



736 F Street
Arcata CA 95521

<i>City Manager</i> 707-822-5953	<i>Police</i> 707-822-2428	<i>Recreation</i> 707-822-7091
<i>Community Development</i> 707-822-5955	<i>Finance</i> 707-822-5951	<i>Transportation</i> 707-822-3775
<i>Environmental Services</i> <i>Streets/Utilities</i> 707-822-5957	<i>Environmental Services</i> <i>Community Services</i> 707-822-8184	<i>Building & Engineering</i> 707-825-2128

City of Arcata

Application for the U.S. Department of Housing and Urban Development's Pathways to Removing Obstacles to Housing Competitive Grant

10-20-23

Note: The City will be accepting comments at the City Council Joint Study Session with Planning Commission on Tuesday, October 24th from 6pm to 9pm at Arcata City Hall. The City also welcomes comments to Kiko Barr, Community Development Specialist I, by emailing kbarr@cityofarcata.org or mailing to Attn: Kiko Barr, City of Arcata, 736 F Street, Arcata, CA 95521. Comments should be emailed by 5pm on October 30th (or mailed by October 27th) to ensure consideration.

Exhibit A - Executive Summary

The City's vision for removing barriers to housing development is three-faceted. First, the City proposes to update its zoning to conform to the General Plan 2045, which streamlines permitting and allows for densification. Second, the City will adopt an Accessory Dwelling Unit program that consists of a zoning ordinance supporting the development of Accessory Dwelling Units; a marketing program to encourage property owners to develop Accessory Dwelling Units; and the framework for City financing of Accessory Dwelling Units in exchange for affordability covenants on the newly developed unit. And third, the adoption of two new form-based codes using objective standards to regulate high-density development in two of the remaining Infill Opportunity Zones identified in the City's 2019 Housing Element.

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Exhibit B - Threshold Requirements and Other Submission Requirements

Review and provide a narrative response, as necessary, to the Threshold Eligibility Requirements in Section III.D and Other Submission Requirements in Section IV.G

Physical Accessibility

All three methods of commenting on the City of Arcata's grant applications allowed those with disabilities to comment. Comments to the application were available in three ways: by emailing the Community Development Specialist, by sending mail to the Community Development Specialist, or by attending the City Council and Planning Commission's public meeting on October 24th at the City Hall building. The City Hall building is ADA accessible and additional accommodations are made upon request. The application was available on the City's ADA-compliant website and the application was readable by people with sensory impairments.

Environmental Review

The City will be required to conduct environmental review for the proposed zoning amendments. The City's process would require environmental review under the California Environmental Quality Act (CEQA). The City anticipates the HUD grant to require compliance with the National Environmental Policy Act (NEPA) as well. The City anticipates a Negative Declaration for CEQA that tiers off the Environmental Impact Report developed for the General Plan and Gateway Code adoption. The zoning amendments proposed under the HUD PRO Housing grant implement the policy identified in the General Plan environmental review.

Exhibit C - NEED

a.i. Describe your efforts so far to identify, address, mitigate, or remove barriers to affordable housing production and preservation.

The City of Arcata has a long history of identifying, addressing, mitigating, and removing barriers to affordable housing production. The City has developed strong partnerships with local homeless services and housing providers, affordable housing developers, the public, and various granting agencies. These networks have been leveraged to identify housing development barriers and strategies to overcome them. To date, the City has participated in development and preservation of more than 700 units of housing with affordability covenants on title. And while the City is proud of its accomplishments, there is more work to be done.

The City has worked diligently to address governmental barriers to affordable housing development. In the last six housing element cycles, the City has consistently updated and addressed barriers that are identified primarily through changes to the zoning ordinance and the City's fee resolution. Efforts to streamline housing development approval have resulted in a significant increase in housing production comparing 2001-2010 vs. 2011-2020. The increases in production are at least in part due to the changes in the code the City made, such as eliminating design review for several classes of projects, increasing density in certain neighborhoods, and making land uses more flexible to encourage mixed use projects.

The City has also been very effective at securing grants in partnership with affordable housing developers to build new rent- and sale-restricted units, build off-site infrastructure, rehabilitate units, provide tenant rental assistance, and support housing the homeless. The City has developed capacity to garner and implement Affordable Housing Sustainable Communities (AHSC), Infill Infrastructure Grant (IIG), Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and California Tax Credit Allocation Committee (TCAC) projects. In fact, the City has some specialization in grant sourcing after the dissolution of Redevelopment Agencies in 2012. The City's programs have retained their effectiveness despite the loss of Redevelopment.

For context, the following describes the City's record implementing projects and programs to develop and preserve affordable housing.

Securing Affordable Housing Units

This is a short list of projects the City has assisted in the last decade alone. In 2019, the City of Arcata acquired and supported off-site improvements for the downtown housing complex, Sorrel Place. The City contributed \$1.3 million in HOME Program Income (PI), \$750,000 in CDBG PI, and \$850,000 in local funds. The 44-unit complex has 43 units which are affordable to residents earning less than 50% Area Median Income.

In 2015, the City lent Housing Humboldt \$905,233 through CDBG to rehabilitate 10 units at Juniper Apartments. Affordability restrictions were placed on all 10 units for 30 years, reserving them for very low-income tenants (less than or equal to 50% Area Median Income).

In 2012, the City loaned \$483,000 of city funds to Resident Owned Parks for rehabilitation of the Sandpiper Mobile Home Park. As part of the agreement, for 55 years, affordability restrictions were placed on all 20 units. Eight units are for moderate-income households, seven for low-income households, and four for very-low-income households.

The list of projects dates back to the late 1980s and includes hundreds of units. The City has produced so many income-restricted affordable housing units that it was required to put forward a measure in 2020 to increase its Article 34 limit. Article 34 of the California Constitution prohibits jurisdictions from building government assisted affordable housing unless approved by the voters. The City sponsored and wrote the measure, which the voters passed by a large margin.

Tenant-Based Rental Assistance Program

The City of Arcata implements the Tenant-Based Rental Assistance Program with HOME funds to assist eligible tenants with monthly rent and utility payments. The program is tailored to each household, making up the difference between the amount the household can afford to pay and the actual cost of housing selected by the household. Under the Tenant-Based Rental Assistance program, rental assistance payment and any utility and/or security deposit may be made, on a case-by-case basis, directly to the tenant. This grant money has assisted 53 people since it was enacted in 2017.

Community Land Trust

The City helped the Humboldt Community Land Trust start in 2007. The City collaborates with the Housing Humboldt by using the City's Homeownership Program to finance eligible applicants. Through a series of regulatory and purchase and sale agreements, the City and Housing Humboldt ensure the perpetual affordability of the units. Under the Community Land Trust program, Housing Humboldt retains fee ownership of the land and will sell the homes to income-qualified households. Ownership of the homes will be subject to a 99-year ground lease that keeps the homes permanently affordable to low-income households while giving home owners a reasonable return on their investment. The First-time Homebuyer Downpayment Assistance Program, available to buyers of affordable Community Land Trust properties was funded by HOME and CDBG.

Density Bonus

The City of Arcata has a Density Bonus Ordinance that was adopted in 2008. The City's ordinance is out of compliance with current state law, which has been amended several times in the past years. Currently, State Density Bonus is considerably more favorable to developers than the City's ordinance. The City supports developers using state Density Bonus Law, and intends to update the local ordinance with the PRO Housing grant as one of the minor amendments to the Land Use Code.

Mobile Home Rent Stabilization Ordinance

The City implemented the Mobile Home Rent Stabilization Ordinance in 2018 to provide residents with long-term rent predictability. The ordinance proactively preserves the long-established value balance in the city's current mobile home market in order to ensure park owners retain a fair rate of return on their park investments and the mobile home residents retain the right to enjoy their own investments in their homes.

Housing for the Unhoused

As of February 2023, the City had initiated a Safe Parking Pilot Program and awarded a contract for operations to Arcata House Partnership. The program served 76 different individuals totaling 5,800 bed

nights in 2022. Seventeen individuals moved from the program into shelter housing, 19 went straight to permanent housing and several are still in process.

In 2022, the City of Arcata and non-profit Arcata House Partnership were awarded a Homekey Grant for \$14,194,598 for The Grove project. A motel was fully renovated and furnished to create 60 studio units for a mix of chronically homeless, homeless, and at risk of homelessness persons. Similarly, the West Village Studios was created by leveraging \$20,000,000 in Homekey funds and \$700,000 in CDBG PI, completely renovating a motel to create 78 studio apartments with kitchenettes for the same population.

Housing Element

During the previous Housing Element cycle (2014–2019), the City produced a total of 363 housing units. Between 2014 and December 31, 2018, the City issued building permits or planning permits for 43 very low-income units, 5 low-income units, 258 moderate-income units and 57 above-moderate-income units. Fourteen units received both planning and building permits. 44 have received planning permits. As a result of the building production from 2014 and December 31, 2018, the City produced 100 percent of 363 total housing allocations for the 2014–2019 planning cycle

In addition to successfully taking actions to remove local barriers to increasing affordable housing production and preservation, the City has focused on developing and retaining talented grant and project managers that can leverage the partnerships to bring housing projects to our community. The combination of capacity retention, expertise in a range of granting types, and the streamlining work that is informed by our ‘insider’s perspective’, having worked alongside our partners to develop affordable housing projects, is critical to our success mitigating the barriers to affordable housing production.

All of these programs and project involvement show that the City supports affordable housing, but there is greater need than these programs can supply. Combined with the lack of available land zoned and suitable for housing development, the lack of unit production hinders the effectiveness of these programs. The City needs to add more units to house its residents.

a.ii. Do you have acute demand for affordable housing? What are your remaining affordable housing needs and how do you know?

Despite our internal capacity to identify and address barriers to housing production, the landscape constantly changes and new challenges present themselves. There is still a large and growing demand for affordable housing. The North Coast, and more specifically, the City of Arcata, is a desirable location that has multiple external pressures on its housing market. The primary drivers of increase in growth include climate change, acceptance of remote work, several large economic development projects in the region (including the development and installation of an offshore wind farm), and the Cal Poly designation for Cal Poly Humboldt.

We noted a significant increase in the City’s population and its rate of growth between 2015 and 2023. This period of rapid growth corresponded with a period when Cal Poly Humboldt (then Humboldt State University), a major driver of housing need in Arcata, was experiencing significant declines in student population. The declines were initially in response to student’s dissatisfaction with City and University response to the horrific murder of a Black student, David Josiah Lawson, then followed by the pandemic.

As the University rebuilds its student body, those units that were occupied by non-students as our population increased are no longer available for the returning students.

During that same period, the number of unhoused residents living unsheltered in our community also increased rapidly as other parts of the state were experiencing more intense fire seasons. Lastly, large and mid-sized employers have experienced challenges with recruitment and retention, which they have also attributed to the lack of housing.

This blend of anecdotal evidence and data indicates that there is still an acute demand for housing, despite the fact that the City has met its very-low and extremely low-income housing targets in its Housing Element. Rather than drawing the conclusion that our housing need has been met, this disconnect indicates that the need is far greater than the Regional Housing Needs Allocation indicates. The City estimates a need for at least another 300 units of low-income housing (80% AMI) in the current period. And there have been very few housing units produced for moderate income households. The need is acute and a significant number of new units are needed to meet the current housing crisis in our community.

The City of Arcata is listed as a priority under HUD's "FY 23 PRO Housing List of Priority Geographies" spreadsheet. Arcata meets the national and state threshold for the Housing Problems Factor (HPF), meaning the city has a widespread housing cost burden or substandard housing. The widespread housing cost burden reflects anecdotal evidence from our community engagement activities and from data collected about our community.

Median Housing Cost and Area Median Income

Incomes, as well as the costs of both rental and for sale housing have increased. The median household income for the City of Arcata was \$39,069 in 2021 up from \$30,866 in 2017. The median rent increased from \$1,015 in 2019 to \$1,350 in 2023 for a two-bedroom unit, and the median rent similarly increased in the same time period from \$949 to \$1,195 for one-bedroom units in the City. The median home sales price increased from \$350,000 in 2019 to \$504,250 in 2022.

Overpayment is defined as monthly housing costs in excess of 30 percent of a household's income. A significant proportion of Arcata's residents (56.92 percent) are overpaying for housing costs. Severe overpayment is defined as monthly housing costs in excess of 50 percent of a household's income. A moderate proportion of Arcata's residents (35.77 percent) are severely overpaying for housing costs. Among lower-income households (earning 80 percent or less of the area median income), 49.53 percent are overpaying and 35.19 percent are severely overpaying for housing costs. More housing is needed, especially housing that is affordable to households at lower incomes.

Displacement Pressures and Population Growth

The City's future housing needs are projected by HCD based on demographic trends. The full methodology is provided in the Regional Housing Needs Allocation adopted by the Humboldt County Association of Governments Board on March 21, 2019. The Housing Element identifies the housing stock characteristics, housing market trends, and the availability of appropriately zoned land to accommodate projected need. And while the Department of Finance population projections indicate the County is losing population, the City of Arcata is growing.

