

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: GABE OSBURN, PLANNING AND ECONOMIC DEVELOPMENT
DIRECTOR
SUBJECT: PROHOUSING DESIGNATION PROGRAM APPLICATION
AUTHORIZATION

AGENDA ACTION: RESOLUTION

RECOMMENDATION

The Planning and Economic Development Department recommends that the Council: 1) receive information regarding the City's renewal application for the California Department of Housing and Community Development's Prohousing Designation Program; 2) receive public comment as part of the required Diligent Public Participation Process; and 3) by resolution, authorize staff to submit the renewal application to the California Department of Housing and Community Development following completion of the required public review period and consideration of all comments received. This item has no impact on the current fiscal year budget.

EXECUTIVE SUMMARY

The City of Santa Rosa received a Prohousing Designation from the California Department of Housing and Community Development (HCD) in July 2023 in recognition of its commitment to implementing local policies that facilitate housing production. The designation expires in January 2027, and staff is preparing a renewal application to maintain the designation and the City's eligibility for associated State funding incentives.

Designated jurisdictions receive priority processing, additional points, or funding preferences under numerous competitive State grant programs, including the Affordable Housing and Sustainable Communities (AHSC) and Infill Infrastructure Grant (IIG). The Prohousing Designation also allows eligible jurisdictions to compete for funding through the Prohousing Incentive Program.

Since the City received its initial Prohousing Designation in 2023, HCD has adopted permanent regulations that include several new threshold requirements for renewal applications. In addition to a Diligent Public Participation Process, applicants must now demonstrate that local policies and procedures for addressing homeless encampments

PROHOUSING DESIGNATION PROGRAM APPLICATION AUTHORIZATION

PAGE 2 OF 5

are consistent with constitutional rights. These requirements are evaluated as threshold criteria for the application rather than as scored policy items.

GOAL

This item relates to Council Goal #5 - Plan for and Encourage Housing for All and Reduce Homelessness by increasing the City's competitiveness for funding that supports housing production and preservation.

PRIOR COUNCIL REVIEW

On January 24, 2023, the City Council adopted a Resolution No. RES-2023-008 authorizing submission of the City's initial Prohousing Designation application and participation in the Prohousing Designation Program. HCD approved the application and awarded the City a Prohousing Designation in July 2023.

ANALYSIS

The Prohousing Designation Program recognizes jurisdictions that have adopted policies that exceed minimum State housing law requirements and promote the production of housing across a range of income levels. Designated jurisdictions receive competitive advantages for numerous State housing and infrastructure funding programs.

Background

Santa Rosa received its initial Prohousing Designation in July 2023. Under HCD's current regulations, Prohousing Designations are time-limited and must be renewed prior to expiration. The City's current designation expires in January 2027.

Program Changes Since the City's 2023 Designation

Since the City's original application, HCD has adopted permanent regulations governing the Prohousing Designation Program. The permanent regulations, effective in 2024, include threshold requirements that must be satisfied before HCD will approve an application or renewal.

These regulations require the City to complete a Diligent Public Participation Process before submitting a Prohousing Designation application. At a minimum, this process includes:

- Presentation of the draft application at a City Council public meeting and an opportunity for public comment
- Public availability of the complete draft application for at least 30 calendar days
- Notification of interested parties and community organizations

PROHOUSING DESIGNATION PROGRAM APPLICATION AUTHORIZATION

PAGE 3 OF 5

- Outreach to stakeholders representing a broad cross-section of the community, including affordable housing organizations, developers, lower-income households, and special needs populations
- Consideration of public comments received prior to application submittal

In addition to completing a Diligent Public Participation Process, the City must submit documentation demonstrating that Santa Rosa's treatment of homeless encampments on public property complies with constitutional requirements and is consistent with the United States Interagency Council on Homelessness' *7 Principles for Addressing Encampments*. The application includes a required Homeless Encampment Template summarizing local practices related to coordinated outreach, service connections, notice procedures, protection of personal property, and ongoing coordination with service providers.

Scoring Criteria

HCD evaluates applications under four scoring categories:

- Category 1: Favorable Zoning and Land Use
- Category 2: Acceleration of Housing Production Timelines
- Category 3: Reduction of Construction and Development Costs
- Category 4: Providing Financial Subsidies

A jurisdiction must achieve a minimum score of 30 points out of a possible 138 to earn the Prohousing Designation. Individual policies and activities generally receive between one and three points. A jurisdiction must score at least one point in each of the four categories and receive at least 30 total points to qualify. Proposed policies may receive credit but must be implemented within two years after application submittal.

Staff's preliminary assessment of existing and proposed policies and programs shows the City may be eligible to receive a total of 89 points under the four Prohousing categories.

Policies Implemented Since the City's 2023 Designation

Since receiving the Prohousing Designation in 2023, the City has continued to implement a range of policies and programs that support housing production and affordability. Significant accomplishments include adoption of the Missing Middle Housing Ordinance, authorization of Tiny Homes on Wheels, streamlined review procedures for duplexes and duet units, and measures that reduce development costs for affordable housing. The City is also advancing updates to the North Station Area Specific Plan and South Santa Rosa Specific Plan to facilitate future housing opportunities. In addition, the City has implemented several measures to reduce

PROHOUSING DESIGNATION PROGRAM APPLICATION AUTHORIZATION

PAGE 4 OF 5

development costs for affordable housing, including a Capital Facilities Fee (CFF) Pilot Program waiver for qualifying affordable housing developments, streamlined design review procedures, and a 50 percent reduction in permit fees for projects in which 100 percent of units are deed-restricted as affordable.

Collectively, these actions demonstrate the City's continued commitment to reducing barriers to housing production and expanding housing opportunities, while building upon the policies that supported the City's initial Prohousing Designation.

FISCAL IMPACT

Approval of this action will not require an additional appropriation or expenditure from the General Fund.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines section 15378, the recommended action is not a "project" subject to the California Environmental Quality Act because it does not have the potential to result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the recommended action is exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that there is no possibility that the action may have a significant effect on the environment.

Any future projects that receive or utilize grant funding will be subject to environmental review as required by CEQA.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Consistent with HCD's Diligent Public Participation requirements, the draft Prohousing Designation application was made available for public review on August 3, 2026, for a minimum of 30 calendar days. Notice of the public review period was distributed to interested parties, affordable housing organizations, housing developers, community organizations, and other stakeholders through the City's communication channels and subscriber lists. Notice was also posted at City Hall and at each Sonoma County Library branch located within the City. Staff will consider all comments received before submitting the final application to HCD.

ATTACHMENTS

- Attachment 1 – Draft Prohousing Designation Application
- Resolution

PRESENTER

Amy Nicholson, Supervising Planner