



# City of Santa Clara

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## Agenda Report

20-382

Agenda Date: 6/9/2020

### REPORT TO COUNCIL

#### SUBJECT

Authorization of Application and Receipt of Grant Funds for the Local Early Action Planning (LEAP) Grant Program Issued by the California Department of Housing and Community Development [Council Pillar: Promote and Enhance Economic, Housing and Transportation Development]

#### BACKGROUND

The City of Santa Clara is eligible to apply to the State of California Housing and Community Development Department for a grant under the Local Early Action Planning (LEAP) grant program. LEAP provides one-time grant funding to cities and counties to update their planning documents and implement process improvements that will facilitate the acceleration of housing production and help local governments prepare for their 6th cycle Regional Housing Needs Assessment (RHNA). The amount of funding available to a jurisdiction depends upon its population, and the City of Santa Clara is eligible to receive up to \$500,000. Adoption of a resolution by the City Council is required by the California Housing and Community Development Department as part of the grant application and award process.

Eligible funded activities may include updates to general plans, specific plans, or local planning related to implementation of sustainable communities' strategies; updates to zoning ordinances; environmental analyses that eliminate the need for project-specific review; and temporary staffing assistance associated with pro-housing activities.

#### DISCUSSION

Staff is requesting City Council adoption of a resolution to support the City's application for a LEAP grant of \$500,000 from the State. This funding would support preparation of the update to the City's Housing Element, and to make other associated changes to the City's General Plan, as required by State law. Approximately \$300,000 is proposed to be allotted to consultant services required for the preparation of the Housing Element Update. The grant application is also expected to include staffing assistance for a planner (one FTE for a one-year period) to assist with the creation of an inventory of qualified housing sites and pro-housing policies to complete the Housing Element update. The cost of that level of staffing assistance is approximately \$200,000, including benefits and supplies.

State law requires that the City maintain a Housing Element as a component of its General Plan and to update the Housing Element at specified points in time. The Housing Element is a foundational policy document for the creation of new and affordable housing within the City and was last updated in 2014. The City is required to adopt its next Housing Element in 2023. In order for the City to receive State certification of its Housing Element it must meet several criteria, including demonstrating capacity for the City to fulfill its RHNA targets for production of housing at specified levels of affordability during the 8-year Housing Element period.

Over the last five years, through the implementation of the current General Plan Housing Element the City has approved over 4,200 housing units, averaging more than 800 units per year. Compared to prior time periods the City has been able to significantly increase its housing production through implementation of the General Plan vision to provide housing opportunities within identified Focus Areas, especially along El Camino and through the conversion of industrial areas north of the Caltrain line into new urban neighborhoods. The 2014 Housing Element update identified these areas (Lawrence Station, Tasman East, and the El Camino corridor) as Housing Opportunity sites. While housing production was slowed by the 2009 recession and legal challenges to affordability inclusionary requirements, the City is meeting its current RHNA targets for above-moderate income housing and is on pace to meet its moderate housing target as well. Additional effort is needed for the City, like almost all surrounding jurisdictions, to meet its RHNA allocations for low and very-low income housing.

Since 2014 the State, in response to continuing housing shortages, has adopted more stringent requirements for the preparation of Housing Elements, including requirements for the local jurisdiction to take proactive steps to identify and zone new locations for housing growth. The City's updated Housing Element will need to include a new inventory of Housing Opportunity sites, consistent with the current requirements of State law, as well as updated goals and policies to promote new housing production and to affirmatively further the provision of Fair Housing.

### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" within the meaning of California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

### **FISCAL IMPACT**

There is no additional cost to the City other than administrative staff time and expense for the preparation and submission of the grant application. Following the award announcement in Spring 2020 and should the City receive the grant award, staff will return to Council to recommend a Budget Amendment in order to appropriate funds.

### **COORDINATION**

This report has been coordinated with the Finance Department and City Attorney's Office.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <mailto:clerk@santaclaraca.gov>.

**RECOMMENDATION**

Adopt a resolution authorizing the City Manager or designee to apply for grant funding from the California Department of Housing and Community Development (HCD) to facilitate the update the Housing Element of the General Plan and authorizing the City Manager or designee to negotiate and execute all documents required to accept the grant funds.

Reviewed by: Andrew Crabtree, Director of Community Development

Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. LEAP grant resolution