At the 2020 census, Arcata's population was 18,857. The City is planning for population growth to 26,400 in 2045. Over the decade from 2010 to 2020, the city's population growth was approximately 0.94% annually. The City is planning for the same annual background growth rate of 1% plus a growth factor associated with the increased population pressure associated with climate change, Cal Poly Humboldt,

telework, and a host of regional and local economic drivers that affect the desirability of this community. Considering all of these factors, the City is planning for a growth rate as high as 1.4%.

One key housing displacement pressure is the transformation of Humboldt State into a Cal Poly Humboldt. With it, comes a mandate to increase enrollment. In August 2021, California Governor Gavin Newsom and the State Legislature agreed on a new state budget with a historic \$458 million investment in Cal Poly Humboldt to become Northern California's first polytechnic institution. Fall 2023 enrollment was 5,964 students. Based on an October 2023 letter by Cal Poly Humboldt's Vice President of Enrollment Management and Student Success Chrissy Holliday, the university's goal is to reach an enrollment of 11,000 by 2028. An increase of 5,000 students is approximately 26% increase from Arcata's 2020 population. While Cal Poly Humboldt has committed to housing first-year undergraduate students, all other undergraduate students, graduate students, staff, and faculty live in Arcata or commute from surrounding communities. The City is working closely with Cal Poly Humboldt to plan for the large increase in student population and accompanying staffing increases. The land use code updates and ADU ordinance in this proposal are a key part of preparing for this wave of students.

In addition, the region as a whole, and Arcata in particular, has experienced growth from households relocating from other areas of the state. This has been driven by economics, climate change, and the availability of remote work and desire of some to move to less populated areas during the pandemic. Housing development in Arcata has not kept pace with demand.

Housing Stock Condition and Age

Two-thirds of Arcata's housing stock is more than 40 years old, but a minimum of 500 units have been added to the housing stock each decade since 1950. Arcata's housing stock is in relatively good condition. However, given its age, lead abatement issues may potentially be found in an estimated 3,852 housing units (48 percent of all housing units).

The City's Housing Element reporting indicates that 118% of its housing need for very low-income, 79% of its housing need for low-income, and 26% of the housing need for moderate income households have been met for the current cycle. This is good progress, but the input from employers and workers provided in General Plan engagement events the City has held suggests that there is still considerable need in this group.

Housing for extremely-low income households, including the unhoused, is a critical gap in the City's housing stock. While the City has added 218 units of rent restricted affordable housing during the 2019-2027 Housing element period, there are still hundreds of unhoused individuals and families. A significant proportion of these households are also unsheltered. The 2023 Point in Time Count, which annually seeks to census unhoused individuals statewide, counted 1,648 individuals in Arcata. These estimates are generally considered low by experts in the field due to the difficulties associated with engaging the unhoused population. Arcata House Partnership, a local services provider for homeless individuals, served 1,649 clients in the last two months. Based on phone and intake information, Arcata House Partnership says the number one cited reason for newly homeless individuals is the rising cost of rent.

While homelessness is a regional problem that requires regional solutions, and while Arcata has built 140 units just in the last year, there is still a local and regional need. There is strong evidence that lack of affordable housing is a primary factor in homelessness.

a.iii. What key barriers still exist and need to be addressed to produce and preserve more affordable housing?

There are several key barriers that currently limit or prevent the development of affordable housing. First, the City's land inventory for housing is low. And second, the permitting process is unpredictable and provides poor process for the public and the housing developers.

The City currently lacks residentially zoned land suitable to meet its housing need. Lands that are zoned and are suitable for housing development in the 2019 Housing Element totaled about 350 whereas the City's Housing Needs Allocation was 610 units for the 2019-2027 Housing Element period. In short, there is no land available for housing development in our community under the current land use zoning regulations. The lack of land zoned for housing is the most significant barrier to housing development that the City has the ability to control.

Inefficient Permitting Procedures

The second largest barrier is the permitting process. Historically, all development, including housing, was required to obtain discretionary permits from the City. The discretionary review process has had a negative impact on housing production and unsatisfactory outcomes for the public. When the outcomes of an approval process are uncertain or unclear, the risk associated with the initial investment into the planning process are high. The permit requirements for planning review, including the various plans, studies, and consultants required to produce a complete application create an expensive threshold in light of the uncertainty of the process.

ADU permitting is often pursued by homeowners rather than professional builders familiar with the permitting process. While the City has encouraged ADU development with a liberal interpretation of the state's ADU regulations, Arcata lacks its own ADU ordinance which would make the permitting process clear for local homeowners. The City has considerable control over the permitting process and plans to address these barriers with the proposal.

Outdated land use code requires a permitting process that leads to discretionary decisions for housing. Land use code focuses on area uses and has a permitting process where applicants must go through a design review process that allows for discretionary decisions and increases the length and cost of development. The City sees form-based code as an antidote to this because it would provide specific guidelines on buildings and the application process would become ministerial and streamlined.

Lack of Residentially Zoned Land

The key barriers to producing and preserving more affordable housing in Arcata are outdated planning requirements and regulations that harken back to its legacy when Arcata was primarily an industrial timber town in the 1900's. Arcata was primarily an industrial timber town in the 1900's. At that time, Arcata was home to several lumber mills which processed timber into salable products. This also required large lots called "log decks" where timber could be stored. At that time, the population was much smaller and having central areas of the town devoted to industrial uses was the best use of the area. Industrial zoning is a key barrier to housing production because for the current and future development of Arcata. Current industrial zoning regulations are outdated and inflexible for the needs in the area. and land use

policies can perpetuate industrial zoning, making it challenging to adapt to changing community needs, including the need for more housing.

Geographic Barriers

Another key barrier is Arcata's geographic landscape. Arcata sits along the northern coast of California adjacent to the Humboldt Bay. The Mad River and Arcata Marsh are present as well. On the east, the city is hemmed in by the Klamath mountain range and redwood forests. As it approaches the east, the city's terrain includes hilly or mountainous areas, making it challenging to develop on steep slopes. These areas can be vulnerable to sea level rise and have environmental protections in place to safeguard natural habitats, which can restrict development. The natural features are the pride and joy of residents. However, it is a key barrier to affordable housing because they represent a physical barrier to expansion, add lengthy and complex environmental permitting procedures, are off-limits because of their designation as open space areas or are subject to open-space easement deed restrictions, can be in flood zones or areas vulnerable to sea level rise. Additionally, it limits the ability of other neighboring communities which could provide additional housing to expand as well. The City of Arcata sees densification, mixed-use zoning, and infill development as the best way to overcome this barrier.

Limitations on Density and Restrictions on Building Height

Arcata's legacy zoning code prioritizes single family housing at the cost of multi-family housing. It puts limitations on building density which include restrictions on building height, parcel size requirements, setback requirements, and restrictions on properties with four or more units. There are various building code requirements such as outdated fire code which restrict building height.

Environmental Permitting

The approval process for the California Environmental Quality Act allows challenges to housing projects. This is a key barrier because it delays the approval process. It also discourages developers from building in the first place because it adds costs and uncertainty.

Building materials costs are high relative to rents/sale prices.

Similar to challenges in other areas in the United States, building material costs are high relative to rents and sale prices. This is exacerbated by Arcata's location. While it is on the 101 highway, it is out of the way of any major metropolitan area which inflates prices.

Macroeconomic Barriers

There are several macroeconomic factors that increase housing cost. Insurance markets and lending have an impact on housing production. Despite external factors, the City has been thoughtful and proactive addressing the variables that are within its control.

Exhibit D - SOUNDNESS OF APPROACH

b.i. What is your vision?

The City's vision for removing barriers to housing development is three faceted. First, the City proposes to update its zoning to conform to the General Plan 2045, which streamlines permitting and allows for densification. Second, the City will adopt an Accessory Dwelling Unit program that consists of a zoning ordinance supporting the development of Accessory Dwelling Units; a marketing program to encourage property owners to develop Accessory Dwelling Units; and the framework for City financing of Accessory Dwelling Units in exchange for affordability covenants on the newly developed unit. And third, the adoption of two new form-based codes using objective standards to regulate high-density development in two of the remaining Infill Opportunity Zones identified in the City's 2019 Housing Element.

The City committed to a mandatory rezone to obtain Housing and Community Development certification of the Housing Element in 2019. The rezone specifically identified several "Infill Opportunity Zones", where the highest density designations along with streamlined zoning regulations to promote infill. In addition, the City proposes increasing base density across several existing and proposed zones in its General Plan 2045 draft. The combination of rezoning 280 acres to allow additional housing, increasing the base density across most zoning districts, developing form-based codes with objective design standards for infill Opportunity Zones, and promoting Accessory Dwelling Unit production, tackles the following key barriers to affordable housing: inefficient permitting procedures, lack of residentially zoned land, and limitations on density and restrictions on building height.

Updating Zoning to Conform to General Plan 2045

The City proposes to update the Land Use Code to support affordable housing production by aligning it with the General Plan 2045 densities and updated land use characteristics. The updated zoning ordinance will simplify the planning review process citywide, update zoning in the Commercial Mixed-Use designation to allow more flexibility to develop housing, increase the density of most residential zoning districts, and make other improvements to permitting in chapters such as Hillside Development Permits, the Tree Preservation ordinance, Inclusionary Zoning, and the environmental review procedures.

The Gateway Area Plan and its Gateway Code, a Form-Based Code zoning ordinance, was developed as a pilot for proof of concept. The Gateway Area Plan will rezone the centrally located, 137-acre Creamery District from light-industrial to high-density multi-family housing, unlocking the potential for up to 3,500 housing units. The Gateway Area will allow ministerial approval of high-density projects. The General Plan, including the Gateway Area Plan, and the Gateway Code are expected to be adopted by April of 2024. But the Gateway Area Plan is one of only four Infill Opportunity Zones, and there are several updates to the City's zoning that must be completed to align zoning with the policy in the updated General Plan.

The City has incrementally worked to streamline housing development for over a decade. In light of the City's land inventory, the City committed to an ambitious approach to infill development in 2017. The

concept was to establish a new General Plan policy that would not only allow high-density residential and mixed-use infill, but would also incentivize this pattern of development.

After years of public engagement and grant writing, the City was able to secure REAP, LEAP, SB2, and SALC funding for the necessary planning and environmental review to establish the policy framework in the City's General Plan 2045, and a form-based code in a newly established Gateway Area.

These changes will result in allowing more high-density and affordable housing within the City. Rezoning reduces barriers to all types of housing, but as the NOFO acknowledges, planning for housing also supports the development of affordable housing. In addition, since the City will be considering reintroducing inclusionary zoning appropriately sized to allow for its use, the City will ensure that all high-density projects are mixed income projects.

Through our engagement with property owners, the City is aware that several owners are interested in using the new regulations as soon as they are available. The City expects this work to have an immediate effect in housing production, as well as ongoing impact. In the last two decades, the City developed an average of approximately 100 housing units per year. The streamlining in the last decade resulted in code streamlining that increased housing production towards the end of the 2010s. We anticipate the additional streamlining will increase the rate of housing production over the next two decades.

Accessory Dwelling Unit Program

The City also expects to develop an Accessory Dwelling Unit program, including a new Accessory Unit ordinance, marketing, and loan program. The City sees encouragement of Accessory Dwelling Units as a viable option for producing additional density in the jurisdiction without major changes in zoning. While the City currently follows California state law on ADUs and is supportive of development, there is currently no formal local Accessory Dwelling Units regulation. The City expects that the formal policy, along with marketing and financing opportunities, will facilitate homeowners building Accessory Dwelling Units.

The City's Accessory Unit production has doubled since the enhancements in State Accessory Dwelling Unit law. While the overall numbers are modest at around 20 units per year, nearly all of these qualify as low-income or lower-moderate income units. The City could enhance this by developing a program to assist property owners to develop Accessory Dwelling Units on their property. The PRO Housing would be used to develop the program. The City would use other funding sources to finance the proposed loan program.

The loan program would be structured with sustainable funding in mind. The loans would be performing, and the proceeds of the loan payments would fund future loans. In addition, the loans would require a period of affordability to low income or lower moderate-income individuals. The affordability covenants will be recorded in a regulatory agreement on title, and released only after the term is met.

In addition to these efforts, the City is considering developing an Accessory Dwelling Unit loan program, which would create rent restricted affordable housing in existing neighborhoods. The PRO Housing Grant would assist the City to fully deploy this program. The PRO Housing grant would assist developing the program guidelines, the application and marketing material, and the loan documents to support the program. The program will be marketed to affirmatively further fair housing, which is described in more

detail in Section b.iv. The City currently produces approximately 20 Accessory Dwelling Units per year. This program would be expected to create an additional 10-20 units annually to start.

The City has experience operating similar loan programs. The currently active Homeownership Program has approximately 60 active borrowers, and the City has had more than 125 loans in its history. The City has also operated a housing rehabilitation program in the past. The City has staff expertise and capacity to manage this program.

