



STAFF REPORT – CITY COUNCIL MEETING

February 01, 2023

TO: Honorable Mayor and City Council Members

FROM: David Loya, Director of Community Development

PREPARER: David Loya, Director of Community Development

DATE: January 23, 2023

TITLE: **Adopt Resolution No. 223-31 Authorizing Application for a \$250,000 Regional Early Action Planning Grant.**

RECOMMENDATION:

Staff recommends the Council receive a staff report, accept public comment, and consider authorizing an application for the Regional Early Action Planning (REAP) grant in the amount of \$250,000.

INTRODUCTION:

The State of California, recognizing the significant shortfall of housing statewide, has allocated millions of dollars to support planning and development of housing in a climate-aware and sustainable manner. Among the programs developed to support housing development, the REAP program focuses on the connection between infill development and greenhouse gas reductions, primarily by reducing vehicle miles traveled. The applications were due December 31, 2022, but the program allowed deferred submittal of the authorizing resolution. This action will consider whether to authorize the application submitted on December 31.

BACKGROUND:

REAP 2.0 is a flexible program that seeks to accelerate progress towards our state housing goals and climate commitments through a strengthened partnership between the state, its regions, and local entities. REAP 2.0 seeks to accelerate infill housing development, reduce Vehicle Miles Traveled (VMT), increase housing supply at all affordability levels, affirmatively further fair housing, and facilitate the implementation of adopted regional and local plans to achieve these goals.

REAP 2.0 is administered by the California Department of Housing and Community Development (HCD) in collaboration with the Governor's Office of Planning and Research (OPR), the Strategic Growth Council (SGC), and the California Air Resources Board (CARB).

REAP 2.0 provides a \$600 million investment to advance implementation of adopted regional plans by funding planning and implementation activities that accelerate infill housing and reductions in per capita Vehicle Miles Traveled (VMT).

Applications for funding were due on December 31, 2022, and the authorizing resolutions (Attachment A) are due February 15, 2023.

DISCUSSION:

The REAP 2.0 funds are competitively awarded grants that accomplish the goals of the program. The City had initially considered deferring to the County for application for REAP funds based on limitations on staff capacity and early discussions on how the County’s application could be used in Arcata. In December, the City was approached by the Turner Labs to develop a Housing Policy Dashboard, which was discussed at the Council’s January 18, 2023, meeting. In addition, the County’s scope was amended to be less applicable to projects in the City. Staff initiated the application process to ensure the deadlines were met. This meeting provides the Council the opportunity to consider completing the next step in the application process.

The minimum award for REAP 2.0 is \$200,000. Allowable uses of funds include planning efforts that meet the objectives of accelerating infill housing, affirmatively furthering fair housing, and reducing vehicle miles traveled. The Housing Dashboard requires \$50,000 to fund for a three-year term (see January 18, 2023, City Council Agenda Item XI.B). This tool will be used to fine tune housing policy to ensure appropriate balance of housing policy to effectuate the REAP goals and the City’s infill planning efforts (Attachment B).

The REAP 2.0 can also fund pre-development work for projects that meet the program goals. To round out the City’s application, staff included approximately \$200,000 for predevelopment costs for the Open Door Health Centers’ workforce housing project. This project is in the pipeline and will meet the timeline objectives required in the grant to complete the outcomes (Attachment B).

The application also has a 10% set-aside for administering the grant. The majority (90%) of the REAP funds will be used to complete the activities. The admin set-aside will be used for materials, monitoring, and reporting on the grant during its implementation.

POLICY IMPLICATIONS:

These grant funds could improve the usefulness of the Turner Housing Dashboard and help springboard an important infill, workforce housing project, satisfying both in planning and practice the City’s infill development objectives.

COMMITTEE/COMMISSION REVIEW:

None.

ENVIRONMENTAL REVIEW (CEQA):

The application is not a project pursuant to CEQA. Each work product will require CEQA review. The dashboard is not a project. And the housing project will have independent CEQA review.

BUDGET/FISCAL IMPACT:

The grant will add \$250,000 in revenue to the City’s budget over the current and next fiscal year if awarded. Of that, \$25,000 will be available for City costs, including staffing related to the work.

ATTACHMENTS:

- A. Resolution No. 223.-31 (PDF)
- B. REAP Application Excerpts (DOCX)