

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: MEGAN BASINGER, DIRECTOR
HOUSING AND COMMUNITY SERVICES DEPARTMENT
SUBJECT: ACCEPTING AND APPROPRIATING THE CALIFORNIA
DEPARTMENT OF HOUSING AND COMMUNITY
DEVELOPMENT'S PROHOUSING INCENTIVE PROGRAM
GRANT OF \$1.25 MILLION; AND AUTHORIZING THE DIRECTOR
OF HOUSING AND COMMUNITY SERVICES TO EXECUTE
AGREEMENTS AND ANY RELATED LOAN DOCUMENTS FOR
PROJECTS FUNDED BY THE GRANT

AGENDA ACTION: RESOLUTION

RECOMMENDATION

The Housing and Community Services Department recommends that the Council, by resolution: 1) accept and appropriate the California Department of Housing and Community Development's Prohousing Incentive Program grant in the amount of \$1,250,000; and 2) authorize the Director of Housing and Community Services to execute agreements and any related loan documents for projects funded by the grant.

EXECUTIVE SUMMARY

The California Department of Housing and Community Development (HCD) has awarded the City \$1,250,000 through the Prohousing Incentive Program (PIP) for the predevelopment, development, acquisition, rehabilitation, and preservation of multifamily affordable rental housing serving extremely-low, very-low, low, and moderate-income households. The City has entered into a Standard Agreement with HCD and must accept and appropriate the grant to administer these funds. Additionally, to facilitate use of these funds, it is recommended that the Director of Housing and Community Services be authorized to execute agreements and any related loan documents required for projects funded by the grant.

GOAL

This item relates to Council Goal #5 - Plan for and Encourage Housing for All and Reduce Homelessness by expanding access to housing opportunities for extremely-low, very-low, low, or moderate-income households.

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HOUSING AND COMMUNITY DEVELOPMENT'S PROHOUSING INCENTIVE
PROGRAM GRANT OF \$1.25 MILLION
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BACKGROUND/PRIOR COUNCIL REVIEW

The City received HCD's Prohousing Designation, by declaration of Governor Newsom on June 19, 2023, making the City eligible to apply for PIP funding.

On August 15, 2024, HCD released a Round 3 Notice of Funding Availability (NOFA) through its PIP in the approximate amount of \$8,000,000.

On September 24, 2024, City Council, by Resolution No. RES-2024-153, authorized submittal of the City's application for up to \$1,250,000 in PIP Round 3 funding.

Following Council authorization, Housing and Community Services submitted the application and, in September 2025, was awarded \$1,250,000 in PIP funds. The City has entered into a Standard Agreement with HCD and must accept and appropriate the grant to administer these funds. The PIP funds will be incorporated into the Housing Authority of the City of Santa Rosa's annual competitive NOFA process.

ANALYSIS

Approval of this item will allow for the timely use of the PIP funds, which must be fully expended June 30, 2028, in compliance with the Standard Agreement and in alignment with City's adopted Housing Element and Prohousing Designation.

FISCAL IMPACT

Approval of this action does not impact the City's General Fund. The PIP award provides \$1,250,000 in State funds, which will be administered in accordance with the budget and reimbursement provisions set forth in the Standard Agreement. Up to five percent (5%) of the award may be used for eligible administrative costs, as permitted by the Program Guidelines. All expenditures will be reimbursed by HCD based on documented eligible costs completed within the grant term.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the recommended action is not a "project" subject to the California Environmental Quality Act (CEQA) because it involves the acceptance and appropriation of grant funding and authorization to execute related agreements and 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. Any future projects funded by this grant will be subject to separate environmental review in accordance with CEQA, as applicable. In the alternative, the recommended action is exempt from CEQA pursuant to CEQA Guidelines Section

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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.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution

PRESENTER(S)

Koy Stewart, Program Specialist