

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: NICOLE DEL FIORENTINO, HOUSING AND COMMUNITY SERVICES MANAGER
SUBJECT: SUBMITTAL OF AN APPLICATION TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT'S PROHOUSING INCENTIVE PILOT PROGRAM FOR AN AMOUNT NOT TO EXCEED \$1,650,000 (CEQA EXEMPT)

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Department of Housing and Community Services that the Council, by resolution, approve the submittal of a grant application to the State of California Department of Housing and Community Development's Prohousing Incentive Pilot Program in an amount not to exceed \$1,650,000 and authorize the City Manager or designee to execute a Standard Agreement with the Department of Housing and Community Services and related documents if funding is awarded.

EXECUTIVE SUMMARY

The Housing and Community Services Department has prepared an application to the California Department of Housing and Community Development's (HCD) Prohousing Incentive Pilot (PIP) Program for up to \$1,650,000 in affordable housing development. The PIP Program supports the acceleration of affordable housing production and if awarded will be used for activities related to the predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, rental housing that is affordable to extremely low-, very low-, low-, and moderate-income households.

BACKGROUND

In December 2022, HCD released the Prohousing Incentive Pilot (PIP) Program Notice of Funding Availability (NOFA) for approximately \$25.7 million. The NOFA requires the applicant to be either a city, county or public housing authority.

The Planning and Economic Development Department developed an application for a Prohousing Designation, the submittal approved by Council on January 24, 2023, and

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PAGE 2 OF 3

the City of Santa Rosa Housing Element (Housing Element) objectives approved by Council on February 14, 2023.

The Housing and Community Services (HCS) Department has prepared an application for the PIP funding that aligns with the Housing Element and prohousing designation. As required by the NOFA, the proposed application outlines the intended use of PIP program funds which incorporates the implementation of activities related to the predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, rental housing that is affordable to extremely low-, very low-, low-, and moderate-income households.

If the City is awarded funds, they will be incorporated into the Housing Authority's annual competitive NOFA process for the production of affordable housing units.

HCD's PIP Program encourages cities with Prohousing designations to apply for funds to accelerate the production of housing. HCD's PIP guidelines require the City to submit the application for up to \$1,650,000 in program funds associated with the implementation of program activities.

The proposed resolution would (1) approve the submittal of the application to HDC for grant funding, and (2) authorize the City Manager or designee to execute any required funding agreement and related documents, if the grant is awarded.

PRIOR CITY COUNCIL REVIEW

On January 24, 2023, the Council by Resolution No. 2023-008 authorized the application and participation in the California Department of Housing and Community Development's Prohousing Designation Program.

On February 14, 2023, the Council, adopted the 2023-2031 Housing Element and authorized the submittal to HCD.

ANALYSIS

Pursuing this PIP program opportunity for up to \$1,650,000 in PIP funds will assist with the implementation of activities related to the production of affordable housing, will assist the City in furthering its goal of meeting housing needs and will assist with financing construction of housing units.

The submittal of the grant application to HCD allows the City to pursue additional resources to assist with the financing of additional affordable housing units.

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PAGE 3 OF 3

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund.

ENVIRONMENTAL IMPACT

This action is exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution

PRESENTER

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