



Office of the City Manager

CONSENT CALENDAR  
June 16, 2020

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Timothy Burroughs, Director, Planning and Development Department

Subject: Authorize the City Manager to Submit LEAP Planning Grants Program Application

**RECOMMENDATION**

Adopt a Resolution authorizing the City Manager to submit an application for the State Local Early Action Planning (LEAP) Grant Program in the amount of \$500,000, and to execute documents or amendments once the grant is awarded.

**FISCAL IMPACTS OF RECOMMENDATION**

The City will receive \$500,000 from the State of California that will go towards completing the City's General Plan Housing Element update (required to be completed by December 2022), supporting the development of zoning standards at the Ashby and North Berkeley BART stations, and completing the feasibility analysis of the City's affordable housing fees and requirements, in response to several City Council referrals. No City matching funds are required. Grant funds would be expended as outlined below:

<b>BART Station Zoning Standards</b>	
Interactive Economic Feasibility Workshop for the General Public	\$20,000
BART Zoning Standards Scenario Graphics and Visualizations	\$15,000
Reimbursement to General Fund for CEQA Review of Zoning Standards	\$90,000
<b>Housing Element Update (including CEQA Review)</b>	<b>\$325,000</b>
<b>Feasibility Analysis of Affordable Housing Requirements</b>	
Affordable Housing Requirements Feedback Sessions with Stakeholders	\$10,000
Housing Economics Study Group	\$25,000
Fee Waiver Process Analysis	\$15,000
<b>TOTAL</b>	<b>\$500,000</b>

### CURRENT SITUATION AND ITS EFFECTS

In the 2019-20 Budget Act, Governor Gavin Newsom allocated \$250 million for all regions, cities, and counties to prioritize planning activities that accelerate housing production to meet the identified needs of every community. With this allocation, the State Department of Housing and Community Development (HCD) established LEAP, with \$119 million allocated for cities and counties. LEAP provides one-time grant funding to update planning documents and implement process improvements that facilitate the acceleration of housing production and help local governments prepare for their sixth-cycle Regional Housing Needs Allocation (RHNA). The LEAP funds are in addition to the \$310,000 the City was awarded earlier this year from the State's SB 2 Planning Grant Program to support preparation of the Ashby and North Berkeley BART zoning standards. The City of Berkeley is eligible to receive a LEAP award in the amount of \$500,000 based on local population. An application from the City Manager with a basic program outline is required to access these funds. Also, in order to apply for the 2020 LEAP grant, City Council must adopt and submit the attached Resolution by July 1, 2020.

### BACKGROUND

The LEAP provides direct grants with no required local matching funds, complemented with technical assistance to local governments for the preparation and adoption of planning documents, and for process improvements that accelerate housing production and facilitate meeting RHNA.

Sixty-five percent of LEAP funds will be allocated for the update of the City's General Plan Housing Element. The City of Berkeley Housing Element serves as the City's framework for housing goals, policies, and programs required to meet existing and future housing needs and increase affordable housing opportunities. The City of Berkeley is on an eight-year Housing Element update cycle and the current Housing Element was adopted in April 2015. California's Department of Housing and Community Development (HCD) has determined that Housing Element updates for jurisdictions within the Association of Bay Area Governments (ABAG) are due by January 2023. The Housing Element update is anticipated to include the preparation of an Environmental Impact Report. Staff anticipates that preparation of the Housing Element Update for the sixth RHNA cycle will require more effort than previous updates due to increased regional housing needs, new requirements for identifying eligible housing sites, and more factors to consider in allocations (such as overcrowding, greenhouse gas emissions, and jobs-housing balance).

The City will use roughly a quarter of these funds to support the preparation of the Ashby and North Berkeley BART Zoning and Site Planning Standards pursuant to the requirements of AB 2923 and the Memorandum of Understanding between BART and the City of Berkeley that was adopted in January 2020. City Council previously allocated \$250,000 from the General Fund to assist in these efforts. Staff recommends that the LEAP grant be used to enhance the public participation process for the Zoning and Site Planning Standards, by funding an interactive economic feasibility workshop for the general public and enhancing the visual and graphic representations of Zoning and Site Planning scenarios. LEAP funds would also be used to partially offset/reimburse the Council's General Fund allocation for compliance with the California Environmental Quality Act (CEQA).