The City also expects this program to have immediate effect. One challenge many households face when contemplating development of an Accessory Dwelling Unit is financing. Construction financing for accessory units is nearly non-existent. And for those households that have enough equity to leverage a line of credit or second mortgage, interest rates are high, making unit production a non-starter for many. With the City's program, the construction financing would make more projects pencil.

Infill Opportunity Zone Form-Based Codes

The State has adopted more than 100 housing bills over the last five years. Many bills authored by Weiner and Wicks include ministerial pathways for housing that provides at least some affordable housing. In addition, many of these laws, including the Housing Accountability Act enhancements, establish that only objective standards may be used in the review and approval of housing projects. The recently signed AB 2011 effectively turns all commercial zoning districts into mixed-use/housing districts. The cadence of new housing law adoption indicates the severity of the housing crisis.

The City is fully in support of housing production. While the City does not yet have the Pro-Housing designation, the Council and Planning Commission have signaled repeatedly their support for housing our community members. At the same time, the community and decision makers wish to have some measure of control over what gets built. The decision makers recognize that having objective design standards in the code is the most effective way to convey the City's design aesthetic while allowing for streamlined production of housing.

To this end, the City proposes to develop a form-based code with an emphasis on the design elements that are tailored to specific areas. The City Council will select two of the remaining Infill Opportunity Zones, Valley West and Downtown, to develop form codes using the HUD PRO Housing funding. While the public engagement on the elements to include in the code are still pending, staff anticipates they will be similar to the Gateway Code, which allows ministerial review of projects that conform to the code, provide a community benefit from a menu of listed benefits, and meets a minimum density threshold. This review process provides a high degree of certainty to the public and the developer about process and outcomes. It also allows the community to engage in the design process, whereas traditional discretionary project review only allows the public to comment on design, not assist in it.

The new form-based code would be in contrast with the current permitting process, which is based on a traditional committee-based design review process based on general guidelines. The general guidelines introduce ambiguity and can lead to an extended back and forth in the design process. The committee system also introduces time and uncertainty in the approval. This discourages developers from applying or contributes to higher costs which are passed on to the community in the form of higher housing costs. Form-based code will directly address this barrier to affordable housing by instituting a clear and predictable permitting process.

Additional revisions will include rezoning lots in Valley West and Downtown for mixed uses. This would allow potential development of some large parking lots. One story buildings will be allowed to be two to three stories.

The impact of the form codes is anticipated to be immediate. Through engagement with developers and land owners, the City is aware of at least a few projects that would find the zoning changes enough incentive to initiate a project. The zoning would have a lasting effect as well. New property owners or future developers would benefit from the form codes in these Infill Opportunity Zones in the future.

Lessons Learned Based on Similar Efforts

The City of Arcata has built on various attempts to streamline development review for over a decade. Each iteration has provided more certainty in the zoning process. For example, in 2011 the City combined the Historic and Design Review Commission and the Planning Commission. This simplified the review process and reduced the number of hearings required for most permit types. This was followed by amendments to the Design Review ordinance that reduced the number of project types that require a hearing, allocating a large proportion of the Design Review decisions to a staff level determination in an over-the-counter process that is combined with building permit review. Each iteration streamlined review process without sacrificing design quality scaled to the community impact and importance of the decision.

The element that is still lacking is strong objective standards for design. Currently, the City relies on the Design Element in the General Plan. This is a broad set of policies that give some guidance but lacks the specificity to constitute “objective design standards”. The City is currently considering adoption of its first form-based code in the Gateway Area. This code has detailed objective standards. While the specific design elements are left to the building designers to ensure that each building reflects the owner’s and architect’s vision, the basic form, including massing, glazing, bulk, setback, public orientation, pedestrian oriented design, and fenestration, to name a few elements, are all regulated in the code with specificity.

Projects that follow the design standards, meet the density minimum of 30 units per acre, and provide some community benefit among a menu of benefits, are ministerially approved. This last iteration on design review streamlining provides a high level of certainty about the project review process for the public and the developer, incentivizing housing development in part by reducing risk associated with the permitting process.

This approach to streamlining housing development that meets local standards is new for the City of Arcata. But these form-based codes have been successful in other jurisdictions. In addition, the City has included housing developers, property owners, banks, and realtors in the engagement to develop the code. In general, professionals in each of these sectors believe the strategy will work to incentivize housing development. Also, the decision makers have indicated a desire to monitor the effectiveness of the new zoning and modify it to achieve the desired results. Because the method has been applied in several jurisdictions over several years, the support for the concept by industry leaders that are familiar with the cost and nature of housing development, and the ability to pivot if the code is not producing the housing the community needs, there is high confidence that the ordinances will be successful.

Alignment with Existing Planning Initiatives and Community Assets

The proposed updates to the City’s zoning ordinance and development of an Accessory Dwelling Unit program are direct extensions and implementation of the General Plan update currently being processed. The City anticipates adopting the General Plan policy that supports the zoning amendments in March of

2024. The implementation identified in the General Plan update requires the zoning amendments described in this application.

In addition to aligning with ongoing local long-range planning, the proposal also fits within the regional framework. This planning work was in part informed by regional collaborations with several other jurisdictions, including the County of Humboldt and the City of Eureka, among others.

The Humboldt County Association of Governments has convened the local jurisdictions to address housing need, which has leveraged much of the public engagement around the General Plan update. The Association of Governments has provided positive input on the updates in their role as a multi-jurisdictional JPA addressing transportation planning and regional housing planning. The Association of Governments specifically identified how the Gateway Area Plan, which covers the first of Infill Opportunity Zones to be planned, supports the regional transportation plan.

In addition, the Community Economic Resilience Consortium, an ad hoc group of planners, electeds, economic development professionals, industry representatives, and Cal Poly Humboldt, formed in 2020 around the pandemic response and continues today to support regional collaboration in support of housing and economic development, has supported the efforts as consistent with many of the missions and/or plans that this diverse group hold. Direct actions that have resulted from this group include the development of a regional housing trust fund, better coordination on the Regional Housing Needs Allocation process, and support for the Gateway Area Plan, to name a few.

These regional efforts continue to support the proposed zoning, which the jurisdictions can then borrow from. And the Accessory Dwelling Unit program would be directly portable to other communities in the region. This type of sharing of resources will enhance the already robust regional coordination in Humboldt County.

The proposed work will borrow from the Gateway Area Plan. This ambitious plan established several features that protect current residents from displacement, as well as new inclusionary zoning requirements to ensure the benefits of new development are shared across households of all incomes. Specifically, the policies directed at preventing gentrification include relocation benefits, minimum inclusionary zoning requirements, and broad support for public assistance with housing development. These Gateway policies will be captured in the other Infill Opportunity Zones through the proposed form-codes. These measures will support equitable access to current and future residents, including households with lower incomes.

The proposal also supports transit, economic development, and job creation/retention. Again, many of the concepts embedded in the Gateway Area Plan are applicable citywide. The priorities for alternative transportation and programs that support transit will feature prominently in the new form-codes. Specifically, the City is developing a project-based bus pass program that would strongly encourage projects to offer bus passes to residents and workers as part of the community benefits program included in the form code. This program will help build out a robust transit network and reduce vehicle miles traveled. These also will support transit-oriented development, such as it is in our less urban community.

All the neighborhoods identified for the form-codes include new mixed-use zoning. This will provide more flexibility for developers to meet the market demand with fewer constraints in regulation. In addition, these mixed-use neighborhoods are already in areas with a combination of housing and jobs,

which will further enhance the walkability of these areas. These infill policies will support greater access to residents and workers to the range of amenities within walking distance to their homes and jobs.

Job retention and creation has been a major consideration for the community. As discussed earlier, leaders in several economic sectors have described difficulties with recruitment and retention. The streamlining associated with the proposed zoning updates will facilitate more rapid development of housing to address this need.

b.ii. What is your geographic scope?

The City of Arcata is approximately 11 square miles (See attachment - City of Arcata Map). Of this area, the urbanized core of Arcata consists of approximately three square miles. The balance of land area includes several outlying residential-only neighborhoods and open-space lands. The scope of the planning work emphasizes development in the urban core. While this area is small relative to the City, it constitutes the majority of the areas in which the City can expand through infill development without negatively affecting the environment. The two Infill Opportunity Zones, Valley West and Downtown (See Attachment - Infill Opportunity Zones), are subsets within the three square miles. They are located from the farthest north end of the City to the southern central area outside of the areas mapped as vulnerable to sea level rise. As such, the areas impacted by the form-codes encompass nearly all the land suitable for this type of development.

The zoning ordinances are applicable citywide. These amendments will support development everywhere in the City where residential uses are allowed. And the Accessory Dwelling Unit program will support development throughout the City. As such, the proposal addresses streamlining development throughout the City in all areas suitable for residential development.

b.iii. Who are your key stakeholders? How are you engaging them?

The City of Arcata has conducted extensive and very creative engagement to develop the policy grounding for the proposed zoning amendments. The City has outlined this work in its working draft engagement report (<https://www.cityofarcata.org/DocumentCenter/View/13260/SIRP-Engagement-Rpt-060722>). This report is a living document that is regularly updated as we continue public engagement on the long-range planning work. The report documents thousands of individuals engaged and provides a range of ideas incorporated into the draft General Plan 2045.

Of particular note, the City has worked to make engagement on the plan as inclusive as possible, conducting several “we’ll come to you” meetings to ensure that traditionally marginalized communities’ voices are shared with the decision makers. The City has conducted two bilingual Spanish meetings, has engaged Equity Partners, an equity-focused consulting group, to hold focus groups with a very diverse group of primarily BIPOC community members, the City has held engagement events on Cal Poly Humboldt’s campus to encourage participation among younger people, to name a few. In short, we assessed the gaps in demographic among participants, then developed engagement strategies to specifically provide access to those in the community who had not been reached by previous efforts. This method has resulted in very deep

and broad engagement across the entire community. This work is also documented on the City's Strategic Infill Redevelopment Program engagement page at <https://www.cityofarcata.org/940/Engagement-Information>.

The City's General Plan 2045, along with the Gateway Area Plan, was vetted using engagement from every sector involved in the development process. The City understood from the beginning that establishing a plan that ignores or precludes involvement of any one sector would create barriers at the best and completely block development at the worst. The Council understood that in addition to engaging existing residents, the City needed to hear from businesses, prospective residents, business leaders, workers, developers - especially housing developers, realtors, bankers and lenders, utility service providers, public safety agencies, labor unions, builders groups, and a broad network of other community groups.

The City has received consistent positive feedback from the development community on the plan to streamline development. Public process at the project level includes risk and uncertainty. The planning process for one off projects is complex and fraught. Even projects that meet the City's code often experience protracted approval processes with iterative redesigns.

The public process is equally unsatisfactory for the public. The process allows public members to write comments or provide oral comments for three minutes during a hearing. They often feel unheard when decision makers adopt a project while seemingly ignoring their input.

Many stakeholders the City has engaged express significant challenges obtaining safe, affordable housing. These stakeholders have cited their lived experience to build the anecdotal narrative that the City needs to do what it can to increase housing stock. Several young professionals have described the inability to find reliable housing, despite having a solid professional career in the area. Many have expressed the inability to find affordable housing despite earning at or near median income.

The General Plan and Gateway Area Code were responsive to these inputs and developed policy to specifically address the needs of stakeholders. While there is a diversity of opinions about the approach to meet the City's housing crisis, nearly all community members want safe, affordable, quality housing for all its residents.

The Commission has made a recommendation on the General Plan, which is the basis for the proposed zoning amendments and programs. The process involved incorporating policy that reflected the input received that correlated with the overarching goals of housing production, economic development, and open and natural space preservation. The City developed a body of policy that heavily relies on infill development to accomplish this.

b.iv. How does your proposal align with requirements to affirmatively further fair housing?

Removing Barriers to Affordable Housing in Well-Resourced Areas

Our proposal is to update the City's Land Use Code to align with the General Plan 2045, create an ADU ordinance, and create a form-based code for Infill Opportunity Zones. All three of these are focused on densification of housing and streamlining permitting of new housing. The areas that land use code and form-based code updates aim to densify are downtown Arcata, Valley West, and the Creamery District. All three of these areas are well-resourced areas of opportunity and increase access for underserved groups in the City of Arcata.

Downtown Arcata and the Creamery District is home to many of the city's businesses and offices; is walkable, bikeable, and served by an electric bus line; has a vibrant restaurant and coffee shop scene; is home to Arcata's arts scene; has childcare and school centers; and is less than a mile from two renowned open space areas with beautiful trails—the Arcata Community Forest and the Arcata Bay Trail. Existing housing is a mix of affordable housing and housing for above moderate income. This ensures that residents moving into this area will have access to and be surrounded by sustainable modes of transportation, to businesses, arts and culture, and natural open space.

The ADU ordinance will affect the whole jurisdiction of the City of Arcata. ADUs will be built on lots with existing single-family housing. This will lead to densification of residential areas that serve individuals ranging from low to high income households and individuals.

