

<p style="text-align: center;"><b>City of Visalia</b> <b>Agenda Item Transmittal</b></p>
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**Meeting Date:** 12/21/2020

<p><b>Agenda Item Number (Assigned by City Clerk):</b> 19.</p>
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**Agenda Item Wording:** Authorization for staff to submit a grant proposal associated with the Local Early Action Planning Grants (LEAP) provisions through State of California Housing and Community Development, appropriate funds if grant is awarded (in the amount of the grant), and approval of Resolution No. 2020-70.

**Deadline for Action:** 1/4/2021

**Submitting Department:** Community Development

<p><b>Contact Name and Phone Number:</b></p>
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<p>Paul Bernal, City Planner, <a href="mailto:paul.bernal@visalia.city">paul.bernal@visalia.city</a>, 713-4025;</p>
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<p>Curtis Cannon, Community Development Director, <a href="mailto:curtis.cannon@visalia.city">curtis.cannon@visalia.city</a>, 713-4449</p>
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**Department Recommendation:**

City staff recommends that the City Council approve Resolution No. 2020-70 and authorize the Community Development Department to submit a grant proposal to the California Department of Housing and Community Development for consideration under the Local Early Action Planning Grants Program, to request non-competitive funds for the preparation and adoption of the 2023-2031 Housing Element Update (6th Cycle), Zoning Ordinance update improving the City of Visalia's accessory dwelling unit ordinance in compliance with Section 65852.2 of the Government Code, and update to the City of Visalia's Planned Unit Residential Ordinance.

**Summary:**

The California Department of Housing and Community Development (HCD) announced the release of the Notice of Funding Availability (NOFA) for approximately \$119,040,000 as part of the Local Early Action Planning Grants Program (LEAP or Program). LEAP is made available as a portion of the Local Government Planning Support Grants Program pursuant to Chapter 3.1 of Health and Safety Code (Sections 50515.03 (Chapter 159, Statutes of 2019). 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 RHNA much like the SB2 Planning Grants.

Staff is proposing to submit a proposal to fund three items that are deemed to have a nexus to accelerate or streamline housing production in the City of Visalia. Staff has been in contact with a regional liaison that is designated under LEAP to provide grant application assistance and help identify eligible activities under the grant program. It was determined through this technical assistance that the City's proposed activities would be in keeping with the goals of the Planning

Grants Program. Since funds are being distributed on a non-competitive basis, jurisdictions must simply demonstrate that the activities are meeting certain thresholds in order to receive funding. The threshold criteria are:

- demonstrating that the locality is consistent with the six State Planning or Other Planning Priorities (this will be demonstrated within the application);
- have an impact on accelerating housing production;
- have an adopted housing element (Visalia's Housing Element was adopted in 2019 and is currently in compliance);
- have submitted an Annual Progress Report for the current year (Visalia has submitted the report this year, as reviewed by the Council on March, 2020); and
- have a completed and signed resolution by a Board or Council (see attached resolution).

Based on the general criteria, staff concludes that these projects are the best fit for the grant opportunity in terms of addressing eminent issues affecting Visalia's housing production. Visalia is eligible for a maximum award amount of \$500,000 based on its classification as a medium sized locality, which is an amount that will satisfactorily fund three different projects under one application. The grant application deadline is January 31, 2021, and is being rewarded in two to three month intervals. Funding would be reimbursed on a quarterly basis and work must be completed prior to requesting reimbursement, and backed up by invoices and reporting materials with supporting documentation such as purchase orders, time cards, etc. All expenditures must be made by September 30, 2023.

### **Background Discussion:**

The City of Visalia is proposing use of the Local Early Action Planning (LEAP) grant funds for the City's preparation of three unique projects, all of which will assist with streamlining housing approvals.

The first project the City of Visalia intends to use grant funding for is the preparation and adoption of the 2023-2031 Housing Element Update (6th Cycle) with the help of a consultant. Based on future estimated RHNA allocation housing units for the City of Visalia, and the opening of the City's Tier 2 Urban Growth Boundary in 2021, the City will need to ensure that Tier 2 provides adequate land uses to facilitate our housing needs. The City's physical growth has been occurring under Growth Tier I since the adoption of the General Plan Update in 2014, and forecasting indicates that residential growth will reach the trigger for expanding into Tier II by the end of 2021 if current building trends continue. The opening of Tier II, with a capacity of 4,408 additional single and multi-family units, is critical to enabling more land for various affordability levels to be developed within the City.

The housing element will:

- Identify and analyze the current and projected housing needs for all economic segments of the community.
- Evaluate the current and potential constraints to meeting those needs.

- Inventory and assess availability of land suitable for residential use.
- Establish a series of goals, objectives, policies and programs aimed at responding to housing needs, and housing opportunities.

Visalia is seeking to have the housing element adopted prior to February 15, 2024 deadline to be placed back on an 8-year planning housing element update cycle.

The second project would be a Zoning Ordinance update improving the City of Visalia's accessory dwelling unit ordinance in compliance with Section 65852.2 of the Government Code. The City is currently in the process of working with a local design firm to develop pre-designed Accessory Dwelling Unit (ADU) plans. However, the City's current ADU ordinance, and other zoning ordinance provisions related to ADU's and accessory structures, requires revisions to the City's current ADU ordinance and other components of the Zoning Ordinance to bring it into compliance with Section §65852.2 of the Government Code. With the adoption of an updated ADU ordinance, and permit-ready ADU plans, the City of Visalia would seek ways to encourage the construction of ADU's that could be counted towards the City's affordable housing inventory.

The third project would be an update to the City of Visalia's Planned Unit Development Ordinance. With current growth trends, developers are seeking ways to maximize density by implementing various design techniques including "cluster" housing units, reduced number of units on street frontages, and incorporation of private open space. To ensure that future residential PUD's can be analyzed and evaluated based on a set of reliable codified design standards that are in keeping with the PUD Ordinance objectives, staff would seek ways to develop and incorporate these standards into the ordinance so that developers have a clear understanding on the development standards required of these unique projects that seek to develop housing units at a higher density range.

**Fiscal Impact:**

The LEAP Grant Program does not require matching funds. If awarded, this grant would provide a secure source of funding the preparation and adoption of the 2023-2031 Housing Element Update (6th Cycle), Zoning Ordinance update improving the City of Visalia's accessory dwelling unit ordinance in compliance with Section 65852.2 of the Government Code, and update to the City of Visalia's Planned Unit Residential Ordinance.

**Prior Council Action:** None.

**Committee/Commission Review and Action:** None.

**Alternatives:**

1. Do not apply for the LEAP Grant.

**Attachments:**

1. Resolution No. 2020-70
2. Notice of Funding Availability

**Recommended Motion (and Alternative Motions if expected):**

I move to authorize staff to submit a grant proposal associated with the Local Early Action Planning Grant Application through the State of California Housing and Community Development, and approve Resolution No. 2020-70.

Copies of this report have been provided to:

**Environmental Assessment Status**

**CEQA Review:** No CEQA is required for the grant submittal.