



# Monterey County

Item No.

## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

Legistar File Number: RES 20-183

October 27, 2020

Introduced: 10/15/2020

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

### Adopt Resolution to:

- a. Apply for and accept grant funds from the California Department of Housing and Community Development Regional Early Action Planning Grants Program (REAP) in the amount of \$530,000 to fund planning for the sixth cycle of the housing element and the update and implementation of the Inclusionary Housing Ordinance; and
- b. Enter into, execute, and deliver a Memorandum of Understanding as required by the REAP program with the Association of Monterey Bay Area Governments (AMBAG) that will serve as the fiscal agent of the Central Coast Housing Working Group, a multiagency group comprised of representatives from each of the region's five counties, to administer approximately \$8 million in housing planning funds to the Central Coast region through the REAP grant program. The MOU will be subject to review and approval of the Office of the County Counsel as to form and legality.

### **..Report**

#### **RECOMMENDATION:**

It is recommended that the Board of Supervisors:

#### Adopt Resolution to:

- a. Apply for and accept grant funds from the California Department of Housing and Community Development Regional Early Action Planning Grants Program (REAP) in the amount of \$530,000 to fund planning for the sixth cycle of the housing element and the update and implementation of the Inclusionary Housing Ordinance; and
- b. Enter into, execute, and deliver a Memorandum of Understanding as required by the REAP program with the Association of Monterey Bay Area Governments (AMBAG) that will serve as the fiscal agent of the Central Coast Housing Working Group, a multiagency group comprised of representatives from each of the region's five counties, to administer approximately \$8 million in housing planning funds to the Central Coast region through the REAP grant program. The MOU will be subject to review and approval of the Office of the County Counsel as to form and legality.

#### **SUMMARY/DISCUSSION:**

The County is eligible to apply to the AMBAG for a grant authorized under the REAP provisions pursuant to Health and Safety Code sections 50515 to 50515.05. The adopted FY 2019-20 California Budget (AB 74) and associated housing trailer bill (AB 101) established the Local Government Planning Support Grants Program, which made REAP funding available to the California Central Coast region to fund housing planning activities. Grant funding is to be used for technical assistance, preparation, and adoption of planning documents and process improvements to accelerate housing production and facilitate compliance to implement the sixth cycle of the regional housing needs allocation. All applicants must submit the application to AMBAG by October 29, 2020 to be

considered for the award.

Governor Gavin Newsom signed Assembly Bill 101 in September 2019, which established the Local Government Planning Support Grants Program which allocates \$125 million in housing planning funds to regional entities throughout the state. The California Department of Housing and Community Development (HCD) has been assigned as the state agency overseeing this program. The provisions of AB 101 require the California Central Coast's Councils of Government to form a multiagency group comprising three representatives from each of the region's five counties to administer approximately \$8 million in housing planning funds dedicated to the Central Coast region through REAP grant program. The Central Coast Housing Working Group has been established as the multiagency working group to administer these REAP funds pursuant to AB 101 and the Association of Monterey Bay Area Governments (AMBAG) will serve as the fiscal agent of the Central Coast Housing Working Group and is staffing the group.

AMBAG is using three percent of the AB 101 Central Coast regional funding to administer the mega regional grant program, staff the Central Coast Housing Working Group, provide required reporting, and provide oversight of the grant program from 2020 to 2024. County staff will also provide quarterly reporting on progress to AMBAG.

AMBAG is allocating the AB 101 housing planning funds (REAP) to the four COGs in the Central Coast area: AMBAG, the San Luis Obispo Council of Governments, the Santa Barbara County Association of Governments, and the Council of San Benito County Governments. AMBAG determined the amounts allocated to the AMBAG region based on the allocation method approved by the Central Coast Housing Working Group and the amounts allocated to the County of Monterey were based on the allocation method approved by AMBAG and based upon the approved suballocation approach from the Central Coast Housing Working Group and the AMBAG Board of Directors that includes cities and counties within Monterey and Santa Cruz Counties. Allocation amounts are included in the attached AMBAG REAP notice (Attachment C). The County of Monterey may apply for \$530,000 in REAP funds and may use up to 2% of the funding toward administering the grant program.

