



Folsom City Council Staff Report

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| MEETING DATE: | 5/14/2024 |
| AGENDA SECTION: | Consent Calendar |
| SUBJECT: | Resolution No. 11193 - A Resolution Authorizing the City Manager to Appropriate Funds for the Local Early Action Planning Grant for Additional Permit Center Expenditures |
| FROM: | Community Development Department |

RECOMMENDATION / CITY COUNCIL ACTION

Move to adopt Resolution No. 11193 - A Resolution Authorizing the City Manager to Appropriate Funds for the Local Early Action Planning Grant for Additional Permit Center Expenditures

BACKGROUND / ISSUE

In 2017, Governor Brown signed a 15-bill housing package aimed at addressing the state's housing shortage and high housing costs. Specifically, it included the Building Homes and Jobs Act (SB 2, 2017), which establishes a \$75 recording fee on real estate documents to increase the supply of affordable homes in California. The first year, those collected revenues were used equally to create State-administered Planning Grants Program. In 2019, Folsom received \$310,000 in SB 2 Planning Grants Program (PGP) Funds for physical construction of a state-of-the-art permit counter, including technology for streamlined processes and access to information, as well as physical improvements to the Community Development Department Permit Center.

Planned Permit Center improvements were put on pause during the pandemic, but some of the grant funds were utilized to support and enhance electronic permitting and plan check. The original design was modified to reflect changes to our permit and plan check systems, customer behaviors, and desire for safety glass to improve security and airborne viruses. In 2022, construction drawings were prepared for the post-pandemic design and put out to bid but all bids were well over budget and bids were rejected by City Council resolution. Staff worked on modifications to further reduce costs and identified additional grant award funding for this qualifying project.

That additional grant, Local Early Action Planning (LEAP) Grants Program, had the same SB2 funding source for purposes of technical assistance, preparation and adoption of planning documents, and process improvements to accelerate housing production and facilitate compliance to implement the sixth cycle of the regional housing needs assessment. Folsom received LEAP grant funding of \$300,000 in 2020 for several distinct projects and tasks with consultant expertise and technology enhancements to serve the Folsom community and to advance program housing goals. While many of the projects were completed using grant funds during the pandemic, some of the projects were delayed, cancelled, or converted to alternative funding sources. With the grant expenditure deadline of September 30, 2023 for both PGP and LEAP grants, staff requested and received approval from the State to convert approximately \$150,000 in LEAP grant funds for purposes of completing the PGP funded Permit Center project.

With additional funding identified, the Permit Center project was rebid and City Council approved Resolution 11052 on June 13, 2023 authorizing the City Manager to execute a construction agreement with RBH Construction for the Permit Center project with appropriation of funds (\$367,549). That appropriation of funds for construction and contingency included the remainder of PGP grant funds, a portion of the re-allocated LEAP grant funds, and approximately \$30,000 in general fund dollars for the safety glass at the permit counter. The permit counter project was completed earlier this year within budget including the contingency. However, additional expenses totaling \$52,824 were paid out of the Community Development Department FY23-24 operational budget for equipment and furnishings that qualify for additional re-allocated LEAP grant reimbursement. Since those additional LEAP grant funds were not previously appropriated with the construction contract, this request is to appropriate those funds so that the Community Development Department operational budget can be made whole with grant reimbursement paid to the general fund.

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

In 2023, the State Housing and Community Development Department approved a re-allocation of approximately \$150,000 of Folsom's LEAP grant funding award of \$300,000 for qualifying expenses associated with the Community Development Department Permit Center project. A portion of those re-allocated funds were previously appropriated as part of the City Council Resolution 11052 approving the construction contract with RBH Construction for the Permit Center. However, the Community Development Department incurred additional expenses totaling \$52,823.97 for LEAP grant qualified expenses that were paid out of the department operational budget in this current fiscal year. City Council appropriation of funds is required to move the grant reimbursement from the general fund to the department's operational budget.

