



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 3/14/2023

To: Board of Supervisors

Department or Agency Name(s): Permit Sonoma

Staff Name and Phone Number: Eric Gage, Project Planner

Vote Requirement: Majority

Supervisorial District(s): Countywide

Title:

California Department of Housing and Community Development (HCD) Prohousing Incentive Pilot Program

Recommended Action:

Adopt the Resolution to direct staff to apply for Prohousing Incentive Pilot Program by HCD

Executive Summary:

State Assembly Bill AB 101 (2019) established a State program to identify pro-housing jurisdictions throughout the State of California with the intent of allocating funds to jurisdictions that are proactive about addressing California's housing crisis. On December 15, 2022, the California Department of Housing and Community Development (HCD) released a Notice of Funding Availability (NOFA) for its 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 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 collections are deposited in a fund to be used for an incentive program. The PIP Program awards funds based on jurisdiction size and Prohousing Designation Program score. The County submitted an application for the Prohousing Designation Program on December 3, 2022, and proposes to submit the PIP application to further supplement and support the implementation of Housing Element programs.

HCD has developed a list of broadly defined, eligible implementation activities, including predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low-, very low-, low-, and moderate-income households, including necessary operating subsidies. Other eligible activities include matching funds for housing trust funds, providing supportive housing services, acquisition of housing, and homebuyer payment assistance.

The list of enhanced State funding opportunities for pro-housing 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). Additional funding sources are anticipated.

Discussion:

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. The PIP is a newly available funding opportunity for local governments who receive the prohousing designation.

HCD will rank PIP applicants based on their Prohousing Designation score, in addition to other threshold requirements. HCD has assigned a point value to pro-housing actions, and local government must demonstrate a minimum point threshold to qualify. Pro-housing actions include favorable zoning rules, increased housing production timeframes, and financial subsidies for housing. The County initially submitted a Prohousing Designation application in December of 2022, and it is currently under review by HCD. County staff anticipate a qualifying point total to receive the Prohousing Designation. If the County is successful in applying for the Prohousing designation from HCD, the County will qualify for additional funding through the PIP.

With approval of the resolution, staff will prepare the application with technical assistance from the Napa-Sonoma Collaborative, technical assistance made available with funding provided by the Association of Bay Area Governments (ABAG).

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 1: Rezone 59 unincorporated urban sites suitable for housing development, increasing density allowance from 354 units to 2,975 units, and partner with developers and the community to break ground on as many sites as possible by 2026.

Prior Board Actions:

N/A

FISCAL SUMMARY

Narrative Explanation of Fiscal Impacts:

No fiscal impact

Narrative Explanation of Staffing Impacts (If Required):

No staffing impact

Attachments:

Attachment 1 Prohousing Resolution

Attachment 2 PIP Grant Application Form

Attachment 3 PIP Guidelines and Template Grant Agreement

Attachment 4 Staff Powerpoint

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

Prohousing Designation Application