The remaining ten percent of LEAP funds will be allocated to complete a review of the City's affordable housing requirements and fees, which was set in motion by several City Council referrals related to potential updates to the City's Affordable Housing Mitigation Fee and

Inclusionary Housing Ordinances. This work focuses on analyzing the economic feasibility of housing development with respect to existing local and State regulations, the current economic climate, and future zoning proposals. LEAP funds will specifically be used to augment engagement to include a broader set of stakeholders to achieve a deeper understanding of housing development feasibility in the current economic climate. Additional engagement will include stakeholder feedback sessions for various groups, such as market-rate and affordable housing developers, design professionals, housing experts and others to get their input on current affordable housing requirements and development feasibility. Staff will also convene a study group on housing economics, to closely review data about the housing market in the new economic context created by the COVID-19 pandemic, and consider options to optimize City Affordable Housing Mitigation fees to support affordable housing development, consistent with existing City Council referrals. Staff will also analyze the City's current mitigation fee waiver process and make recommendations for any potential updates that may support housing development feasibility while also maintaining investment in the City's Housing Trust Fund.

LEAP funding is non-competitive and based on population estimates published by the State's Department of Finance. The City of Berkeley is eligible to apply for \$500,000.

#### ENVIRONMENTAL SUSTAINABILITY

Funds used to advance Transit Oriented Development (TOD) at BART stations and increase the production of affordable housing in Berkeley will help achieve regional and local greenhouse gas reduction goals.

#### RATIONALE FOR RECOMMENDATION

In order to apply for the 2020 LEAP grant, City Council must adopt and submit the attached Resolution by July 1, 2020.

#### ALTERNATIVE ACTIONS CONSIDERED

None.

#### CONTACT PERSON

Justin Horner, Associate Planner, Planning and Development Department, 510-981-7476

#### Attachments:

1: Resolution

RESOLUTION NO. ##,### N.S.

SUBMISSION OF LOCAL EARLY ACTION PLANNING (LEAP) GRANT PROGRAM  
APPLICATION

WHEREAS, pursuant to Health and Safety Code 50515 *et seq*, the State Department of Housing and Community Development (Department) is authorized to issue a Notice of Funding Availability (NOFA) as part of the Local Government Planning Support Grants Program (hereinafter referred to by the Department as the Local Early Action Planning Grants program or LEAP); and

WHEREAS, the City Council of the City of Berkeley desires to submit a LEAP grant application package (Application), on the forms provided by the Department, for approval of grant funding for projects that assist in the preparation and adoption of planning documents and process improvements that accelerate housing production and facilitate compliance to implement the sixth cycle of the regional housing need assessment; and

WHEREAS, the Department has issued a NOFA and Application on January 27, 2020 in the amount of \$119,040,000 for assistance to all California jurisdictions.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Berkeley that the City Manager or her designee is hereby authorized to submit to the Department the LEAP grant application package; and

BE IT FURTHER RESOLVED that in connection with the LEAP grant, if the Application is approved by the Department, the City Manager of the City of Berkeley is authorized to submit the Application, enter into, execute, and deliver on behalf of the Applicant, a State of California Agreement (Standard Agreement) for the amount of \$500,000 to complete the City's Housing Element update, support the development of zoning standards at the North Berkeley and Ashby BART stations, and analyze the City's affordable housing requirements, and any and all other documents required or deemed necessary or appropriate to evidence and secure the LEAP grant, the Applicant's obligations related thereto, and all amendments thereto; and

BE IT FURTHER RESOLVED that the Applicant shall be subject to the terms and conditions as specified in the NOFA, and the Standard Agreement provided by the Department after approval. The Application and any and all accompanying documents are incorporated in full as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the Application will be enforceable through the fully executed Standard Agreement. Pursuant to the NOFA and in conjunction with the terms of the Standard Agreement, the Applicant hereby agrees to use the funds for eligible uses and allowable expenditures in the manner presented and specifically identified in the approved Application.