



# COUNCIL REPORT

**DATE:** April 23, 2024

**CATEGORY:** Consent

**DEPT.:** Community Development/Housing

**TITLE:** **Housing Element, CIP 21-58—Funding Appropriation**

## **RECOMMENDATION**

Accept and appropriate \$479,665 in grants from Local Early Action Planning, Regional Early Action Planning, and Senate Bill 2 to 2023-2031 Housing Element, CIP Project 21-58, increasing the project budget from \$1,004,000 to \$1,483,665. (Five votes required)

## **BACKGROUND**

On April 11, 2023, the City Council adopted the Sixth-Cycle Housing Element, which covers the eight-year planning period of 2023 to 2031. The Housing Element is one of the seven mandated General Plan elements. It includes policies and programs that are intended to remove constraints to housing production, produce housing for all income levels, provide housing assistance, address displacement and homelessness, and create solutions for housing through partnerships and other means.

The development and implementation of the Housing Element is funded by 2023-2031 Housing Element, Project 21-58 (Project 21-58). Project 21-58 is currently funded with \$1,004,000 from the Development Services Fund, Land Use Documents Fee Reserve. The City has received \$479,665 in state grant funding from three funding programs, Local Early Action Planning (LEAP), Regional Early Action Planning (REAP), and Senate Bill 2 (SB 2), to reimburse work conducted on various parts of the Housing Element Update.

## **ANALYSIS**

Since Council adopted the Housing Element, staff has used the remaining funding in Project 21-58 to support the implementation of various Housing Element programs. There are multiple Housing Element programs to be implemented through 2025 that require funding that exceeds the \$12,000 currently remaining in Project 21-58. While many Housing Element programs are proceeding under their own funding sources (such as R3-related actions and rezoning Moffett Boulevard through the Moffett Boulevard Precise Plan), many other programs will need a funding source.

Table 1 summarizes anticipated costs for activities associated with Housing Element programs through 2025, that do not have other existing or planned funding sources. These costs are expected to be covered by the \$479,665 in grant funds.

**Table 1: Anticipated Costs of Activities**

<b>Type of Activity</b>	<b>Anticipated Cost</b>
Noticing and Outreach	\$5,000 to \$25,000 per program
California Environmental Quality Act (CEQA) and Technical Studies	\$50,000 to \$100,000 per action, where CEQA is required
Developing Standards and Prototypes	\$10,000 to \$25,000 per study
Other Consultant Costs (e.g., Legal, Economic)	\$5,000 to \$10,000 per program

### **FISCAL IMPACT**

The City has received \$479,665 in grant funding from the state from three funding programs (LEAP, REAP, and SB 2) to reimburse work conducted for various parts of the Housing Element Update. Staff recommends the City Council accept and appropriate these grant funds into 2023-2031 Housing Element, Project 21-58, increasing the total project budget from \$1,004,000 to \$1,483,665, which will be sufficient to fund the Housing Element Program costs identified in Table 1.

**Table 2: Housing Element Grants and Project 21-58 Budget**

<b>Grant</b>	<b>Reimbursement Amount</b>
LEAP (Local Early Action Planning)	\$222,513
SB 2	\$158,000
REAP (Regional Early Action Planning)	\$99,152
<b>Total Grant Funding—Appropriate to Project 21-58</b>	<b>\$479,665</b>
Remaining Funds in Project 21-58	\$11,987
Funds Available in Project 21-58 after Appropriation	\$491,652

**ALTERNATIVES**

1. Appropriate \$479,665 grant funding to Project 21-58 and return up to \$479,665 to the Development Services Fund, Land Use Documents Fee Reserve, to maintain a total Project 21-58 budget of \$1,004,000, and direct staff to identify other options for funding expenses related to delivering the Housing Element Programs listed in Table 1.
2. Provide other direction.

**PUBLIC NOTICING**—Agenda posting.

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