Therefore, it is recommended that the Board of Supervisors adopt this Resolution (Attachment A) to allow the Director of the RMA to apply for and accept this award; enter into, execute, and deliver an MOU and meet REAP requirements for allocating funds awarded to the County. The MOU has been reviewed and approved by the Office of the County Counsel as to form and legality (Attachment B).

Staff proposes that the County will submit a REAP grant application as described in the AMBAG REAP notice dated July 24, 2020 in the amount of \$530,000. If awarded to the County, funds would go towards the following planning efforts:

- 1) Planning for the sixth cycle of the housing element

The funding would allow the County to partner with a consultant to plan for the sixth cycle of the state required housing element of the General Plan. Since 1969, California has required that all local governments (cities and counties) adequately plan to meet the housing needs of everyone in the

community. California's local governments meet this requirement by adopting housing plans as part of their "general plan" (also required by the state). The HCD reviews each local government's housing element to determine whether it complies with state law and then submits written findings back to each local government. HCD's approval is required before a local government can adopt its housing element as part of its overall General Plan. The County's Housing Element will be due by approximately December 15, 2023, B and will cover the dates of June 30, 2023-December 15, 2031.

2) The update and implementation of the Inclusionary Housing Ordinance

A portion of this funding would go towards partnering with consultant experts to Finalize the Inclusionary Housing Ordinance, including technical assistance, planning, temporary staffing, or consultant needs associated with updating local planning and zoning documents necessary to accelerate housing production.

On August 28, 2018, the County began updating the Affordable/Inclusionary Housing Ordinance. Since then the County's team working on the project have completed two important documents: Goldfarb and Lipman prepared a Memorandum Regarding Inclusionary Ordinance Conformance with State Law and Recent Cases; and the Inclusionary Housing Ordinance Financial Evaluation was completed by Keyser Marsten Associates, Inc. on July 24, 2019. The County contracted with LeSar Development Consultants to update the Inclusionary Housing Ordinance. Due to COVID-19 and staffing issues, the ordinance update has been delayed. The funds will be used to pay to complete the ordinance, any necessary updates to the financial evaluation, to implement the ordinance, and for legal fees for expert advice. The next step is to prepare a draft Ordinance for review and comment by interested parties prior to presentation to the Planning Commission and Board of Supervisors.

Upon an award of REAP grant funds, staff will 1) request proposals to obtain professional services under the grant application; and 2) return to the Board of Supervisors to obtain approval to award contracts to successful responders as appropriate.

**OTHER AGENCY INVOLVEMENT:**

The Office of the County Counsel reviewed and approved the Resolution as to form and legality.

**FINANCING:**

Adoption of this Resolution will allow the County to apply for and accept up to a \$530,000 award under through the REAP Grant Program. Should additional revenues and appropriations be required to complete the work funded by this grant opportunity, the RMA will present a Budget Augmentation to the Board through their Budget Committee for consideration and approval. Up to 2% of the awarded grant amount may be used for the County's administrative costs.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

Adoption of this Resolution will allow the County to apply for and accept up to a \$530,000 award under the State REAP Grant Program. Should additional revenues and appropriations be required to complete the work funded by this grant opportunity above and beyond what is awarded, the County Administrative Office in collaboration with the Resource Management Agency will present a Budget Augmentation to the Board through their Budget Committee for consideration. Awarded grant funds will be received through the Resource Management Agency and will be appropriated to pay for the

cost of the activities planned as part of the Grant work program. Up to five percent of the awarded grant amount may be used for administrative costs incurred by the County.

Economic Development

Administration

Health & Human Services

Infrastructure

Public Safety

Prepared by:

Anastacia Wyatt, Housing Program Manager, Ext. 5387

Approved by:

Carl P. Holm, AICP, Director Monterey County Resource Management Agency, Ext. 5103



Attachments:

Board Report

Attachment A - Resolution

Attachment B - MOU with AMBAG

Attachment C - REAP Grant Call-for-Applications

Attachment D - HCD 6th cycle Housing Element Due Dates