The General Plan includes a new “community benefits program” that utilizes a system of tiered incentives in which projects that provide higher levels of community benefits are permitted greater building heights, increased residential density, and streamlined approval processes. Thus, a proposed development project that includes electric vehicle charging stations, street trees, murals, on-site bike parking, rooftop solar, enhanced architectural features, or other defined community amenities can be larger than a building without those features. Given the need for housing at all income levels, this Plan considers the production of housing, in and of itself, to be a community benefit. So too are projects that daylight creeks, enhance the vibrancy of City streets, minimize sprawl by contributing to a strong bike and bus networks, or improve the quality of life for community members in other ways. While the Plan provides many core amenities throughout the Gateway Area, the incentives program encourages developers to provide additional amenities.

Multiple strategies are baked into the General Plan updates to make housing in the Gateway Area affordable to the full range of Arcatan household incomes. This includes promoting a range of residential unit sizes and types, including studios, which are affordable because of their size, student housing, deed-restricted affordable housing, single room occupancies, and family-sized dwellings with three or more bedrooms. As a result, the Gateway Area is a mixed-

income neighborhood, with housing options available for all income groups, ranging from 200 square foot deed-restricted micro- units to luxury condominiums for high-income households.

Equitable, sustainable, and efficient mobility systems are highly valued in Arcata. Thus, this Plan also prepares for a substantially realigned transportation network that significantly enhances bicycle and pedestrian facilities while also creating a more efficient vehicular circulation pattern. Fulfilling the “Gateway” name, the Plan’s newly configured circulation network provides much improved mobility, with better north-south and east-west connections. Once implemented, the Gateway will seamlessly link the Gateway Area to the Plaza. Traveling north from Samoa Boulevard to Alliance Avenue will be much more fluid and enjoyable, especially for bicycles and pedestrians.

A driving motivation in the new mobility infrastructure is to ensure the Gateway Area supports a car-free lifestyle. This is accomplished in part by planning for non-motorized connectivity to other parts of the City with pedestrian and bicycle-friendly corridors that draw residents and visitors to enter the Gateway via means other than motorized vehicles. A large part of promoting a car-free lifestyle is providing safe and attractive pedestrian friendly walking routes that focus on safety and aesthetics by incorporating art and street lighting. Off-street parking is de-emphasized in support of more valuable uses of land, while the streetscape prioritizes human activity and movement. Where viable, sidewalk widening strategies create unobstructed accessible pedestrian pathways. Providing adequate bike infrastructure, including secure parking at destinations will ensure usage meets the goals of a car-free lifestyle. In pursuit of these values, development projects that enhance active transportation are considered community amenities that qualify for the Community Benefits Program.

The City has a strong record of working with partners to bring affordable housing to the community. However, there are still barriers related to the development approval process. Review of two Homekey projects recently illustrate the fraught nature of developing support for housing affordable to the most vulnerable in our community. These projects faced considerable opposition.

The City’s proposal will provide additional streamlining to the process. Furthermore, the affordable housing projects built under the proposal will benefit from new AFFH policies the City will be adopting. These policies and programs will provide the framework to institute a stronger framework supporting desegregation.

The City’s affordable housing is well spread out in the urban core. The City works with the intention to ensure that all areas that can support higher density housing have affordable units. In addition to the incentives for mixed-income projects that the City has adopted, the City is also adopting an inclusionary zoning regulation that will require affordable housing be incorporated into new projects. Lastly, because the zoning incentivizes new development in areas that already include some of our larger concentrations of both rent restricted and market rate affordable

housing, the plans will bring amenities associated with more vibrant and affluent neighborhoods to existing lower income neighborhoods.

Addressing the Unique Needs of Protected Classes

The City has adopted policy and programs in the Gateway Area Plan that will address housing needs for specific communities, including households with protected class. The Gateway Area Plan incentivizes adaptable design in Policy GA-31, which provides a density bonus for projects that emphasize accessible and adaptable design. The Gateway Code has a community benefits program that includes production of special needs housing intended for special needs populations, including families and individuals experiencing homelessness, people over 55 years of age, students, and those who have mobility or sensory impairments.

There are additional policies that support projects with multiple unit sizes that will serve families at different sizes. There is also a community benefit that supports this in the Gateway Area. And, while it is difficult to adopt housing policy that supports the BIPOC community, which experiences greater housing insecurity, without running afoul of the Fair Housing Act, the City's Health Element describes several measures related to housing that are designed to improve outcomes for BIPOC community members.

We anticipate incorporating these same incentives into the Infill Opportunity Zones. In addition, some of these strategies may be appropriate in other areas that will support higher density housing. Underlying all of the City's efforts to improve the quality of life for protected class groups is the absolute and critical need for more housing units. None of the City's goals will be met without additional units.

Affirmatively Furthering Fair Housing Certification

The City of Arcata has been attending HUD's monthly Affirmatively Furthering Fair Housing (AFFH) Interim Rule Office Hours with the intent to obtain AFFH certification for the City or region.

Equity-Related Public Input

In efforts to gather input from the public to inform the Gateway and General Plans, the City of Arcata contracted with equity partners to create a space to engage with Arcata community members of marginalized identities who have been underrepresented and historically excluded from such processes in the past.

The goal of this project was to amplify the experiences, needs, and desires of a diverse group of community members to inform the priorities and policies of the plans with the understanding that centering marginalized voices and making decisions accordingly improves things for everyone in the community. This input along with input collected by the City of Arcata offers a fuller sense of the whole community's needs.

Equity partners invited folks to participate in the group with the goal of having representation

from Black, Indigenous, Latinx, Asian, and Native American communities. Additionally, the goal was to invite folks across the spectra of gender identity and sexual orientation. We looked to invite people of varying ages, professions, and abilities. To grow the group of participants, we asked individual community leaders and folks holding formal positions in local Black, Indigenous, and People of Color (BIPOC) organizations like Black Humboldt, Humboldt Asians and Pacific Islanders (HAPI) in Solidarity, and Queer Humboldt for recommendations regarding who lives in Arcata and who might be open to sharing their expertise to inform the Gateway and General Plans.

In eight hours of virtual group meeting time, equity partners facilitated conversations with 16 community members that addressed the areas of culture, employment, health, housing, mobility, recreation, and transportation. The voices of community members of color were prioritized with opportunities for white-identifying community members to share as well. Sessions were not recorded, but a City employee took notes during each session to capture all that was shared. In addition to live sessions, equity partners surveyed the group related to each topic area covered.

Evaluating Progress to Advance Racial Equity

In order to evaluate the City's progress towards advancing racial equity, we will seek feedback from stakeholders, including local housing authorities, nonprofit organizations, and advocacy groups, to gauge the impact of our policies on promoting desegregation and expanding housing access.

The City of Arcata closely tracks the locations of affordable housing with geographic information system (GIS) tools. This analysis will help us visualize patterns of housing distribution. In line with our current practices, for activities in this proposal we will create spatial representations of housing developments and their proximity to well-resourced areas. We will also monitor new affordable housing development to make sure concentration does not occur.

We will actively engage with residents, especially underserved groups, to gather their insights and experiences related to housing access, desegregation, and opportunities in well-resourced areas. This qualitative data will provide valuable context. The City of Arcata contracted with equity partners to create a replicable framework to support the City's goal of outreach to diverse groups of community members moving forward. equity partners recommend that a system of continuous improvement be integrated into the plans, and that it be explicitly created to amplify the voices of marginalized community members whose input will inform decision making and policy shifts for the betterment of all community members.

The City will collect demographic information as part of its ADU loan program to identify whether affirmative marketing efforts are successful in reaching demographic groups that are part of protected classes in the Fair Housing Act.

Affirmatively Marketing Benefits

The City plans to affirmatively market the ADU loan program to diverse demographic groups. The City has a list of Community Stakeholders we update and use for outreach that includes organizations that are led by and serve people of color, families with children, and individuals with limited English proficiency. We will actively engage with community organizations and service providers that have a strong presence among demographic groups such as Black and Brown communities, individuals with limited English proficiency, individuals with disabilities, and families with children. This will include partnerships with local non-profits, cultural organizations, and community centers serving these populations.

To reach individuals with limited English proficiency, we will produce marketing materials, application forms, and information in Spanish and English, the two most common languages commonly spoken within the community. We will also attempt to provide language access services and interpretation support during the application process or develop partnerships with community-based organizations (CBOs) to assist with marketing and translation.

We will ensure that the application process is accessible to individuals with disabilities. This includes providing ADA-accessible online and physical alternative formats for application materials. We will offer additional accommodations upon request.

Our marketing efforts will extend to digital channels, including websites, social media, television, radio, and print media that serve local members of the targeted groups. We will employ culturally sensitive and inclusive advertising to resonate with these communities.

We will organize community events and workshops to provide information and assistance to potential applicants. These events will be held in locations that are convenient for the target populations, and they will be designed to be inclusive and culturally relevant.

We will continuously monitor the impact of our marketing efforts by tracking the diversity of applicants and participants in our housing and service programs. If we find that any demographic group remains underrepresented, we will adjust our marketing strategies accordingly.

The other two parts of our proposal consist of zoning and code changes. The City has implemented an extensive stakeholder engagement process to include the voices of a diverse group of people (see b.iii. Stakeholder Engagement) in the development of these updates. The City plans to continue public engagement through the grant timeline.

b.v. What are your budget and timeline proposals?

Proposal Budget

The City's budget for the proposed scope of work that involves reasonable staff allocation for a two-year period to manage a variety of consultants that will assist with draft and final work product. The budget commits a total of 1.2 FTEs per year. Based on the City's experience

drafting the policy document and one form-code, which this work will be similar to, this is appropriate to ensure that the task is completed on budget and on time.

Roles and responsibilities will be clearly identified between staff and consultants. Staff will manage the grant, including reporting, financial management, and project management. Staff will also lead public engagement with assistance from professional facilitators. Staff will conduct all public hearings. And City staff will oversee and direct the work product based on the community and decision maker input.

City Staffing

- Administrative Specialist - 208 hours
- Community Development Specialist - 832 hours
- Senior Planner – 2,496 hours
- Deputy Director of Community Development - 416 hours
- Director of Community Development - 1,040 hours

Consultants will be hired to assist with engagement. Particular attention will be provided to engaging our BIPOC community. We anticipate using similar equity engagement strategies in this work as we used in the General Plan 2045 engagement. Consultants will also lead drafting the revised code language, developing the form-codes, and the Accessory Dwelling Unit ordinance. A consultant team will also conduct the environmental review.

The Accessory Dwelling Unit program will be largely drafted by staff and the City's attorney.

The City based its cost estimates for the work on recent contracts for similar work. The scope is dictated by the General Plan 2045 update, which is ongoing and expected to be completed in April of 2024. The City has contracts with consultants doing similar work on the Gateway Form-code, environmental work, and public engagement. We believe the costs to be reasonable to complete the scope of work.

Staff Costs - \$399,435

Staff costs paid by grant - \$253,492

Staff costs local match (10%) - \$145,943

Environmental Planning Consultant - \$100,000

Conduct any special studies necessary to support up to an Environmental Assessment under NEPA and a negative declaration under CEQA; prepare the environmental record, including the reports

Urban Planning Consultant - \$800,000

Draft zoning updates to Land Use Code (\$150,000); Draft form-code for Downtown Infill Opportunity Zone (\$275,000); Draft form-code for Valley West Infill Opportunity Zone (\$275,000); Draft ADU code and marketing program (\$100,000)

City Website Management Consultant - \$10,000

Updates to code publishing

Administrative expense - \$150,000

Misc. overhead and other expenses, including meetings, materials, printing, legal review, and other indirect costs

Strategies for Incomplete Funding

If HUD was only able to fund a portion of our request, the City will either continue to seek other grant sources to complete the work or prioritize the activities which have the most impact on removing barriers to affordable housing. Because our proposal has three parts, we would prioritize land use code updates (\$355,000 or approximately 27% of the funding request), then the form-based code updates (\$739,000 or approximately 56% of the funding request), and finally the ADU program (\$230,000 or approximately 17% of the funding request).

Schedule

The City has allocated two years to complete the work (See Project Schedule attached). Since the framework has already been established through the General Plan 2045 process, developing the implementing ordinances should proceed fairly rapidly.

The Land Use Code updates will occur in two phases. The first phase will be minor amendments to update the Zoning Map to be consistent with the Land Use Map, to update the density ranges, and other minor amendments to make basic implementation consistent with the General Plan. The second phase will involve more substantive changes to permit procedures, including Hillside Development permit, tree preservation ordinance, Planned Development Permit, Density Bonus, Inclusionary Zoning, and other sections necessary to implement the full scope identified in this application and the General Plan update.

The Form-codes proposed in the Valley West and Downtown neighborhoods will involve more engagement to identify key design features to emphasize specific to those areas. However, with the implementation of the Gateway Area Code, a Form-Based Code in the Gateway Area, the process is better understood by the Council, Commission, and community. The process will involve a well-defined engagement period to develop Form-codes for these two neighborhoods.

