

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Luke Watson, Director of Community Development

DATE: June 25, 2019

SUBJECT: Approve an Agreement for Consultant Services with De Novo Planning Group for the Preparation of the 2021-2029 Housing Element Update

PREPARED BY: Lynn Kelly-Lehner, Principal Management Analyst

RECOMMENDATION: That the City Council approve an agreement for consultant services with De Novo Planning Group for \$73,070, with a 10% contingency of \$7,307, for a total agreement of \$80,377, for the preparation of the 2021-2029 Housing Element Update.

BACKGROUND: The California Legislature has identified the attainment of a decent home and suitable living environment for every citizen as the State's major housing goal. Recognizing the important role of local planning programs in the pursuit of this goal, the Legislature has mandated that all cities and counties prepare a Housing Element as part of the comprehensive General Plan. Section 65583 of the Government Code sets forth the specific components to be contained in a Housing Element. State law further requires Housing Elements to be updated at least every five to seven years to reflect the changing housing needs of a community. The City of Temecula's Housing Element was last updated and adopted in 2014 and covers through 2021. This Housing Element update is for the planning period of 2021-2029.

Staff is requesting to enter into an agreement with De Novo Planning Group to prepare the updated Housing Element. Tasks include community engagement, public workshops, community survey, open house, completing an existing conditions and needs analysis, preparing appropriate environmental documentation, coordination with the State Department of Housing and Community Development, and preparation of the final document.

FISCAL IMPACT: In 2017, Governor Brown signed a 15-bill housing package aimed at addressing the state's housing shortage and high housing cost. Specifically, it included the Building Homes and Jobs Act (SB 2, 2017), which establishes a \$75 recording fee on real estate to increase the supply of affordable homes in California. The purpose of SB 2 is to provide funding and assistance to all local governments in California to help cities and counties prepare, adopt, and implement plans and process improvements that streamline housing approvals and accelerate housing production.

On March 28, 2019, the Department of Housing and Community Development released the Notice of Funding Availability (NOFA) for approximately \$123 million under the SB 2. Jurisdictions are eligible to participate in a non-competitive grant process for funds. Funds are determined by

jurisdiction population. For a jurisdiction with a population of 60,000 to 200,000 residents, such as the City of Temecula, the maximum available funding is \$310,000.

The City anticipates using SB 2 funding to cover the costs of the 2021-2029 Housing Element. If the City does not receive enough SB 2 funding to cover the costs of the Housing Element, there are sufficient funds budgeted in budget line item 001.161.999.5248.

ATTACHMENTS: Agreement with De Novo Planning Group