



COMMUNITY DEVELOPMENT DEPARTMENT

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CITY COUNCIL STAFF REPORT

Meeting Date: June 16, 2020

Subject

Department of Housing and Community Development (HCD) Local Early Action Planning (LEAP) Grant Program Application

Recommended Action

Adopt resolution authorizing application for, and receipt of, LEAP Grant Program Funds

Background

In the 2019-2020 Budget Act, Governor Gavin Newsom allocated \$250 million for regions, cities, and counties to spend on planning activities that would accelerate housing production. The funds are divided into the Local Early Action Planning (LEAP) grants for cities and counties, and Regional Early Action Planning (REAP) grants for regional governments and entities.

On January 27, 2020, the State Department of Housing and Community Development (HCD) released a notice of funding availability (NOFA) for approximately \$119,040,000 to be made available to local governments through the LEAP Grant Program. Cities and counties can apply for the one-time grant to use towards updating planning documents, implementing process improvements to facilitate the acceleration of housing production, and to help prepare for the 6th cycle Regional Housing Needs Allocation (RHNA). The RHNA is a quantification of housing needs within each jurisdiction and is required as a part of local housing element updates. The RHNA is mandated by state housing law and the 6th cycle covers the housing element planning period of October 2021 through October 2029.

Discussion

Like the SB 2 planning grant, which the City Council authorized application for and receipt of as a consent item on the November 18, 2019 agenda, the LEAP grants are awarded on a noncompetitive, over-the-counter basis and require the City Council to

adopt a standard resolution provided by HCD (Attachment A) authorizing application for, and receipt of LEAP funds. Funding is based on population and Cupertino is eligible for a maximum grant of \$300,000 (See Table 1 below). If approved for funding, the City will be required to submit annual reports until all funds are used before December 2023

Table 1: Award Amounts

Jurisdiction's Population Size	Maximum Award Amount
750,000 or greater	\$1,500,000
300,000 to 749,999	\$750,000
100,000 to 299,999	\$500,000
60,000 to 99,999	\$300,000
20,000 to 59,999	\$150,000
Less than 20,000	\$65,000

HCD is expected to release housing numbers for the region in the Summer of 2020 and updated Housing Elements are due by December 2022. In preparation of the comprehensive update of the City's Housing Element, which requires significant work in advance, planning staff intends on utilizing the full allocation of any amount awarded towards the costs of hiring consultants to ensure compliance with the 6th RHNA cycle. Therefore, staff proposes that the City request the full \$300,000.

Conclusion

With Council approval of the resolution, staff will submit the LEAP application to the State by the July 1, 2020 deadline. See Attachment B for the LEAP Grant Program Application Form. Depending on the volume of applications, the State will review applications within 30 days of submission, target award of applications within 60 days, and process subsequent Standard Agreements within 60 days of award. Staff recommends that the City Council authorize the City Manager or her designee to sign HCD's Standard Agreement to allow receipt of grant funds. Council adoption of the attached resolution would enable the City Manager to execute the agreement without returning to City Council

Environmental Impact

No environmental impact.

Sustainability Impact

No sustainability impact.

Fiscal Impact

The approval of the application by HCD would provide funding for costs associated with the update of the Housing Element and the 6th cycle RHNA.

Prepared by: Ellen Yau, Associate Planner

Reviewed by: Benjamin Fu, Director of Community Development

Approved for Submission by: Dianne Thompson, Assistant City Manager

Attachments:

A - Draft Resolution

B - LEAP Grant Program Application Form