The ADU ordinance, marketing materials, and loan program will mirror programs in operation in the City and current practice. This body of work should take fewer than six months to complete.

Exhibit E – CAPACITY

c.i. What capacity do you and your Partner(s) have? What is your staffing plan?

Community Development Department

The lead agency for implementing the proposed activities would be the City of Arcata's Community Development Department (the Department). The Department is responsible for land use planning, zoning regulations, housing development, planning permits (including ADU permitting), and grant management.

The Department led the community engagement efforts around all of the activities named in the proposal and has in-depth knowledge of its community's needs, demographics, and local dynamics. We have established relationships with community stakeholders and can engage with residents to ensure their voices are heard in the decision-making process.

The City has a long track record of success meeting the objectives of federal and state grants, especially CDBG grants. This experience includes financial management, reporting, and compliance with federal guidelines.

Application Writers

David Loya, Director of Community Development, and Kiko Barr, Community Development Specialist I, staff at the City of Arcata wrote this proposal. If awarded, both will be implementing activities in the proposal.

City Staffing

City staffing for this proposal will include five full-time staff: Administrative Specialist, Community Development Specialist, Senior Planner, Deputy Director of Community Development, and Director of Community Development. The Administrative Specialist, Community Development Specialist, Senior Planner, and Deputy Director of Community Development report to the Director of Community Development. The Director of Community Development reports directly to the City Manager, who is under the oversight of the 5-member City Council. There are currently no vacancies and no positions will be contingent on the award.

Exhibit F – LEVERAGE

d.i. Are you leveraging other funding or non-financial contributions?

In consideration of our unique circumstances as a small city with limited capacity and financial resources, the City of Arcata can only commit to 10% matching funding for this proposal. Preceding work on these projects has been primarily grant-funded. We appreciate your understanding and look forward to the opportunity to make a meaningful impact on removing barriers to affordable housing through this grant.

DRAFT

Grant Application Detailed Budget Worksheet

OMB Approval No. 2501-0017
Expiration: 1/31/2026

Applicant Name: City of Arcata Applicant Address: 736 F St., Arcata, CA 95521											
Category			Detailed Description of Budget (for full grant period)								
1. Personnel (Direct Labor)	Estimated Hours	Rate per Hour	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Position or Individual											
Community Development Specialist	832	\$49.55	\$41,226	\$41,226							
Director of Community Development	1,040	\$156.63	\$162,895	\$16,952	\$145,943						
Administrative Specialist	208	\$49.42	\$10,279	\$10,279							
Deputy Director of Community Development	416	\$119.15	\$49,566	\$49,566							
Sr. Planner	2,496	\$54.27	\$135,468	\$135,468							
Total Direct Labor Cost			\$399,435	\$253,492	\$145,943						
2. Fringe Benefits	Rate (%)	Base	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Included in fully burdened rate above											
Total Fringe Benefits Cost			\$0	\$0							

Grant Application Detailed Budget Worksheet

OMB Approval No. 2501-0017
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		Applicant Name: City of Arcata										
3. Travel												
3a. Transportation - Local Private Vehicle		Mileage	Rate per Mile	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Subtotal - Trans - Local Private Vehicle				\$0	\$0							
3b. Transportation - Airfare (show destination)		Trips	Fare	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Subtotal - Transportation - Airfare				\$0	\$0							
3c. Transportation - Other		Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Subtotal - Transportation - Other				\$0	\$0							
3d. Per Diem or Subsistence (indicate location)		Days	Rate per Day	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Subtotal - Per Diem or Subsistence				\$0	\$0							
Total Travel Cost				\$0	\$0							
4. Equipment (Only items over \$5,000 Depreciated value)		Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Total Equipment Cost				\$0	\$0							

Grant Application Detailed Budget Worksheet

OMB Approval No. 2501-0017
Expiration: 1/31/2026

		Applicant Name: City of Arcata									
5. Supplies and Materials (Items under \$5,000 Depreciated Value)											
5a. Consumable Supplies	Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Subtotal - Consumable Supplies			\$0	\$0							
5b. Non-Consumable Materials	Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Subtotal - Non-Consumable Materials			\$0	\$0							
Total Supplies and Materials Cost			\$0	\$0							
6. Consultants (Type)	Days	Rate per Day	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Environmental Planning Consultant			\$100,000	\$100,000							
Urban Planning Consultant			\$800,000	\$800,000							
City Website Management Consultant			\$10,000	\$10,000							
Total Consultants Cost			\$910,000	\$910,000							
7. Contracts and Sub-Grantees (List individually)	Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
7a. Contracts	Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Subtotal - Contracts			\$0	\$0							
7b. Sub-Grantees (List individually)	Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Subtotal - Sub-Grantees			\$0	\$0							
Total Contracts and Sub-Grantees Cost			\$0	\$0							

Grant Application Detailed Budget Worksheet

OMB Approval No. 2501-0017
Expiration: 1/31/2026

		Applicant Name: City of Arcata										
8. Construction Costs		Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
8a. Administrative and legal expenses				\$150,000	\$150,000							
Administrative expense												
Subtotal - Administrative and legal expenses				\$150,000	\$150,000							
8b. Land, structures, rights-of way, appraisal, etc		Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Subtotal - Land, structures, rights-of way, ...				\$0	\$0							
8c. Relocation expenses and payments		Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Subtotal - Relocation expenses and payments				\$0	\$0							
8d. Architectural and engineering fees		Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Subtotal - Architectural and engineering fees				\$0	\$0							
8e. Other architectural and engineering fees		Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Subtotal - Other architectural and engineering fees				\$0	\$0							
8f. Project inspection fees		Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Subtotal - Project inspection fees				\$0	\$0							

Grant Application Detailed Budget Worksheet

OMB Approval No. 2501-0017
Expiration: 1/31/2026

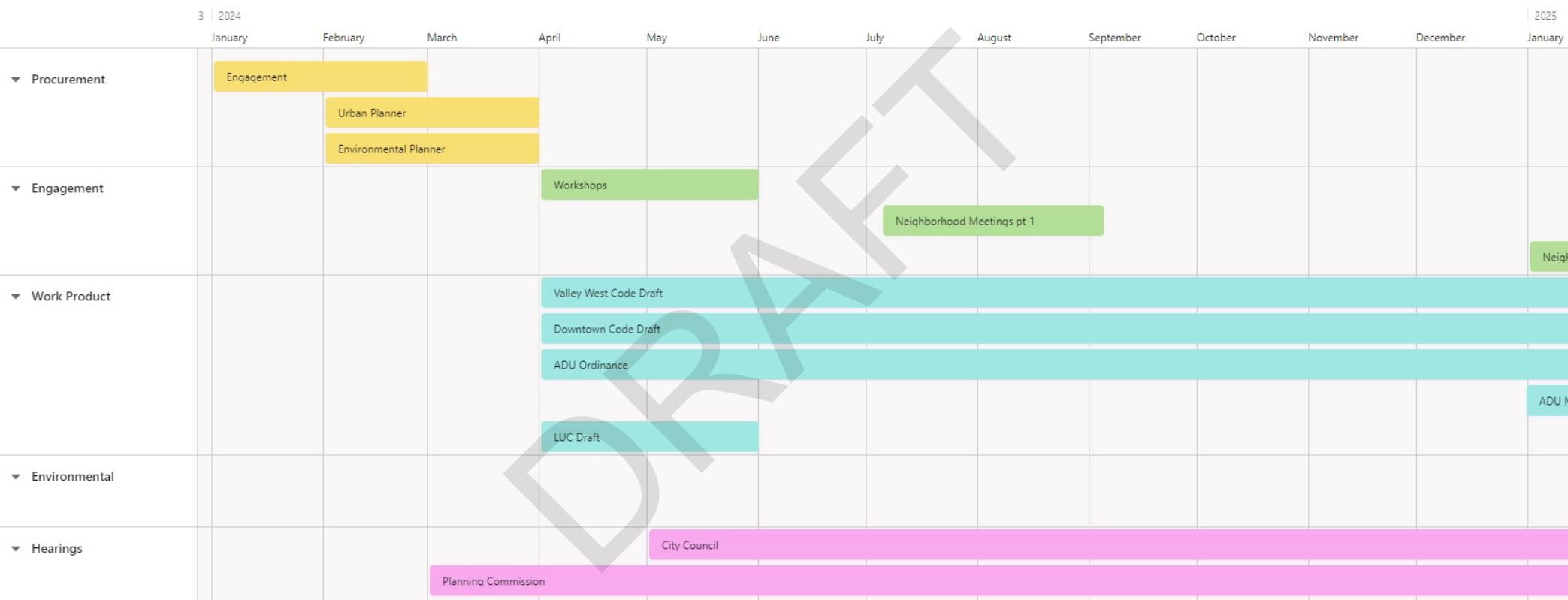
Applicant Name:		City of Arcata										
		Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
8g. Site work												
Subtotal - Site work				\$0	\$0							
8h. Demolition and removal						Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Subtotal - Demolition and removal				\$0	\$0							
8i. Construction						Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Subtotal - Construction				\$0	\$0							
8j. Equipment						Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Subtotal - Equipment				\$0	\$0							
8k. Contingencies						Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Subtotal - Contingencies				\$0	\$0							
8l. Miscellaneous						Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Subtotal - Miscellaneous				\$0	\$0							
Total Construction Costs				\$150,000	\$150,000							

Grant Application Detailed Budget Worksheet

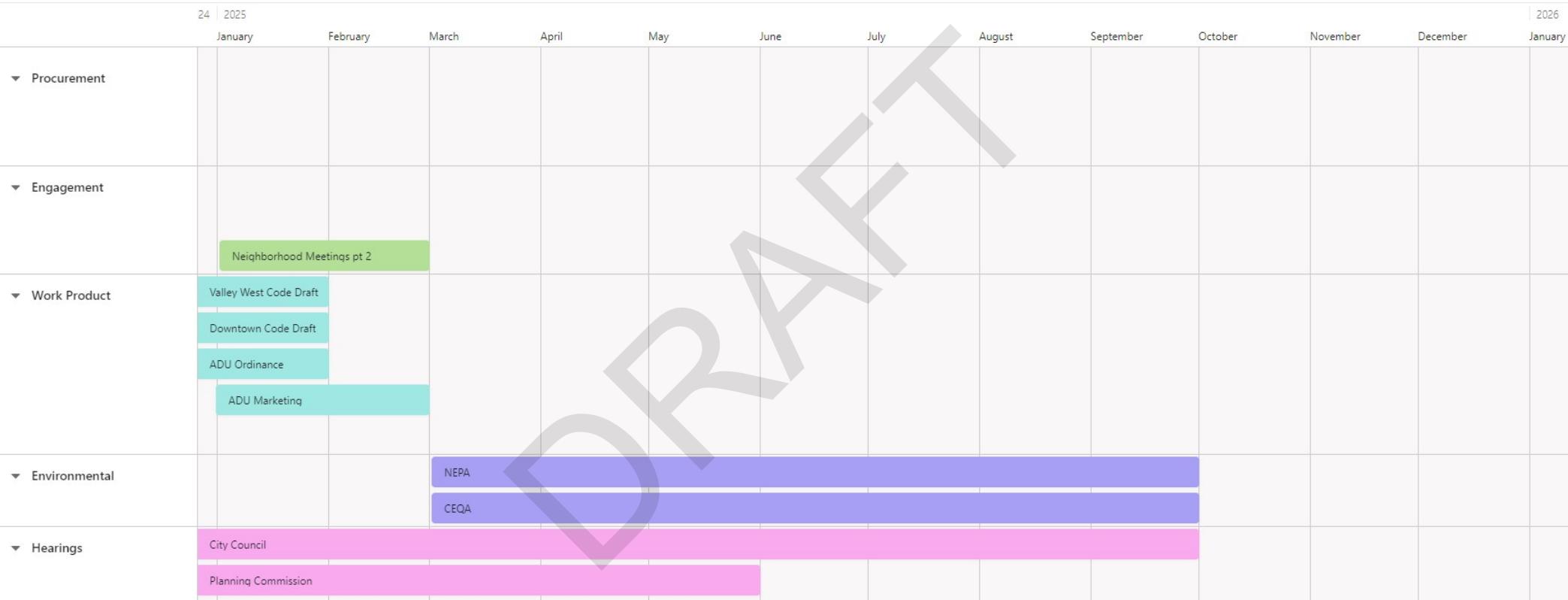
OMB Approval No. 2501-0017
Expiration: 1/31/2026

