



CITY OF SAN MATEO

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Agenda Report

Agenda Number: {{item.number}}

Section Name: {{section.name}}

File ID: {{item.tracking_number}}

TO: City Council
FROM: Drew Corbett, City Manager
PREPARED BY: Community Development Department
MEETING DATE: June 15, 2020
SUBJECT:
Local Early Action Planning Grants Program – Application

RECOMMENDATION:

Adopt a Resolution to authorize the application for, receipt of and appropriation of Local Early Action Planning Grants Program funds up to \$500,000 for the preparation and adoption of planning documents to facilitate housing production.

BACKGROUND:

On January 27, 2020, the State Department of Housing and Community Development (Department) released a Notice of Funding Availability (NOFA) for the Local Early Action Planning Grants Program (LEAP). LEAP provides support to jurisdictions for the preparation and adoption of planning documents and process improvements that accelerate housing production and facilitate compliance with the Regional Housing Needs Allocations. The City was awarded a similar SB 2 grant in 2019.

LEAP funding amounts are determined based on population size. Funding for San Mateo is available in the amount of \$500,000 for the preparation of plans, streamlined processes, and ordinance amendments that facilitate the production of housing. Applications will be accepted on a rolling basis through July 1, 2020. In order to apply for the grant, a resolution of authorization is required from the City Council. The resolution of authorization is hereby provided for Council consideration.

DISCUSSION:

For the LEAP grant application, staff proposes a range of planning activities and programs to expand on initiatives already shared with the City Council over the past year. The following planning activities, projects, and programs are aimed at bringing the City into compliance with various State legislation related to reducing housing constraints and facilitating housing production:

1. **Housing Element Update** – The Housing Element of the General Plan is required by State law to be regularly updated and submitted to the State Housing and Community Development Department for certification. New State housing element laws governing Regional Housing Needs Allocation (RHNA) have updated the methodology to determine each region's and jurisdiction's fair share of new housing units. The Bay Area and City of San Mateo RHNA is expected to be much higher than in previous cycles.

While the sixth RHNA cycle does not take effect until 2023, jurisdictions must begin their planning activities, including preparation for a comprehensive update of their Housing Element, far in advance. Final allocations to individual jurisdictions are expected in early 2021, and Housing Elements must be submitted to the HCD by December 2022. Given the extensive changes to RHNA, cities are encouraged to begin their planning for the new RHNA cycle now. The LEAP grant is proposed to fund the sixth cycle update of the Housing Element and any

related costs necessary in order to comply with State law.

2. **Citywide Community Benefits Program Development** – Current General Plan policies provide opportunity for new developments to add additional height, floor area and/or density above the base zoning allowance in exchange for community benefits. The City is currently working on establishing interim community benefit guidelines in order to provide clarity to applicants on community benefits until such time that a more robust community benefits program is established through the General Plan Update process. Establishing a clear Community Benefits Program will encourage housing production by providing clarity for applicants and eliminating the need to identify and debate benefits on a project-by-project basis.
3. **Automated and Mechanical Parking Zoning Ordinance Amendment** – The grant is proposed to support the development of objective standards for automated and mechanical parking, and allow their use in developments; thereby eliminating the requirement for Variance or Special Use. Automated and mechanical parking lifts can reduce costs for infill housing. City staff has initiated this effort; however, additional funding is needed to complete the project.
4. **Downtown Parking Study and Zoning Ordinance Amendment** – A majority of the downtown area is located within a half-mile of high-quality transit and continues to be an area of high interest for prospective housing and mixed-use development. Grant funding would cover the cost of conducting a comprehensive evaluation of downtown parking requirements, including requirements for housing and mixed-use projects located within half-mile of high-quality transit. The grant could also cover costs for the associated zoning ordinance amendments.

The above projects are listed in terms of priority factoring in State requirements, relationship to current GPU effort, and current project status. Staff recommends funding priority as listed above, with the Housing Element Update to be funded first, followed by the Citywide Community Benefits, etc., and is seeking Council feedback on funding prioritization.

Once the City's LEAP application is funded, staff will return to the City Council with final project budget numbers and a recommendation that the City enter into contract with qualified consultants to complete the above activities, projects, and programs.

NEXT STEPS:

Grant funds are distributed on a noncompetitive and reimbursable basis (quarterly). Staff intends to submit the grant application following Council approval of the resolution. HCD anticipates a 60- to 90-day review and approval period for the grant. Staff is estimating 18 to 24 months to complete the project list. It is important to note that the estimated timeframe cannot be predicted with certainty as project timelines may be affected by the public process. LEAP grant applications are due by July 1, 2020, and funds must be expended by December 31, 2023.

BUDGET IMPACT:

If awarded the grant, the \$500,000 in grant funds is expected to offset the total cost for the above list of planning projects with funding to be applied toward consultant services and associated miscellaneous expenses (such as legal advertising, printing, CEQA filing, etc.) first, before staffing costs. The General Plan Maintenance Fund (Fund 25) may also be utilized to cover the remaining costs for consultant services and miscellaneous expenses, if needed.

ENVIRONMENTAL DETERMINATION:

In accordance with CEQA Guidelines Section 15378(b)(4), submitting an application for grant funding is not a project subject to CEQA because it is a funding activity that does not involve commitment to a particular project that will impact the environment.

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

Att 1 – Proposed Resolution

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