RESOLUTION NO. 2020-58

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA AUTHORIZING APPLICATION FOR, AND RECEIPT OF, LOCAL GOVERNMENT PLANNING SUPPORT GRANT PROGRAM FUNDS TO SUPPORT THE ENVIRONMENTAL IMPACT REPORT FOR THE DOWNTOWN VITALIZATION SPECIFIC PLAN WITH ANY REMAINING FUNDS TO BE USED TOWARD GENERAL PLAN PHASE ONE UPDATES OR THE ADOPTION OF AN ORDINANCE REGULATING ACCESSORY DWELLING UNITS.

WHEREAS, pursuant to Health and Safety Code 50515 et. Seq, the Department of Housing and Community Development (HCD) is authorized to issue a Notice of Funding Availability (NOFA) as part of the Local Government Planning Support Grants Program (hereinafter referred to by the Department as the Local Early Action Planning Grants program or LEAP); and

WHEREAS, the City Council of the City of Marina desires to submit a LEAP grant application package ("Application"), on the forms provided by HCD, for approval of grant funding for projects that assist in the preparation and adoption of planning documents and process improvements that accelerate housing production and facilitate compliance to implement the sixth cycle of the regional housing need assessment; and

WHEREAS, HCD has issued a NOFA and Application on January 27, 2020 in the amount of $119,040,000 for assistance to all California Jurisdictions;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Marina ("the Applicant") as follows:

SECTION 1. The City Manager or his designee is hereby authorized and directed to apply for and submit to HCD the Application package;

SECTION 2. In connection with the LEAP grant, if the Application is approved by the HCD, the City Manager of the City of Marina or his designee is authorized to submit the Application, enter into, execute, and deliver on behalf of the Applicant, a State of California Agreement (Standard Agreement) for the amount of $150,000, and any and all other documents required or deemed necessary or appropriate to evidence and secure the LEAP grant, the Applicant's obligations related thereto, and all amendments thereto; and

SECTION 3. The Applicant shall be subject to the terms and conditions as specified in the NOFA, and the Standard Agreement provided by HCD after approval. The Application and any and all accompanying documents are incorporated in full as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the Application will be enforceable through the fully executed Standard Agreement. Pursuant to the NOFA and in conjunction with the terms of the Standard Agreement, the Applicant hereby agrees to use the funds for eligible uses and allowable expenditures in the manner presented and specifically identified in the approved Application.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on this 2nd day of June 2020 by the following vote:

AYES, COUNCIL MEMBERS: Berkley, Urrutia, O'Connell, Morton, Delgado
NOES, COUNCIL MEMBERS: None
ABSENT, COUNCIL MEMBERS: None
ABSTAIN, COUNCIL MEMBERS: None

Bruce Delgado, Mayor

ATTEST:

Anita Sharp, Deputy City Clerk

May 29, 2020 Item No. **8f(4)**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting of
June 2, 2020

CITY COUNCIL TO CONSIDER ADOPTING RESOLUTION NO. 2020-, AUTHORIZING APPLICATION FOR, AND RECEIPT OF, LOCAL GOVERNMENT PLANNING SUPPORT GRANT PROGRAM FUNDS TO SUPPORT THE ENVIRONMENTAL IMPACT REPORT FOR THE DOWNTOWN VITALIZATION SPECIFIC PLAN WITH ANY REMAINING FUNDS TO BE USED TOWARD GENERAL PLAN PHASE ONE UPDATES OR THE ADOPTION OF AN ORDINANCE REGULATING ACCESSORY DWELLING UNITS.

REQUEST:

It is recommended that the City Council direct staff to submit an application to the State of California Local Early Action Program (LEAP) Planning Grant Program to contribute funding towards the City's Downtown Vitalization Specific Plan.

BACKGROUND:

The Local Early Action Planning Grants Program (LEAP or Program) is part of the broader program known as the Local Government Planning Support Grants Program, which was established as part of the State of California 2019-20 Budget Act. The 2019-20 Budget Act provides a spectrum of support, incentives, resources, and accountability to meet California's housing goals. Some specific elements include:

- Planning support (local and regional planning grants)
- Incentives (pro-housing preference and infill incentive grants)
- Funding resources
- Accountability (penalties for noncompliant housing plans)
- Reform (collaborative processes to reform regional housing needs)

The Local Government Planning Support Grants Program provides one-time grant funding to regions and jurisdictions for technical assistance, preparation, and adoption of planning documents and process improvements. The overarching goals of the program are to (1) accelerate housing production and (2) facilitate implementation of the sixth cycle of the Regional Housing Needs Assessment (RHNA).

Local jurisdictions are eligible for this funding, with the funding amount based on the population of the jurisdiction. This is a non-competitive grant and upon submittal of a complete application, the City of Marina will be eligible for a $150,000 reimbursable grant. No matching funds are required for this grant program.

ANALYSIS:

A variety of planning activities are eligible for funding under the LEAP grant, including planning document updates and the creation of new documents. The grant activities must demonstrate an increase in housing-related planning actions and facilitate accelerated housing production. The grant application lists one such supported activity as "Rezoning and encouraging development by updating planning documents and zoning ordinances such as general plans, community plans, specific plans, implementation of sustainable communities' strategies, and local coastal programs."

The Downtown Vitalization Specific Plan (DVSP) will rezone approximately 320 acres of land in central Marina, allowing for greater residential densities in the proposed core, transition, and multifamily residential zoning districts. The number of housing units anticipated in a rezoned downtown would be about double the number of units there now. In response to CA SB 743, the California Natural Resources Agency in 2019 finalized updates to CEQA Guidelines requiring lead agencies to analyze the impacts of a project on regional vehicle miles traveled (VMT) instead of level of service (LOS). Beginning September 15, 2020, all lead agencies statewide will be required to abide by the new CEQA Guidelines. LEAP funding would be used to cover the costs of conducting a VMT analysis for the DVSP.

Since the VMT analysis is expected to cost less than the $150,000 funding provided by the LEAP grant, staff will include two additional potential projects in the grant application to the State. This ensures that the City will use all of its grant funding and provides flexibility for project implementation. Additional projects include phase one updates to the General Plan and the development of an ordinance regulating accessory dwelling units. Each of these projects would be appropriate for LEAP funding in that they promote the development of affordable housing and facilitate accelerating housing production.

FISCAL IMPACT:

Based on staff's experience with projects similar in scale and scope, the preliminary estimated costs for the VMT analysis is approximately $40,000. This estimate assumes outsourcing work to a qualified consultant, with contract management and oversight undertaken by the City's Planning Division staff. Final costs will be dependent on responses to a project request for proposals issued by the Community Development Department.

Phase one updates to the General Plan are expected to cost more than the remainder of the funding available through the LEAP grant. The City would be solely responsible for covering any project costs above and beyond available grant funding.

Of note, the City would be responsible for outlaying funds for the entire project up front, receiving reimbursement from HCD on a quarterly basis up to the maximum grant amount of $150,000. This may result in a request for a mid-year budget adjustment from the Community Development Department, depending on the amount of consultant funds available in the Department's budget at the time of grant award. Grant funds must be completely expended by December 31, 2023.

CEQA IMPACT:

A grant application is not considered a project under CEQA and is therefore exempt from CEQA review. Future modifications to policy documents would have separate CEQA analyses.

CONCLUSION:

This request is submitted for City Council consideration and possible action.

REVIEWED/CONCUR:

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J. Fred Aegerter
Community Development Director
City of Marina

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Layne P. Long
City Manager
City of Marina