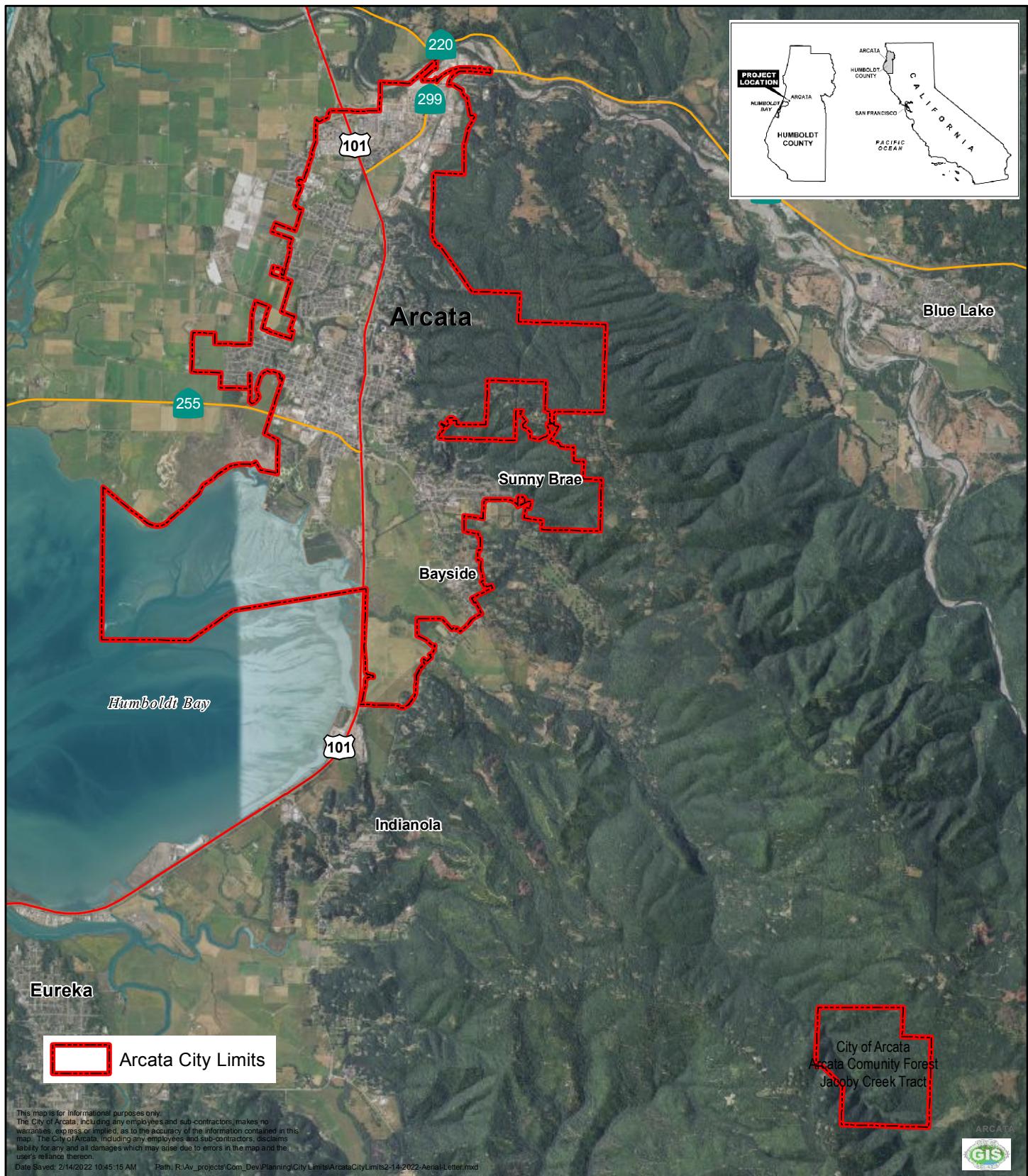
Applicant Name:		City of Arcata										
		Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
9. Other Direct Costs												
Item												
Total Other Direct Costs				\$0	\$0							
Subtotal of Direct Costs												
10. Indirect Costs		Rate	Base	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Type												
Total Indirect Costs				\$0	\$0							
Total Estimated Costs				\$1,459,435	\$1,313,492	\$145,943						

2024 Activity Timeline

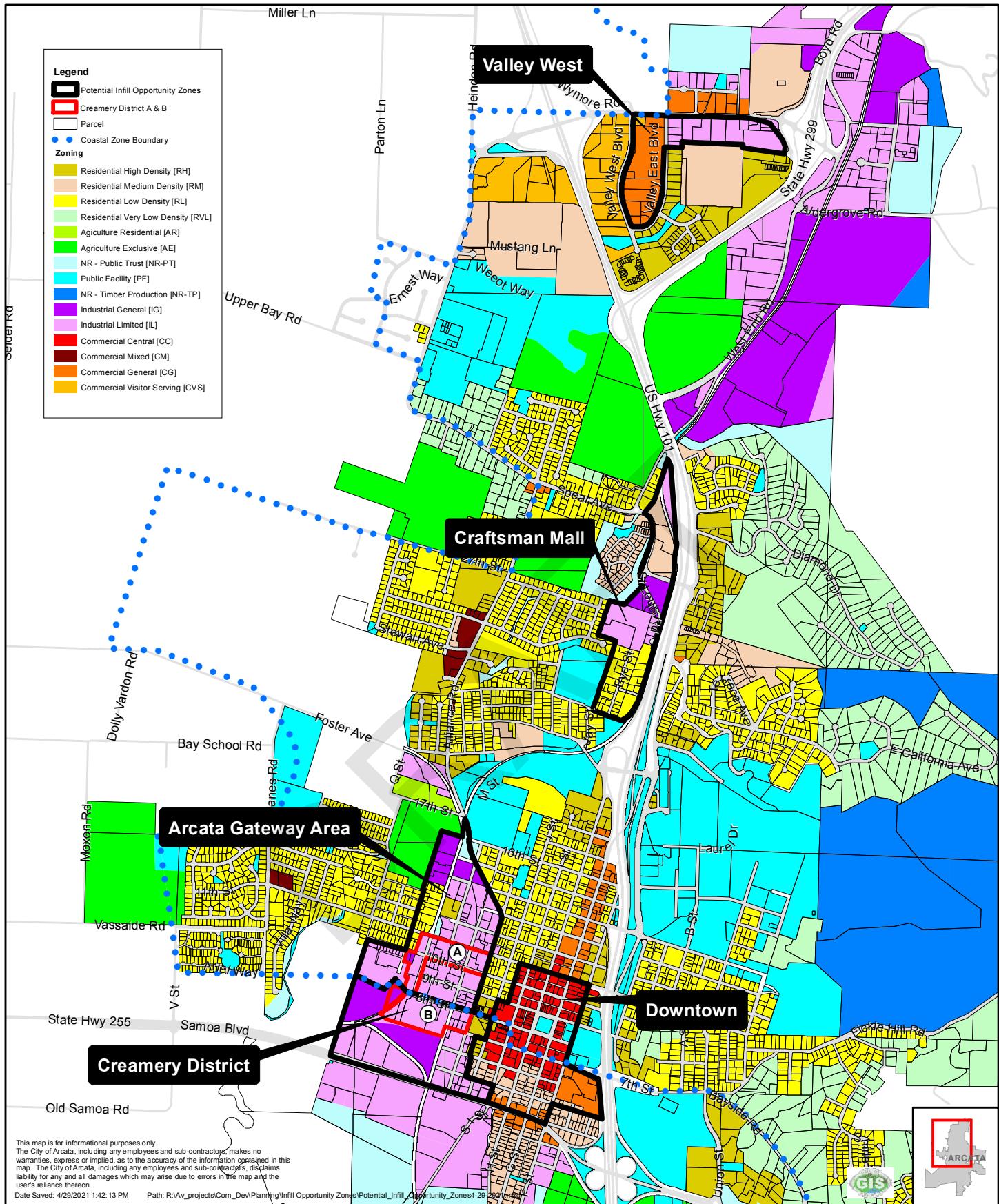


2025 Activity Timeline





 <p>City of Arcata ARCATA, CALIFORNIA</p>	<h2>Arcata City Limits</h2> <h3>2020 Imagery</h3>	 <p>1:73,770</p> <p>0 1,000 2,000 3,000 Feet</p> <p>0 300 600 900 Meters</p> <p>Created 2/14/2022</p>
--	---	--





Legend

Affordable Housing

Lowest Income Level

- 30% AMI
- 45% AMI
- 50% AMI
- 80% AMI
- Homeless Housing
- Section 8

■ Arcata City Limits

Affordable Housing

Juniper Apartments

Courtyards I & II

River Community Homes

Arcata Mobile Home Park

Humboldt Plaza

Arcata 30th St. Commons

Arcata Gardens

Creamery Row

Windsong Duplexes

Plaza Point

Sorrel Place

Bayview Courtyard

Meadowbrook Apartments

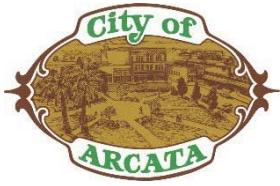
Sandpiper Park

Arcata Bay Crossing

Arcata Bay

0 1,000 2,000
Feet





736 F Street
Arcata CA 95521

<i>City Manager</i> 707-822-5953	<i>Police</i> 707-822-2428	<i>Recreation</i> 707-822-7091
<i>Community Development</i> 707-822-5955	<i>Finance</i> 707-822-5951	<i>Transportation</i> 707-822-3775
<i>Environmental Services</i> Streets/Utilities 707-822-5957	<i>Environmental Services</i> Community Services 707-822-8184	<i>Building & Engineering</i> 707-825-2128

City of Arcata Code of Conduct Policy

Karen Diemer
City Manager
kdiemer@cityofarcata.org
707-825-2200

Addendum no. 1 to
CITY OF ARCATA
ADMINISTRATIVE PURCHASING POLICIES AND PROCEDURES
(April 1, 2022)

Appendix A – Procurement Requirements for
Federal Grant Funded Programs

Projects funded by federal grants are subject to the requirements of the following regulations and policies:

1. [Title 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)
2. [FEMA Hazard Mitigation Assistance Guidance and Addendum – February 27, 2015](#)
3. [Title 44 of the Code of Federal Regulations \(CFR\) Part 206 – Federal Disaster Assistance](#)

All procurement activity must be conducted in accordance with Federal Procurement Standards at [2 C.F.R. §§ 200.317 – 200.326](#).

Important Compliance Steps and Key Resources:

1. Subrecipient must follow local procurement policies as well as State procurement policies; the more stringent standards apply.
2. [200.318 General Procurement Standards](#)
 - b) (b) Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
 - c) [\(c\)\(1\) Conflict of Interest Standards:](#) "...No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract..."
3. [200.319 Competition \(b\):](#) In order to ensure objective contractor performance and eliminate unfair competitive advantage, **contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements.**

- i. The federal government considers these actions to be an organizational conflict of interest and interprets this restriction as applying to contractors that help a non-federal entity develop its grant application, project plans or project budget.
- c. **200.319 Competition (c):** When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

3. **§ 200.320 Methods of procurement to be followed. –**

*****Grant Project Managers: Review this section in its entirety prior to conducting any grant-related procurement.*****

a. **Federal Procurement Thresholds:**

- i. **Micro Purchases** (contracts < \$10,000);
 - 1. May be awarded without competitive solicitation or rate quotations, if price is considered reasonable based on research, experience, or purchase history.
 - 2. **Non-Federal entity increase to the micro-purchase threshold up to \$50,000.** Non-Federal entities may establish a threshold higher than the micro-purchase threshold identified in the FAR in accordance with the requirements of this section. The non-Federal entity may self-certify a threshold up to \$50,000 on an annual basis and must maintain documentation to be made available to the Federal awarding agency and auditors in accordance with § 200.334. The self-certification must include a justification, clear identification of the threshold, and supporting documentation of any of the following:
 - a. A qualification as a low-risk auditee, in accordance with the criteria in § 200.520 for the most recent audit;
 - b. An annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or,
 - c. **For public institutions, a higher threshold consistent with State law.**
- ii. **Small Purchases** (contracts \$10,000 - \$249,999)
 - 1. Price or Rate Quotations Required
 - 2. Full and open competition
- iii. **Formal Procurements** (contracts \geq \$250,000)
 - 1. Public Solicitation Required
 - 2. Full and open competition
 - 3. **Sealed Bids**

- a. Publicly Solicited
- b. Firm Fixed-Price (Lump Sum or Unit Price)
- c. Lowest in Price

4. **Bonding Requirements** (2 CFR 200.326)

- a. Bid bond - 5% of bid price (City of Arcata typically requires 10%)
- b. Performance and Payments bonds – 100% contract price

b. **Competitive Proposals (RFP vs RFQ)**

i. **Request for Proposal**

- 1. Price must be an evaluation factor
- 2. Publicly Solicited
- 3. Identify evaluation factors and their relative importance
- 4. Written method of conducting technical evaluations

ii. **Request for Qualifications**

- 1. Architectural and Engineering focused
- 2. Price is not used as selection factor
- 3. Publicly Solicited
- 4. Identify evaluation factors and their relative importance
- 5. Written method of conducting technical evaluations

c. **Noncompetitive Procurement**. Noncompetitive procurement can only be awarded if one or more of the following circumstances apply:

- 1) The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (see *paragraph (a)(1) of this section*);
- 2) The item is available only from a single source;
- 3) The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation;
- 4) The Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-Federal entity; or
- 5) After solicitation of a number of sources, competition is determined inadequate.

i. ****NOTE:** See “Inadequate Competition” (pg 51) and “Suggested Elements for Noncompetitive Procurement Justification” (pg 57) of the *PDAT Field Manual* for guidance.

ii. *If, following a competitive solicitation, only one bid/proposal response is received, contact the awarding agency to determine if sole source*

d. **Document Search for Debarment and Suspension Exclusions** - A contract award must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM).

