities, and counties to do their part by prioritizing planning activities that accelerate housing production to meet identified needs of every community; and

WHEREAS, the state Department of Housing and Community Development (HCD) established the Regional Early Action Planning Grant Program (REAP) to provide one-time grant funding to regional governments and regional entities for planning activities that will accelerate housing production and facilitate compliance in implementing the sixth cycle of the Regional Housing Needs Allocation (RHNA); and

WHEREAS, the Sacramento Area Council of Governments (SACOG) is eligible to receive \$6,612,880 in REAP funds to address the greater Sacramento region's unique housing priorities and planning needs; and

WHEREAS, SACOG received an advance allocation of REAP funds to provide direct allocations to local agencies for housing element updates or other planning projects related to housing; and

WHEREAS, the City's formula allocation of REAP funds is \$41,000 for eligible Housing Element update activities.

NOW, THEREFORE, BE IT RESOLVED that the City Manager is hereby authorized to accept the Sacramento Area Council of Governments Regional Early Action Planning Grant for eligible Housing Element Update activities.

BE IT FURTHER RESOLVED that the City Manager is authorized to execute all documents, agreements, amendments and payment requests for the purposes of accepting and fulfilling the requirements of the Sacramento Area Council of Governments Regional Early Action Planning Grant.

PASSED AND ADOPTED this 25th day of August, 2020, by the following roll-call vote:

AYES: Council Member(s):
NOES: Council Member(s):
ABSENT: Council Member(s):
ABSTAIN: Council Member(s):

Sarah Aquino, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK