



Board Report

File #: RES 20-099, **Version:** 1

Adopt a Resolution authorizing the Assistant County Administrative Officer to:

- a. Apply for and accept grant funds from the California Department of Housing and Community Development Local Early Action Planning Grants (LEAP) in the amount of \$500,000 to fund continued work on the Chualar Community Plan, completion of updates to the Castroville Community Plan and completion of the Affordable Housing Overlay CEQA Clearance; and
- b. Enter into, execute, and deliver a State of California Agreement (Standard Agreement) as required by the LEAP, subject to review and approval of the Office of the County Counsel as to form and legality.

RECOMMENDATION:

Adopt a Resolution authorizing the Assistant County Administrative Officer to:

- a. Apply for and accept grant funds from the California Department of Housing and Community Development Local Early Action Planning Grants (LEAP) in the amount of \$500,000 to fund continued work on the Chualar Community Plan, completion of updates to the Castroville Community Plan and completion of Affordable Housing Overlay CEQA Clearance; and
- b. Enter into, execute, and deliver a State of California Agreement (Standard Agreement) as required by the LEAP, subject to review and approval of the Office of the County Counsel as to form and legality.

SUMMARY/DISCUSSION:

The State of California, Department of Housing and Community Development (HCD) issued a Notice of Funding Availability, dated January 27, 2020 (NOFA), under the LEAP grant program of approximately \$119 million for local jurisdictions for the preparation and adoption of planning documents and process improvements that accelerate housing production, and facilitate compliance in implementing the sixth cycle of the regional housing needs assessments pursuant to Chapter 3.1 of Health and Safety Code (Sections 50515 to 50515.05) (Chapter 159, Statutes of 2019).

The NOFA relates to the availability of Funds under LEAP. To apply for and accept this award, the County must submit a Resolution to HCD from the County Board of Supervisors.

Therefore, it is recommended that the Board of Supervisors adopt this Resolution to allow the Assistant County Administrative Officer to apply for and accept this award; enter into, execute, and deliver a State of California Agreement (Standard Agreement); and meet LEAP requirements for allocating funds awarded to the County.

The State of California Agreement (Standard Agreement) and its Exhibit C, General Terms and Conditions, are included as attachments to this staff report.

Upon consultation between the Housing Office, CAO office and RMA, staff proposes that the County will submit a LEAP grant application as described in the Planning Grants Program NOFA dated January 27, 2020 in the amount of \$500,000. This is the maximum amount the County can apply for based on the population of the unincorporated area. If awarded to the County, funds would go towards the following planning efforts:

1) Continue work on Chualar Community Plan

The funding would allow the County to partner with a consultant to continue efforts on the Chualar Community Plan. Chualar is a low-income community approximately 10 miles south of Salinas. This work would be to finalize policy framework, draft policies, conduct public workshops on draft policies, draft the plan itself, and begin drafting the CEQA analysis. One of the goals of the community plan would be to evaluate and designate areas where higher density affordable housing would be desirable, and to do as much environmental review under the plan as possible to make the development of these projects more desirable to developers. With a community plan in place, there is a possibility that 200 or more affordable housing units could

be developed soon. This funding would not get the entire plan completed but would get the community plan to a point near completion. The goal would be to acquire future funding to complete the effort through to completion. Future funding could come through additional state funding if it were to become available or other grants to forward planning efforts that increase affordable housing. The portions of this project funded by this money will be completed by Jan 1, 2022.

2) Complete updates to the Castroville Community Plan

A portion of this funding would go towards partnering with a consultant to analyze and revise the Castroville Community Plan (CP). Currently, Monterey County is undertaking efforts to update impact fees for the CP Area, which have been a barrier to entry for most development of affordable and farmworker housing. Once those fees are updated, there will be more interest in development in the area. At the time of creation, the CP did not place an emphasis on affordable housing, so this money would go towards an update to focus in that area. The work would be to analyze the existing plan, conduct community meetings, determine where re-zoning would be appropriate (eg: Mixed-Use, High Density Residential, etc.), draft an updated plan, and perform CEQA analysis. The funding should allow for completion of this effort. The work performed through these funds will be complete by February 1st, 2022.

3) Completion of Affordable Housing Overlay (AHO) CEQA Clearance

Monterey County's zoning maps include areas defined as "Affordable Housing Overlay" (AHO). These are areas where the County has prioritized the development of housing through allowance of various types of multi-family and high-density projects in the zoning code. However, for developers to gain approval of a project, environmental analysis still needs to be performed on a case-by-case basis pursuant to CEQA. This can and often is a very expensive and time-consuming process in Monterey County. With this funding, the County would partner with a contractor to perform CEQA analysis proactively on the AHO zoned areas, creating a CEQA clearance that developers may rely on when bringing their project forward to hearing. By doing the CEQA work ahead of time, developers would be more likely to bring projects forward, knowing that they did not have to fund or endure the CEQA process. The work would include creating a description of the types of projects covered in the CEQA clearance, performing analysis based on potential impacts, drafting the CEQA document, public circulation, response to comments, and certification by the County. The funding should allow for completion of this effort. The work performed through these funds will be complete by February 1, 2022.

Upon an award of LEAP 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:

This report was prepared in consultation with the RMA. The Office of the County Counsel reviewed and approved the Resolution as to form and legality. The California Department of Housing and Community Development (HCD) administers the LEAP Grant Program. The Resource Management Agency will execute the Planning Activities to be determined for LEAP funds.

FINANCING:

Adoption of this Resolution will allow the County to apply for and accept up to a \$500,000 award under the LEAP Grant Program. Should additional revenues and appropriations be required to complete the work funded by this grant opportunity, the County Administrative Office will present a Budget Augmentation to the Board through their Budget Committee for consideration and approval. Up to five percent of the awarded grant amount may be used for administrative costs incurred by the County.

STRATEGIC INITIATIVES:

Adoption of this Resolution will allow the County to apply for and accept up to a \$500,000 award under the State LEAP 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 is allowed to be used for administrative costs incurred by the County.

Mark a check to the related Board of Supervisors Strategic Initiatives

☐ Economic Development

☐ Administration

☒ Health & Human Services

☒ Infrastructure

☐ Public Safety

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Report approved by Nicholas E. Chiulos, Assistant County Administrative Officer x5145

Attachments are on file with the Clerk of the Board

Attachments:

LEAP Grants Program NOFA

Resolution to Accept and Authorize LEAP funds 2020

LEAP Grant Amounts Per Jurisdiction 2020 NOFA

LEAP Application 2020

State of California Agreement (Standard Agreement)

State of California Agreement (Standard Agreement), Exhibit C, "General Terms and Conditions"