- i. How to Search SAM.gov to Search Exclusion Information:
 1. From the SAM.gov Home page, under "The Official U.S. Government System for:" select "Entity Information,"
 2. Then change the drop-down menu from "All Entity Information" to "Exclusions" and search for the contractor.
 3. Save search results in SAM.gov by selecting "Actions" and selecting "Save." You can access these saved searches at a later time by selecting the Saved Search tab on the Search page.

4. **MBE/WBE** - Six (6) Affirmative Steps to Assure Minority Businesses, Women's Business Enterprises (MBE/WBE), and Labor Surplus Firms are used when possible:

- (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
- (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- (6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (b)(1) through (5) of this section.

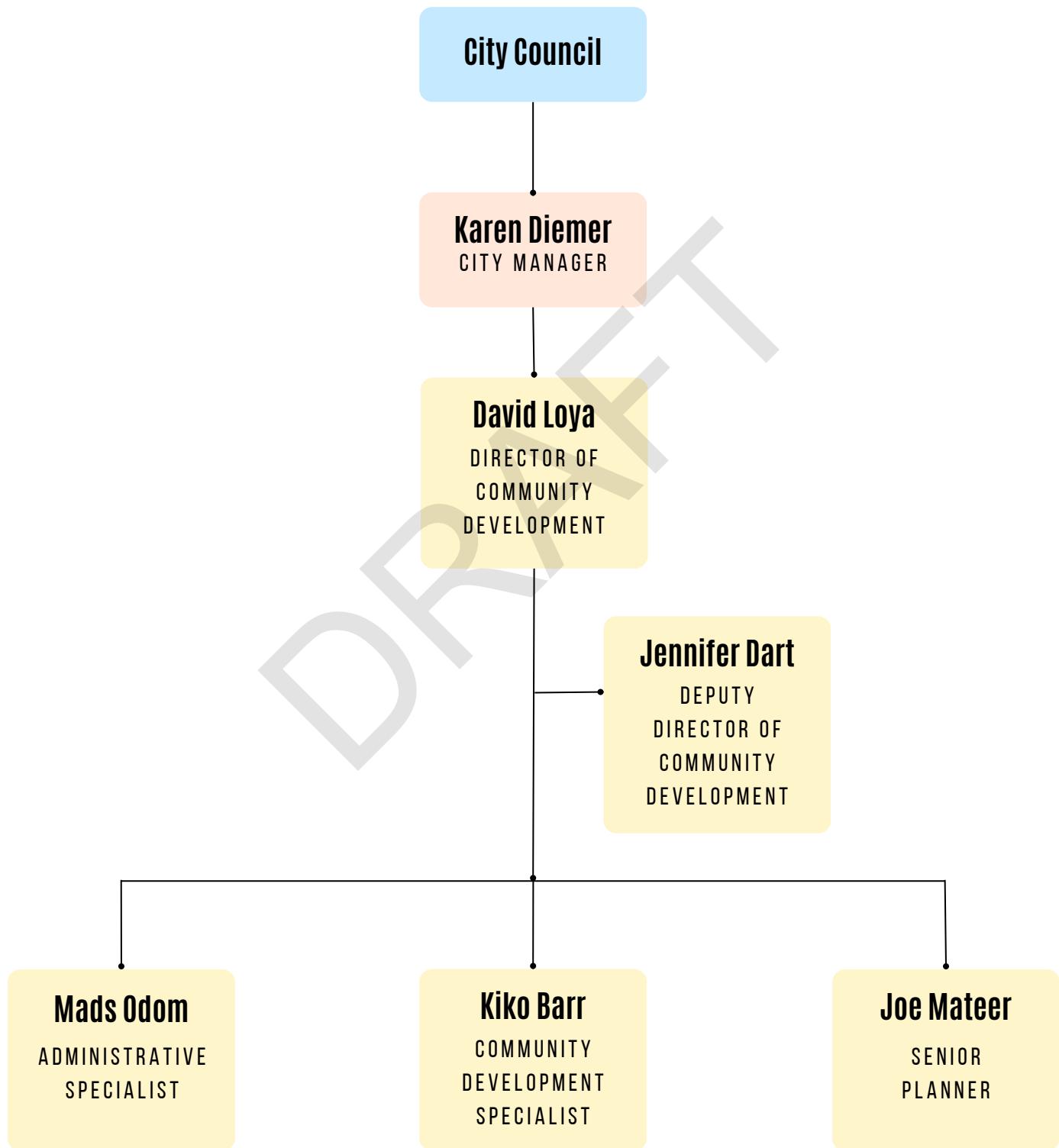
5. **Document a Cost/Price Analysis** – justifying the reasonability of the contract's price for work performed, and the selection of the contractor

- a. FEMA Cost Estimating Tools

6. **Required Contract Clauses and Provisions** – ensure applicable clauses/provisions are included in each contract

- a. FEMA Contract Provisions Guide – Navigating Appendix II to Part 200 – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards
- b. FEMA Contract Provisions Template

Organizational Chart for Staff Implementing Proposal Activities



Application for Federal Assistance SF-424

* 1. Type of Submission:		* 2. Type of Application:	
<input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		<input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	
		* If Revision, select appropriate letter(s): <input type="text"/>	
* 3. Date Received:		4. Applicant Identifier:	
Completed by Grants.gov upon submission.		<input type="text"/>	
5a. Federal Entity Identifier: <input type="text"/>		5b. Federal Award Identifier: <input type="text"/>	
State Use Only:			
6. Date Received by State: <input type="text"/>		7. State Application Identifier: <input type="text"/>	
8. APPLICANT INFORMATION:			
* a. Legal Name: City of Arcata			
* b. Employer/Taxpayer Identification Number (EIN/TIN): 94-2186507		* c. UEI: V88WVT5DV4L1	
d. Address:			
* Street1:	736 F St.		
Street2:	<input type="text"/>		
* City:	Arcata		
County/Parish:	<input type="text"/>		
* State:	CA		
Province:	<input type="text"/>		
* Country:	USA: UNITED STATES		
* Zip / Postal Code:	95521		
e. Organizational Unit:			
Department Name:	Division Name:		
Community Development Department		<input type="text"/>	
f. Name and contact information of person to be contacted on matters involving this application:			
Prefix:	<input type="text"/>	* First Name:	David
Middle Name:	<input type="text"/>		
* Last Name:	Loya		
Suffix:	<input type="text"/>		
Title:	Director of Community Development		
Organizational Affiliation:			
City of Arcata			
* Telephone Number:	707-825-2045		Fax Number: <input type="text"/>
* Email:	dloya@cityofarcata.org		

Application for Federal Assistance SF-424

* 9. Type of Applicant 1: Select Applicant Type:

02 (City or township governments)

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

* 10. Name of Federal Agency:

US Department of Housing and Urban Development

11. Catalog of Federal Domestic Assistance Number:

14.023

CFDA Title:

Community Development Block Grant- PRO Housing Competition

* 12. Funding Opportunity Number:

FR-6700-N-98

* Title:

Pathways to Removing Obstacles to Housing (PRO Housing)

13. Competition Identification Number:

FR-6700-N-98

Title:

Pathways to Removing Obstacles to Housing (PRO Housing)

14. Areas Affected by Project (Cities, Counties, States, etc.):

City of Arcata

Add Attachment

Delete Attachment

View Attachment

* 15. Descriptive Title of Applicant's Project:

First, the City proposes to update its zoning to conform to the General Plan 2045. Second, the City will adopt an Accessory Dwelling Unit program. And, Third, the adoption of two new form-based codes using objective standards to regulate high-density development in two Infill Opportunity Zones.

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant **CA 2nd**

* b. Program/Project **CA 2nd**

Attach an additional list of Program/Project Congressional Districts if needed.

	Add Attachment	Delete Attachment	View Attachment
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17. Proposed Project:

* a. Start Date: **01/31/2024**

* b. End Date: **01/31/2026**

18. Estimated Funding (\$):

* a. Federal **\$1,323,967**

* b. Applicant **\$0**

* c. State **\$0**

* d. Local **\$0**

* e. Other **\$0**

* f. Program Income **\$0**

* g. TOTAL **\$1,323,967**

* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?

a. This application was made available to the State under the Executive Order 12372 Process for review on **_____**.

b. Program is subject to E.O. 12372 but has not been selected by the State for review.

c. Program is not covered by E.O. 12372.

* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)

Yes No

If "Yes", provide explanation and attach

	Add Attachment	Delete Attachment	View Attachment
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21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)

** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: * First Name: **Karen**

Middle Name:

* Last Name: **Diemer**

Suffix:

* Title: **City Manager**

* Telephone Number: **707-825-2200**

Fax Number:

* Email: **kdiemer@cityofarcata.org**

* Signature of Authorized Representative: Completed by Grants.gov upon submission. * Date Signed: Completed by Grants.gov upon submission.

Applicant/Recipient Disclosure/Update Report

U.S. Department of Housing and Urban Development

OMB Number: 2501-0017
Expiration Date: 01/31/2026

Applicant/Recipient Information

* UEI Number:

* Report Type:

1. Applicant/Recipient Name, Address, and Phone (include area code):

* Applicant Name:

* Street1:

Street2:

* City:

County:

* State:

* Zip Code:

* Country:

* Phone:

2. Employer ID Number (do not include individual social security numbers):

* 3. HUD Program Name:

* 4. Amount of HUD Assistance Requested/Received:

5. State the name and location (street address, City and State) of the project or activity:

* Project Name:

* Street1:

Street2:

* City:

County:

* State:

* Zip Code:

* Country:

Part I Threshold Determinations

* 1. Are you applying for assistance for a specific project or activity? These terms do not include formula grants, such as public housing operating subsidy or CDBG block grants. For further information see 24 CFR Sec. 4.3.

Yes No

* 2. Have you received or do you expect to receive assistance within the jurisdiction of the Department (HUD), involving the project or activity in this application, in excess of \$200,000 during this fiscal year (Oct. 1-Sep. 30)? For further information, see 24 CFR 4.9.

Yes No

If you answered "No" to either question 1 or 2, **Stop!** You do not need to complete the remainder of this form. However, you must sign the certification at the end of the report.

Part II Other Government Assistance Provided or Requested / Expected Sources and Use of Funds.

Such assistance includes, but is not limited to, any grant, loan, subsidy, guarantee, insurance, payment, credit, or tax benefit.

Department/State/Local Agency Name:

* Government Agency Name:

Government Agency Address:

* Street1:

Street2:

* City:

County:

* State:

* Zip Code:

* Country:

* Type of Assistance:

* Amount Requested/Provided: \$

* Expected Uses of the Funds:

Department/State/Local Agency Name:

* Government Agency Name:

Government Agency Address:

* Street1:

Street2:

* City:

County:

* State:

* Zip Code:

* Country:

* Type of Assistance:

* Amount Requested/Provided: \$

* Expected Uses of the Funds:

Note: Use additional pages if necessary.

[Add Attachment](#)

[Delete Attachment](#)

[View Attachment](#)

Part III Interested Parties. You must disclose:

1. All developers, contractors, or consultants involved in the application for assistance or in the planning, development, or implementation of the project or activity.

* Alphabetical list of all persons with a reportable financial interest in the project or activity (for individuals, give the last name first)

* Unique Entity ID

* Type of Participation in Project/Activity

* Financial Interest in Project/Activity (\$ and %)

<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	% <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	% <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	% <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	% <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	% <input type="text"/>

2. Any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

* Alphabetical list of all persons with a reportable financial interest in the project or activity (For individuals, give the last name first)

City of Residence

* Type of Participation in Project/Activity

* Financial Interest in Project/Activity (\$ and %)

<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	% <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	% <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	% <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	% <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	% <input type="text"/>

Note: Use additional pages if necessary.

Add Attachment

Delete Attachment

View Attachment

Certification

I/We, the undersigned, certify under penalty of perjury that the information provided above is true, correct, and accurate.

Warning: If you knowingly make a false statement on this form, you may be subject to criminal and/or civil penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosures of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

* Signature:

Completed Upon Submission to Grants.gov

* Date: (mm/dd/yyyy)

Completed Upon Submission to Grants.gov

Instructions

Overview.

