



Agenda Report

Fullerton City Council

MEETING DATE: JUNE 2, 2020

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: KENNETH A. DOMER, CITY MANAGER

PREPARED BY: MATT FOULKES, DIRECTOR OF COMMUNITY AND ECONOMIC DEVELOPMENT DIRECTOR

SUBJECT: APPLICATION AND RECEIPT OF LOCAL EARLY ACTION PLANNING (LEAP) GRANTS PROGRAM FUNDS

SUMMARY

The State of California, Department of Housing and Community Development has released a Notice of Funding Availability for approximately \$119 million to make funding available to all local governments in California under the Local Government Planning Support Grants Program pursuant to Chapter 3.1 of Health and Safety Code. The Local Early Action Planning (LEAP) Grants Program is intended for the preparation and adoption of planning documents, process improvements that accelerate housing production and facilitate compliance in implementing the sixth cycle of the regional housing needs assessment.

RECOMMENDATION

1. Adopt Resolution No. 2020-XX.

RESOLUTION NO. 2020-XX - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, AUTHORIZING APPLICATION FOR, AND RECEIPT OF, LOCAL GOVERNMENT PLANNING SUPPORT GRANT PROGRAM FUNDS

2. Authorize appropriation of receipt and use of LEAP Planning Grant Funds.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statements:

- Infrastructure and City Assets
- Fiscal and Organizational Stability.

FISCAL IMPACT

Grant funds are available on a non-competitive basis through July 1, 2020. Based on population size, the City of Fullerton is eligible to receive up to \$500,000. The City will request the full amount to fund programs and projects to both implement and update the City's Housing Element to increase the supply of housing in the City. Funding is not otherwise available for these planning efforts.

DISCUSSION

SB 2 (2017) was part of a fifteen-bill housing package aimed at addressing the state's housing shortage and high housing costs. Specifically, SB 2 established a permanent source of revenue intended to increase the affordable housing stock in California. The LEAP program follows the 2019 SB 2 Planning Grants Program, providing the "year two" funding established by SB 2. A variety of planning documents, planning activities and strategies are considered eligible activities for this funding provided that they demonstrate a nexus to accelerating housing production. Eligible activities include, among others, updates to housing elements, environmental analyses that eliminate the need for project specific review, rezoning and encouraging development by updating planning documents such as specific plans. The City is proposing to use the LEAP funding on projects focused on implementing and updating the City's Housing Element.

- **Rail District Specific Plan (formerly Walnut / Truslow / Valencia Avenue Strategy / Union Park Specific Plan) CEQA Analysis** – The City has been awarded a technical assistance grant from the Southern California Association of Governments (SCAG) to facilitate the development of land-use strategies and plans for the 35-acre area west of Harbor Boulevard along Walnut, Truslow and Valencia Avenues. The assistance provided by SCAG will enable the City to directly engage the stakeholders in and around the study area and have the tools and technical support to collaborate with property owners and neighbors to develop a collective vision and implementation framework for the project area. The SCAG assistance does not include the preparation of the required CEQA analysis in order to fully adopt the Specific Plan. This project was identified in the SB 2 application as an alternative activity should funding be left over from the primary activity, the Housing Incentive Overlay Zone. However, because the funding application deadline for LEAP funds occurs before it can be determined if excess SB 2 funding is available from the Housing Incentive Overlay Zone and because the timing for the SCAG grant has been accelerated, the City is seeking LEAP funding to begin the environmental analysis and supporting technical studies with certainty and at an earlier date. Additionally, proposals to prepare the Rail District Specific Plan all exceeded SCAG's allocated funding. While negotiations with the selected consultant are ongoing, the City is also seeking LEAP funding to cover a projected gap in the funding for the preparation of the Specific Plan. (*Housing Element Policy Actions 1.4 Facilitate Infill Development and 1.5 Encourage Mixed Use Development*¹)

¹ Numbered as 3.4 and 3.5 in The Fullerton Plan, Chapter 2: Housing, in support of Goal 3: A supply of safe housing ranging in cost and type to meet the needs of all segments of the community.

- **Housing Element Update** – The City’s current Housing Element covers the Planning Period from October 2013 through October 2021. As required by State law, the City will be initiating an update to cover the Planning Period from October 2021 through October 2029 and the sixth cycle Regional Housing Needs Assessment. The City is seeking LEAP funding to cover the professional services costs associated with the preparation of the Housing Element for upcoming planning period.
- **Surplus Properties Pre-zoning Program** – To facilitate the City’s compliance with the Surplus Land Act, including 2019 amendments, the City will establish a pre-zoning program in conjunction with the surplus declaration and release of the Notice of Availability. Under the Program, the City will evaluate a site for the appropriate zoning based on the site and its surroundings, perform the required evaluation pursuant to CEQA, and process the zoning and corresponding general plan land use changes. Phase 1 of the Pre-zoning Program will focus on properties for which a Residential Zone or Planned Residential Development Zone Classification (as opposed to a specific plan or mixed use zone) is appropriate. Following adoption of the zoning amendment, housing developers will be able to utilize the entitlement to accelerate housing production, including units of affordable housing. The Pre-zoning Program would apply to properties located at 1600 W. Commonwealth Avenue, 799 Rolling Hills Drive, and the Bastanchury Tree Farm. (*Housing Element Policy Action 1.8 use surplus City-owned land for affordable housing²*)

Attachments:

- Attachment 1 – Draft Resolution No. 2020-XX

² Numbered 3.11 in The Fullerton Plan, Chapter 2: Housing, in support of Goal 3: A supply of safe housing ranging in cost and type to meet the needs of all segments of the community.