A summary of qualifying expenses paid from Community Development operational budgets in the current fiscal year are listed below.

| Vendor/Contractor | Description | Amount |
|-----------------------------|---------------------------|---------------|
| PWC Architects | Contractor bid reviews | \$2,885.00 |
| Jamesville Office Furniture | Staff cubicles | \$16,477.80 |
| Geo Con | | \$2442.50 |
| Bell Hardware | | \$6,056.45 |
| Home Depot | | \$283.38 |
| Wayfair | Lobby/Conf Room Furniture | \$3,950.98 |
| Wayfair | Lobby/Conf Room Furniture | \$955.28 |
| Ashley | Lobby/Conf Room Furniture | \$447.85 |
| Hanger Frames | Frames for artwork | \$180.00 |
| IKEA | Frames for artwork | \$316.00 |
| Amazon | | \$278.94 |
| Ultralink | | \$6,356.67 |
| Dell | | \$11,899.37 |
| VIVYX Printing | Photo/Rendering Prints | \$293.75 |
| | Total | \$52,823.97 |

The reimbursement requests have been submitted to the State for the total amount and those funds will be deposited in the general fund. Community Development Department operational funds are needed for annual and one-time hardware, software, and departmental supplies to be within allocated budget amounts.

FINANCIAL IMPACT

The Local Early Action Planning (LEAP) Grants Program award total was \$300,000 and does not require a financial match. All grant funds were required to be fully expended by September 30, 2024. An additional appropriation of \$52,823.97 is required to utilize the LEAP Program grant funds for the additional expenses incurred for the Permit Center improvements.

ENVIRONMENTAL REVIEW

Implementation of the grant does not meet the CEQA definition of a project and as a result, no further environmental analysis would be required.

ATTACHMENT

Resolution No. 11193 - A Resolution Authorizing the City Manager to Appropriate Funds for the Local Early Action Planning Grant for Additional Permit Center Expenditures

Submitted,

A handwritten signature in blue ink, appearing to be 'Pam Johns', with a long horizontal line extending to the right.

Pam Johns, COMMUNITY DEVELOPMENT DIRECTOR

RESOLUTION NO. 11193

A RESOLUTION AUTHORIZING THE CITY MANAGER TO APPROPRIATE FUNDS FOR THE LOCAL EARLY ACTION PLANNING GRANT FOR ADDITIONAL PERMIT CENTER EXPENDITURES

WHEREAS, the City applied for and received grant funding for a comprehensive update the Community Development Department Permit Center; and

WHEREAS, in 2019, Folsom received \$310,000 in SB 2 Planning Grants Program (PGP) funds for physical construction of a state-of-the-art permit counter, including technology for streamlined processes and access to information, as well as physical improvements to the Community Development Department Permit Center; and

WHEREAS, in 2020, Folsom received \$300,000 in SB2 Local Early Action Planning (LEAP) funds for several distinct projects and tasks with consultant expertise and technology enhancements to serve the Folsom community and to advance program housing goals.; and

WHEREAS, planned Permit Center improvements were put on pause during the COVID-19 pandemic and redesigned or repurposed in response to changed conditions; and

WHEREAS, State Housing and Community Development Department approved reallocation of approximately \$150,000 of the \$300,000 LEAP grant funds for the Permit Center construction and improvements; and

WHEREAS, City Council approved Resolution 11052 authorizing the City Manager to execute a construction agreement with RBH Construction for the Permit Center project with appropriation of funds totaling \$367,549 for construction and contingency; and

WHEREAS, the Community Development Department incurred additional expenses totaling \$52,824 from the department's FY23-24 operational budget for equipment and furnishings that qualify for reimbursement from the re-allocated LEAP grant funds; and

WHEREAS, the remaining LEAP grant funds available for reimbursement have not been appropriated in the general fund for the qualifying expenses totaling \$52,823.97; and

WHEREAS, the Permit Center project is complete, and the final LEAP grant reimbursement request has been submitted for deposit; and

WHEREAS, the PGP and LEAP grant and reimbursement agreements were executed in form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the Finance Director to increase revenue estimates and appropriations by \$52,823.97 in the General Fund (Fund 010) for the Local Early Action Planning Grant for additional Permit Center expenditures.

PASSED AND ADOPTED this 14th day of May, 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