A. Coverage. You must complete this report if:

- (1) You are applying for assistance from HUD for a specific project or activity **and** you have received, or expect to receive, assistance from HUD in excess of \$200,000 during the fiscal year;
- (2) You are updating a prior report as discussed below; or
- (3) You are submitting an application for assistance to an entity other than HUD, a State or local government if the application is required by statute or regulation to be submitted to HUD for approval or for any other purpose.

B. Update reports (filed by "Recipients" of HUD Assistance):

General. All recipients of covered assistance must submit update reports to the Department to reflect substantial changes to the initial applicant disclosure reports.

Line-by-Line Instructions.

Applicant/Recipient Information.

All applicants for HUD competitive assistance, must complete the information required in blocks 1-5 of form HUD-2880:

1. Enter the full name, address, city, State, zip code, and telephone number (including area code) of the applicant/recipient. Where the applicant/recipient is an individual, the last name, first name, and middle initial must be entered.
2. Entry of the applicant/recipient's EIN, as appropriate, is optional. Individuals must not include social security numbers on this form.
3. Applicants enter the HUD program name under which the assistance is being requested.
4. Applicants enter the amount of HUD assistance that is being requested. Recipients enter the amount of HUD assistance that has been provided and to which the update report relates. The amounts are those stated in the application or award documentation. NOTE: In the case of assistance that is provided pursuant to contract over a period of time (such as project-based assistance under section 8 of the United States Housing Act of 1937), the amount of assistance to be reported includes all amounts that are to be provided over the term of the contract, irrespective of when they are to be received.
5. Applicants enter the name and full address of the project or activity for which the HUD assistance is sought. Recipients enter the name and full address of the HUD-assisted project or activity to which the update report relates. The most appropriate government identifying number must be used (e.g., RFP No.; IFB No.; grant announcement No.; or contract, grant, or loan No.) Include prefixes.

Part I. Threshold Determinations - Applicants Only

Part I contains information to help the applicant determine whether the remainder of the form must be completed. Recipients filing Update Reports should not complete this Part.

If the answer to **either** questions 1 or 2 is No, the applicant need not complete Parts II and III of the report but must sign the certification at the end of the form.

Part II. Other Government Assistance and Expected Sources and Uses of Funds.

A. Other Government Assistance. This Part is to be completed by both applicants and recipients for assistance and recipients filing update reports. Applicants and recipients must report any other government assistance involved in the project or activity for which assistance is sought. Applicants and recipients must report any other government assistance involved in the project or activity. Other government assistance is defined in note 4 on the last page. For purposes of this definition, other government assistance is expected to be made available if, based on an assessment of all the circumstances involved, there are reasonable grounds to anticipate that the assistance will be forthcoming.

Both applicant and recipient disclosures must include all other government assistance involved with the HUD assistance, as well as any other government assistance that was made available before the request, but that has continuing vitality at the time of the request. Examples of this latter category include tax credits that provide for a number of years of tax benefits, and grant assistance that continues to benefit the project at the time of the assistance request.

The following information must be provided:

1. Enter the name and address, city, State, and zip code of the government agency making the assistance available.
2. State the type of other government assistance (e.g., loan, grant, loan insurance).
3. Enter the dollar amount of the other government assistance that is, or is expected to be, made available with respect to the project or activities for which the HUD assistance is sought (applicants) or has been provided (recipients).
4. Uses of funds. Each reportable use of funds must clearly identify the purpose to which they are to be put. Reasonable aggregations may be used, such as "total structure" to include a number of structural costs, such as roof, elevators, exterior masonry, etc.

B. Non-Government Assistance. Note that the applicant and recipient disclosure report must specify all expected sources and uses of funds - both from HUD and any other source - that have been or are to be, made available for the project or activity. Non-government sources of Form HUD-2880 funds typically include (but are not limited to) foundations and private contributors.

Part III. Interested Parties.

This Part is to be completed by both applicants and recipients filing update reports. Applicants must provide information on:

1. All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
2. Any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower). Note: A financial interest means any financial involvement in the project or activity, including (but not limited to) situations in which an individual or entity has an equity interest in the project or activity, shares in any profit on resale or any distribution of surplus cash or other assets of the project or activity, or receives compensation for any goods or services provided in connection with the project or activity. Residency of an individual in housing for which assistance is being sought is not, by itself, considered a covered financial interest.

The information required below must be provided.

1. Enter the full names and addresses. If the person is an entity, the listing must include the full name and address of the entity as well as the CEO. Please list all names alphabetically.
2. Entry of the Unique Entity Identifier (UEI), for non-individuals, or city of residence, for individuals, for each organization and person listed is **optional**.
3. Enter the type of participation in the project or activity for each person listed: i.e., the person's specific role in the project (e.g., contractor, consultant, planner, investor).
4. Enter the financial interest in the project or activity for each person listed. The interest must be expressed both as a dollar amount and as a percentage of the amount of the HUD assistance involved.

Note that if any of the source/use information required by this report has been provided elsewhere in this application package, the applicant need not repeat the information, but need only refer to the form and location to incorporate it into this report. (It is likely that some of the information required by this report has been provided on SF 424A, or on various budget forms accompanying the application.) If this report requires information beyond that provided elsewhere in the application package, the applicant must include in this report all the additional

information required. Recipients must submit an update report for any change in previously disclosed sources and uses of funds as provided in Section I.D.5., above.

Notes:

1. All citations are to 24 CFR Part 4, which was published in the Federal Register. [April 1, 1996, at 63 Fed. Reg. 14448.]
2. Assistance means any contract, grant, loan, cooperative agreement, or other form of assistance, including the insurance or guarantee of a loan or mortgage, that is provided with respect to a specific project or activity under a program administered by the Department. The term does not include contracts, such as procurements contracts, that are subject to the Fed. Acquisition Regulation (FAR) (48 CFR Chapter 1).
3. See 24 CFR §4.9 for detailed guidance on how the threshold is calculated.

4. "Other government assistance" is defined to include any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance from the Federal government (other than that requested from HUD in the application), a State, or a unit of general local government, or any agency or instrumentality thereof, that is, or is expected to be made, available with respect to the project or activities for which the assistance is sought.

5. For the purpose of this form and 24 CFR Part 4, "person" means an individual (including a consultant, lobbyist, or lawyer); corporation; company; association; authority; firm; partnership; society; State, unit of general local government, or other government entity, or agency thereof (including a public housing agency); Indian tribe; and any other organization or group of people.

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Instructions for the HUD-424-B Assurances and Certifications

As part of your application for HUD funding, you, as the official authorized to sign on behalf of your organization or as an individual, must provide the following assurances and certifications, which replace any requirement to submit an SF-424-B or SF-424-D. The Responsible Civil Rights Official has specified this form for use for purposes of general compliance with 24 CFR §§ 1.5, 3.115, 8.50, and 146.25, as applicable. The Responsible Civil Rights Official may require specific civil rights assurances to be furnished consistent with those authorities and will specify the form on which such assurances must be made. A failure to furnish or comply with the civil rights assurances contained in this form may result in the procedures to effect compliance at 24 CFR §§ 1.8, 3.115, 8.57, or 146.39.

By submitting this form, you are stating that all assertions made in this form are true, accurate, and correct.

As the duly representative of the applicant, I certify that the applicant:

*Authorized Representative Name:

Prefix:

*First Name:

David

Middle Name:

*Last Name:

Loya

Suffix:

*Title: dloya@cityofarcata.org

*Applicant Organization: 707-825-2045

1. Has the legal authority to apply for Federal assistance, has the institutional, managerial and financial capability (including funds to pay the non-Federal share of program costs) to plan, manage and complete the program as described in the application and the governing body has duly authorized the submission of the application, including these assurances and certifications, and authorized me as the official representative of the application to act in connection with the application and to provide any additional information as may be required.

2. Will administer the grant in compliance with Title VI of the Civil Rights Act of 1964 (42 U.S.C 2000(d)) and implementing regulations (24 CFR part 1), which provide that no person in the United States shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or otherwise be subject to discrimination under any program or activity that receives Federal financial assistance OR if the applicant is a Federally recognized Indian tribe or its tribally designated housing entity, is subject to the Indian Civil Rights Act (25 U.S.C. 1301-1303).

3. Will administer the grant in compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as amended, and implementing regulations at 24 CFR part 8, the American Disabilities Act (42 U.S.C. §§ 12101 et.seq.), and implementing regulations at 28 CFR part 35 or 36, as applicable, and the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) as amended, and implementing regulations at 24 CFR part 146 which together provide that no person in the United States shall, on the grounds of disability or age, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity that receives Federal financial assistance; except if the grant program authorizes or limits participation to designated populations, then the applicant will comply with the nondiscrimination requirements within the designated population.

4. Will comply with the Fair Housing Act (42 U.S.C. 3601-19), as amended, and the implementing regulations at 24 CFR part 100, which prohibit discrimination in housing on the basis of race, color, religion sex (including gender identity and sexual orientation), disability, familial status, or national origin and will affirmatively further fair housing; except an applicant which is an Indian tribe or its instrumentality which

is excluded by statute from coverage does not make this certification; and further except if the grant program authorizes or limits participation to designated populations, then the applicant will comply with the nondiscrimination requirements within the designated population.

5. Will comply with all applicable Federal nondiscrimination requirements, including those listed at 24 CFR §§ 5.105(a) and 5.106 as applicable.

6. Will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601) and implementing regulations at 49 CFR part 24 and, as applicable, Section 104(d) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(d)) and implementing regulations at 24 CFR part 42, subpart A.

7. Will comply with the environmental requirements of the National Environmental Policy Act (42 U.S.C. 4321 et.seq.) and related Federal authorities prior to the commitment or expenditure of funds for property.

8. That no Federal appropriated funds have been paid, or will be paid, by or on behalf of the applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress, in connection with the awarding of this Federal grant or its extension, renewal, amendment or modification. If funds other than Federal appropriated funds have or will be paid for influencing or attempting to influence the persons listed above, I shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying. I certify that I shall require all subawards at all tiers (including sub-grants and contracts) to similarly certify and disclose accordingly. Federally recognized Indian Tribes and tribally designated housing entities (TDHEs) established by Federally-recognized Indian tribes as a result of the exercise of the tribe's sovereign power are excluded from coverage by the Byrd Amendment, but State-recognized Indian tribes and TDHs established under State law are not excluded from the statute's coverage.

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct.

WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§287, 1001, 1010, 1012, 1014; 31 U.S.C. §3729, 3802).

*Signature:

Completed Upon Submission to Grants.gov

*Date:

Completed Upon Submission to
Grants.gov

DRAFT

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C.1352

OMB Number: 4040-0013
Expiration Date: 02/28/2025

<p>1. * Type of Federal Action:</p> <p><input type="checkbox"/> a. contract <input checked="" type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance</p> <p>2. * Status of Federal Action:</p> <p><input type="checkbox"/> a. bid/offer/application <input checked="" type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award</p> <p>3. * Report Type:</p> <p><input checked="" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change</p>		
<p>4. Name and Address of Reporting Entity:</p> <p><input checked="" type="checkbox"/> Prime <input type="checkbox"/> SubAwardee</p> <p>* Name: City of Arcata</p> <p>* Street 1: 736 F St. Street 2: _____</p> <p>* City: Arcata State: CA Zip: 95521</p> <p>Congressional District, if known: CA 2nd District</p>		
<p>5. If Reporting Entity in No.4 is Subawardee, Enter Name and Address of Prime:</p>		
<p>6. * Federal Department/Agency: Department of Housing and Urban Development</p> <p>7. * Federal Program Name/Description: Community Development Block Grant- PRO Housing Competition</p> <p>CFDA Number, if applicable: 14.023</p>		
<p>8. Federal Action Number, if known: _____</p> <p>9. Award Amount, if known: \$ _____</p>		
<p>10. a. Name and Address of Lobbying Registrant:</p> <p>Prefix: _____ * First Name: N/A Middle Name: _____</p> <p>* Last Name: N/A Suffix: _____</p> <p>* Street 1: _____ Street 2: _____</p> <p>* City: _____ State: _____ Zip: _____</p>		
<p>b. Individual Performing Services (including address if different from No. 10a)</p> <p>Prefix: _____ * First Name: N/A Middle Name: _____</p> <p>* Last Name: N/A Suffix: _____</p> <p>* Street 1: _____ Street 2: _____</p> <p>* City: _____ State: _____ Zip: _____</p>		
<p>11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when the transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</p>		
<p>* Signature: Completed on submission to Grants.gov</p>		
<p>* Name: Karen Diemer</p>		
<p>Title: City Manager Telephone No.: 707-825-2200 Date: Completed on submission to Grants.gov</p>		
<p>Federal Use Only:</p>		<p>Authorized for Local Reproduction Standard Form - LLL (Rev. 7-97)</p>

CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

* APPLICANT'S ORGANIZATION

City of Arcata

* PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

Prefix: * First Name: Karen Middle Name:

* Last Name: Diemer Suffix:

* Title: City Manager

* SIGNATURE: Completed on submission to Grants.gov

* DATE: Completed on submission to Grants.gov