



Staff Report

File #: 25-353, Version: 1

Item #: C-8.

CC - CONSENT ITEM: (1) Adoption of a Resolution to Authorize Acceptance of Grant Funds from the Southern California Association of Governments in the Amount of \$505,000 for the Fox Hills Specific Plan Project and Execute Any Documents Necessary to Receive the Funds; and (2) FOUR-FIFTHS VOTE REQUIREMENT - Approval of a Related Budget Amendment to Appropriate the Grant Funds.

Meeting Date: October 28, 2024

Contact Person/Dept.: Troy Evangelho, Lauren Wrenn / Planning and Development- Advance Planning

Phone Number: (310) 253-5744

Fiscal Impact: Yes No **General Fund:** Yes No

Attachments: Yes No

Commission Action Required: Yes No

Public Notification: (E-Mail) Meetings and Agendas - City Council (10/23/2024)

Department Approval: Mark Muenzer, Planning and Development Director (10/01/2024)

RECOMMENDATION

Staff recommends the City Council (1) adopt a resolution to authorize acceptance of grant funds for the Fox Hills Specific Plan project from the Southern California Association of Governments (SCAG) Programs to Accelerate Transformative Housing (PATH) Housing Infill on Public and Private Lands (HIPP) grant program, enter into a Memorandum of Understanding with SCAG, and execute any other documents necessary to receive the funds; and (2) approve a related budget amendment to appropriate the grant funds (**budget amendment requires a four-fifths vote**).

BACKGROUND/DISCUSSION

On September 27, 2023, the City received confirmation from SCAG that an application for funding for the Fox Hills Specific Plan project was recommended for award, pending approval by the SCAG Regional Council. The SCAG Regional Council then approved the award at their regular meeting on October 5, 2023. The funding is provided to SCAG through the State of California's Regional Early Action Planning (REAP) 2.0 program and the Department of Housing and Community Development.

On January 26, 2024, the City received a letter from SCAG stating that funding for the REAP 2.0 program had been suspended under Governor Newsom's 2024-2025 State Budget Proposal. The REAP 2.0 programs led by SCAG, including the HIPP grant program, were suspended while the state budget was finalized.

On July 30, 2024, the City was notified that a large portion of the original REAP 2.0 funding had been secured through the state budget process and that all related awards approved by the SCAG Regional Council would be fully funded, including funds for the Fox Hills Specific Plan project.

In addition to the acceptance of grant funds and related budget amendment, City staff seeks approval to enter into an MOU with SCAG as a sub-recipient of SCAG's State funding. The MOU prepared by SCAG has been reviewed by the City Attorney's Office.

FISCAL ANALYSIS

Since the notification of the award occurred after the Fiscal Year 2024-2025 budget was adopted, the grant funding was not included. Staff is requesting City Council authorize acceptance of the grant funds and approve a related budget amendment to appropriate \$505,000 in grant funds to the Fox Hills Specific Plan project (**requires a four-fifths vote**). The Advance Planning Division has \$800,000 budgeted for the project and intends to enter a contract with consulting firm Studio One Eleven to complete the project with a budget of \$800,000, inclusive of a 10% contingency fund. The grant funds would replace a portion of the original department budget funding, thereby freeing up \$505,000 of General Fund.

ENVIRONMENTAL DETERMINATION

The acceptance of grant funds and related budget amendment are covered by the general exemption rule (as provided in California Code of Regulations, title 14, section 15061, subsection (b)(3)) that the California Environmental Quality Act (CEQA) only applies to projects which have potential for causing a significant effect on the environment. The acceptance of grant funds and related budget amendment will have no significant effect on the environment. The project to be completed using the grant funds will include environmental analysis pursuant to CEQA.

ATTACHMENTS

- 1) 2024-10-28 - ATT_Proposed City Council Resolution to accept SCAG grant funds and execute any necessary documents to receive the funds.

MOTIONS

That the City Council:

1. Adopt a resolution to accept \$505,000 in funding for the Fox Hills Specific Plan project through the SCAG HIPP grant program and approve the execution of an MOU and any other

documents necessary to receive the funds; and

2. Approve a related budget amendment to receive the revenue and allocate the grant funds (four-fifths vote required); and
3. Authorize the City Attorney to prepare and review any documents necessary to receive the funds; and
4. Authorize the City Manager to execute any documents necessary to receive the funds.