

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: MEGAN BASINGER, DIRECTOR  
HOUSING AND COMMUNITY SERVICES DEPARTMENT  
SUBJECT: SUBMITTAL OF AN APPLICATION TO THE STATE OF  
CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY  
DEVELOPMENT'S PROHOUSING INCENTIVE PROGRAM FOR  
AN AMOUNT NOT TO EXCEED \$1,250,000

AGENDA ACTION: RESOLUTION

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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 Program in an amount not to exceed \$1,250,000 to provide financial assistance to multifamily, rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households and authorize the City Manager to execute a Standard Agreement with the Department of Housing and Community Development and related documents if funding is awarded.

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EXECUTIVE SUMMARY

The Housing and Community Services (HCS) Department has prepared an application to the California Department of Housing and Community Development's (HCD) Prohousing Incentive (PIP) Program for up to \$1,250,000 for affordable housing activities. The PIP Program supports the acceleration of affordable housing production and if awarded can 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

On August 15, 2024, HCD released the Notice of Funding Availability (NOFA) for the third round of the PIP Program. The NOFA makes available approximately \$8 million for jurisdictions with a Prohousing Designation. The City of Santa Rosa received HCD's Prohousing Designation, by declaration of Governor Newsom on July 14, 2023, making the City eligible to apply for PIP funding.

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The HCS Department has prepared an application for the PIP funding that aligns with the City's adopted 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.

HCD's PIP Program encourages cities with Prohousing Designations to apply for funds to accelerate the production of housing. HCD's PIP guidelines dictate the required resolution language for application submittal and the maximum grant amounts; the City is eligible to receive up to \$1,250,000 in program funds associated with the implementation of program activities, if awarded through HCD's competitive solicitation process.

#### PRIOR CITY COUNCIL REVIEW

On January 24, 2023, the Council by Resolution No. 2023-008 authorized the application and participation in HCD's Prohousing Designation Program.

On February 14, 2023, the Council, by Resolution No. RES-2023-034 adopted the 2023-2031 Housing Element and authorized the submittal to HCD.

#### ANALYSIS

The submittal of the grant application to HCD allows the City to pursue additional resources to further its goal of meeting housing needs including the financing of additional affordable housing units.

#### 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.

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BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution

PRESENTER

Megan Basinger, Director