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Staff Report for a City of San Leandro City Council Resolution Authorizing the Submittal of an Application for Local Early Action Planning (LEAP) Grants Program Funds (for Housing Element Preparation and Related Activities)

SUMMARY AND RECOMMENDATIONS

Staff recommends the City Council adopt a resolution authorizing the City Manager to:

1. Apply for and submit to the California Department of Housing and Community Development (HCD) a LEAP grant application package for approval of grant funding to support activities related to compliance with the sixth cycle of the Regional Housing Needs Assessment (RHNA), which will likely include preparation of a sites inventory, comprehensive housing element update, related rezoning, and CEQA documentation; and
2. If the Application is approved by HCD, authorize the City Manager, or his designee, to enter into, execute, and deliver on behalf of the City, a State of California Agreement (“Standard Agreement”) for up to \$300,000.

Background

On January 27, 2020, the California Department of Housing and Community Development (HCD) released a Notice of Funding Availability (NOFA) for approximately \$119 million as part of the Local Early Action Planning Grants (LEAP) Program. Similar to the \$310,000 SB 2 Planning Grant, which the City was awarded in January 2020, LEAP provides support to jurisdictions to engage in planning activities that will accelerate housing production. The LEAP program provides a maximum grant allowance based on population size. The City of San Leandro falls within the medium size category, which is eligible for up to \$300,000 in grant funding. The LEAP Program provides one-time grant

funding to regions and jurisdictions for technical assistance, preparation and adoption of planning documents, and process improvements. The over-arching goals of the Program are to accelerate housing production and facilitate compliance to implement the sixth cycle of the Regional Housing Needs Assessment (RHNA).

LEAP grant applications are due by July 1, 2020 and funds must be expended by December 31, 2023.

Analysis

The current, fifth-cycle RHNA runs from 2015 to 2023. The sixth-cycle RHNA is expected to be released by the state in the spring and the Bay Area RHNA is expected to distribute to municipalities significantly higher housing needs (~200-300 percent) than previous cycles based on new state housing laws and the allocations released to the Southern California Councils of Governments (COGs), which receive allocations ahead of the Bay Area.

While the sixth cycle RHNA does not take effect until 2024, planning activities should begin well in advance given the effort that will be required to meet updated State housing laws. The regional RHNA numbers are anticipated in late Spring 2020 and draft allocations to individual jurisdictions are expected in early 2021. Housing Elements must be submitted to HCD by December 2022.

Staff recommends requesting the full \$300,000 in LEAP grant funds to support the state-mandated Housing Element update and other activities related to compliance with the sixth cycle RHNA, which will likely include rezoning land, policy preparation, and appropriate California Environmental Quality Act (CEQA) documentation. The current Housing Element update was adopted by the City Council in early 2015.

Environmental Review

There is no environmental review required to apply for and receive a LEAP grant.

Fiscal Impacts

There is no fiscal impact on the General Fund associated with this item. The LEAP program does not require a local financial commitment or “match” from local jurisdictions requesting grant funds. City staff time required for administering the grant applications and managing the projects funded by the grant would be absorbed as part of the City’s budget. Up to 5% of the grant may be used to cover administrative support for the grant application.

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