

August 16, 2023

ITEM TITLE: AUTHORIZATION FOR THE FILING OF AN APPLICATION FOR THE HOUSING ACCELERATION PROGRAM (HAP) CYCLE 2 GRANT FUNDS FROM THE SAN DIEGO ASSOCIATION OF GOVERNMENTS AND ACCEPTING THE TERMS OF THE GRANT AGREEMENT. (0660-05)

ORIGINATING DEPARTMENT:

Community Development

EXECUTIVE SUMMARY:

The Housing Acceleration Program (HAP) Grant is an innovative program developed by SANDAG that aims to help local jurisdictions build their capacity to produce more housing and better integrate it into their communities. The goal of HAP is to develop and adopt policies and process improvements that accelerate housing production, facilitate implementation of the 6th Regional Housing Needs Assessment (RHNA) Cycle, implement the Regional Plan Sustainable Communities Strategy (SCS), and build local jurisdictions' capacity to compete for funding statewide through the California Department of Housing and Community Development (HCD) Prohousing Designation Program. Using state Regional Early Action Planning (REAP) funds, the HAP will provide grants to local jurisdictions to fund planning projects related to the acceleration of housing production within smart growth or mobility hub planning areas. City staff identified an opportunity to implement the City's 6th Cycle Housing Element policies and goals, reduce vehicle miles traveled (VMT), Affirmatively Further Fair Housing (AFFH), and accelerate infill development that Facilitates Housing Supply, Choice, and Affordability through the project the Imperial Beach Housing Acceleration and Support Program (IB HASP). The City is seeking to submit a Planning Project application for the full HAP Grant award amount of \$650,000 for the IB HASP.

RECOMMENDATION:

That the City Council adopt Resolution Number 2023-66 authorizing the City to submit a grant application for the HAP Grant for the Imperial Beach Housing Acceleration and Support Program for \$650,000, for the City Manager, or designee thereof, to execute all documents and take any actions necessary and appropriate to carry out the intent of this resolution accepting the grant funds awarded by SANDAG and authorizing the City Manager or designee to make required budget adjustments to accommodate the grant funds and project expenditures.

OPTIONS:

In addition to receiving this report and adopting staff's recommendations, the City Council can:

- Not adopt Resolution 2023-66, opting out of the grant funding; or
- Request additional information.

BACKGROUND/ANALYSIS:

The City of Imperial Beach's 6th Cycle Housing Element was certified by the Department of Housing and Community Development (HCD) on September 20, 2021. The Housing Element is an integral component of the City's General Plan. It addresses existing and future housing needs of all types for persons of all economic groups in the City. The Housing Element is a tool for use by citizens and public officials in understanding and meeting the housing needs in Imperial Beach. The purpose of these requirements is to develop an understanding of the existing and projected housing needs within the community and to set forth policies and schedules, which promote preservation, improvement and development of diverse types and costs of housing throughout Imperial Beach. To implement the City's Housing Element, there are policies and goals that require specific actions necessary to accelerate housing production, reduce vehicle miles traveled (VMT), and Affirmatively Further Fair Housing (AFFH). However, changing housing legislation, existing roadway configurations, and City staff capacity constraints have created barriers to implementation.

To address the barriers that many of the jurisdictions within the San Diego region are experiencing with implementation of the Housing Element, SANDAG has developed the Housing Acceleration Program (HAP) Grant. The HAP Grant is an innovative program developed by SANDAG that aims to help local jurisdictions build their capacity to produce more housing and better integrate it into their communities. The goal of HAP is to develop and adopt policies and process improvements that accelerate housing production, facilitate implementation of the 6th Regional Housing Needs Assessment (RHNA) Cycle, implement the Regional Plan Sustainable Communities Strategy (SCS), and build local jurisdictions' capacity to compete for funding statewide through the California Department of Housing and Community Development (HCD) Prohousing Designation Program. Using state Regional Early Action Planning (REAP) funds, the HAP will provide grants to local jurisdictions to fund planning projects related to the acceleration of housing production within smart growth or mobility hub planning areas. City staff identified an opportunity to reduce VMT, AFFH, and accelerate infill development that Facilitates Housing Supply, Choice, and Affordability with the Imperial Beach Housing Acceleration and Support Program (IB HASP). The City is seeking to submit a Planning Project application for the full grant award amount of \$650,000 to implement the IB HASP.

The IB HASP includes two components which include: temporary staff augmentation and the creation of the 13th Street Corridor Improvement Plan.

Regarding the first component, temporary staff augmentation would be provided with the creation of one (1) new temporary full-time position (preferably multi/bi-lingual) within the Housing Division and Planning Division of the Community Development Department. The new temporary full-time staff member would review development project applications, with an emphasis on accessory dwelling unit (ADU) and junior accessory dwelling unit (JADU) projects to facilitate accelerated project approvals, manage the 13th Street Corridor Improvement Plan, and implement/enhance the AFFH actions outlined within the City's Housing Element. The project (component 1) will make a significant beneficial impact that will lead to substantial changes in land use patterns and accelerate infill development by increasing and facilitating the review/approval of residential developments including accessory dwelling unit (ADU) applications. Starting in 2017, state legislation passed that has facilitated the development of accessory dwelling units. However, this legislation does not exempt projects from the requirements of the Coastal Act. As most of the City of Imperial Beach is located within the Coastal Zone, any new ADU or JADU proposed requires approval of a Coastal Development Permit prior to being able to be submitted for a building permit. As a direct result, there has been a 95% increase in the total number of planning applications submitted to the City of Imperial Beach. However, in direct contrast to the increased workload for City staff, there has been a 33% decrease in Planning Staff to review these projects. As such, a

barrier to housing development has been created. To accelerate the review of planning projects, specifically ADUs, there is a need to increase the staff capacity on a temporary basis to review, facilitate, and accelerate the development of ADUs within Imperial Beach. There will also be an emphasis on the creation of tools that will generally streamline the review process, such as the development of online resources and tools accessible to the public. The emphasis on development review would be focused on ADUs as these developments are not considered as counting towards typical density, and inherently provide a substantial change in the developed areas within the City contrasting with the existing underlying land use patterns dictated by current zoning designations.

Regarding the second component, the creation of a 13th Street Corridor Improvement Plan, the plan would include policies and design criteria to reduce VMT and facilitate infill development of the sites identified within the Housing Element site inventory adjacent to this corridor. The project (components 1 and 2) will make a significant beneficial impact that will lead to substantial changes in travel behaviors by completing a comprehensive assessment of the existing 13th Street Corridor. The 13th Street Corridor is currently characterized by high-speed traffic, poorly designed and marked pedestrian facilities, dilapidated and under-utilized structures and properties, and a high concentration of automobile-oriented uses. The City believes that creation and implementation of a Corridor improvement plan would catalyze redevelopment opportunities of adjacent properties, increasing available housing stock, creating positive economic and social benefits, reducing VMT through multi-modal complete street designs, and create better more accessible pedestrian linkages to public transit.

To accept the grant funds, the City Manager or designee would need execute the standard agreement and make the necessary budget adjustments to accommodate the funds and project expenditures.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

There is no fiscal impact to submit the HAP Grant application for \$650,000 to implement the IB HASP. Any necessary budget adjustments would occur upon acceptance of the grant funds.

ATTACHMENTS:

1. ATT 1 - Resolution No. 2023-66