



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 3/5/2024

To: Board of Supervisors

Department or Agency Name(s): Community Development Commission

Staff Name and Phone Number: Veronica Ortiz-De Anda, (707) 565-7520

Vote Requirement: Majority

Supervisorial District(s): Countywide

Title:

HCD Prohousing Incentive Program Grant

Recommended Action:

Adopt a resolution to direct staff to apply for the HCD Prohousing Incentive Program Grant

Executive Summary:

On January 23, 2024, the state Department of Housing and Community Development (HCD) released a Notice of Funding Availability (NOFA) for the Prohousing Incentive Program (PIP). PIP provides Prohousing designated jurisdictions with an adopted Housing Element the opportunity to apply for funding that will assist in the implementation of specific types of Housing Element programs.

HCD has developed a list of broadly defined, eligible implementation activities including predevelopment, development, acquisition, rehabilitation, and preservation of multifamily rental housing that is affordable to extremely low-, very low-, low-, and moderate-income households, including necessary operating subsidies. Other eligible activities include, but are not limited to, capitalized reserves for services connected to the creation of new permanent supportive housing, matching funds for housing trust funds, providing supportive housing services, housing accessibility modifications, and homeownership opportunities.

Several programs included in the Sonoma County Housing Element (see page 48 of [Housing Element <https://permitsonoma.org/Microsites/Permit%20Sonoma/Documents/Long%20Range%20Plans/Proposed%20Plans/Housing%20Element/Sonoma-County-Certified-Housing-Element-Adopted-2023-08-22.pdf>](https://permitsonoma.org/Microsites/Permit%20Sonoma/Documents/Long%20Range%20Plans/Proposed%20Plans/Housing%20Element/Sonoma-County-Certified-Housing-Element-Adopted-2023-08-22.pdf)), adopted August 22, 2023, are eligible for funding from the PIP grant, up to \$1,070,000. The HCD grant application requires a resolution be approved by the Board of Supervisors authorizing CDC staff to apply for these funds; the resolution must accompany application materials due to HCD by March 15, 2024.

Discussion:

AB 101 (2019) established a state program to identify Prohousing jurisdictions throughout the State of California with the intent of allocating funds to jurisdictions that are proactive about addressing California's housing crisis. On January 23, 2024, HCD released a Notice Of Funding Availability (NOFA) for the Prohousing Incentive Pilot (PIP) Program. The PIP Program complements the Prohousing Designation Program and is designed to encourage cities and counties to obtain a Prohousing Designation.

The Prohousing Designation Program was enacted by legislation in 2019. HCD established a program by which

local governments can apply for designation and benefit from enhanced grant opportunities. PIP is a funding opportunity for local governments who receive the Prohousing designation.

The list of HCD funding opportunities for Prohousing jurisdictions currently includes priority access to Affordable Housing & Sustainable Communities (AHSC), Infill Infrastructure Grant (IIG), Transformative Climate Communities (TCC), and the Transit and Intercity Rail Capital Program (TIRCP) funding. Additional funding sources are anticipated.

The PIP Program is funded through Chapter 364, Statutes of 2017 (SB 2, Atkins), which established the Building Homes and Jobs Trust Fund. Five percent of annual recording fee collections are deposited in a fund to be used as an incentive program. The PIP Program awards funds based on jurisdiction size and Prohousing Designation Program score. The County was awarded Prohousing Designation on June 19, 2023. Prohousing actions include favorable zoning rules, increased housing production timeframes, and financial subsidies for housing.

HCD has developed a list of broadly defined, eligible implementation activities, which include several of the programs in the Sonoma County Housing Element. PIP funds can be used to support the planning and implementation of eligible activities. HCD will rank applicants based on jurisdictional size and their Prohousing Designation score. HCD has assigned a point value to prohousing actions, and local government must demonstrate a minimum point threshold to qualify. Having received the Prohousing Designation, the County will qualify for additional funding through PIP. HCD PIP awards are expected to be announced in May 2024. With approval of the resolution, staff will prepare and submit the application to HCD.

Examples of how these funds could be used if awarded are: support the construction of George's Hideaway as well as the operating expenses related to supportive services that will be offered onsite to the tenants of the project; support the County's low income residential rehabilitation program for residents with a disability that need modifications to their home; and or allocate funds to affordable housing projects through a notice of availability process for extremely low, very low, low, and moderate-income households to assist in meeting the Regional Housing Needs Assessment requirements of the County.

Strategic Plan:

This item directly supports the County's Five-year Strategic Plan and is aligned with the following pillar, goal, and objective.

Pillar: Healthy and Safe Communities

Goal: Goal 3: In collaboration with cities, increase affordable housing development near public transportation and easy access to services.

Objective: Objective 2: Identify and leverage grant funding sources for permanent supportive and affordable housing development.

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

No

Prior Board Actions:

Agenda Date: 3/5/2024

Housing Element adopted on August 22, 2023

FISCAL SUMMARY

Expenditures	FY23-24 Adopted	FY24-25 Projected	FY25-26 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
General Fund Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

Action to apply for the funds does not result in fiscal impact. Once award is received staff will submit necessary budget adjustments to program available funds.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)
N/A	N/A	N/A	N/A

Narrative Explanation of Staffing Impacts (If Required):

No staffing impacts.

Attachments:

Authorizing Resolution

Related Items "On File" with the Clerk of the Board:

N/A