



Napa County

1195 THIRD STREET
SUITE 310
NAPA, CA 94559
www.countyofnapa.org

Main: (707) 253-4580

Legislation Text

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TO: Board of Supervisors

FROM: Brian Bordona, Director of Planning, Building & Environmental Services

REPORT BY: Trevor Hawkes, Supervising Planner

SUBJECT: Authorize the Planning, Building & Environmental Services Department to apply to and participate in the State of California's Prohousing Designation Program & Prohousing Incentive Pilot Program

RECOMMENDATION

Director of Planning, Building and Environmental Services requests the Board take the following actions:

1. Adopt a Resolution authorizing the Director of the Planning, Building & Environmental Services Department to submit a Prohousing Designation Program (PDP) Application to the California Department of Housing and Community Development (HCD), and execute all documents deemed necessary or appropriate to participate in the program if the application is approved; and
2. Adopt a Resolution authorizing the Director of the Planning, Building & Environmental Services Department to submit a Prohousing Incentive Pilot (PIP) Program Application to the California Department of Housing and Community Development (HCD).

EXECUTIVE SUMMARY

The County of Napa has an opportunity to become a Prohousing Designated jurisdiction in the State, which provides a competitive advantage for grant funding opportunities and further demonstrates the County's commitment to the development of affordable housing in our community.

In 2019, AB 101 established the Prohousing Designation Program (PDP) administered by the California Department of Housing and Community Development (HCD). The PDP creates incentives for jurisdictions that are compliant with housing laws, housing element requirements, and have enacted Prohousing local policies that go beyond existing law.

On June 7, 2021, HCD released the PDP Emergency Regulations and Jurisdictions were able to begin applying for the Prohousing Designation starting July 1, 2021. Applications are reviewed on a rolling basis.

On December 15, 2022, HCD released the Notice of Funding Availability (NOFA) for the Prohousing Incentive Program (PIP), a direct pool of funding exclusively available to local jurisdictions awarded the Prohousing Designation. One round has been awarded and further funding is anticipated.

FISCAL & STRATEGIC PLAN IMPACT

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| Is there a Fiscal Impact? | No |
| Is it currently budgeted? | No |
| Is it Mandatory or Discretionary? | Discretionary |
| Discretionary Justification: | The Prohousing Designation Program will provide the County with advantages in certain grant funding programs, which may result in additional grant funding for affordable housing and infrastructure in the future. The Prohousing Incentive Pilot Program will provide the County with the opportunity to apply for up to \$1,750,000 in funding. |
| Is the general fund affected? | Yes |
| Future fiscal impact: | If grant revenue is received, appropriations will be budgeted accordingly in future fiscal years. |
| Consequences if not approved: | Napa County will not have access to these funds. |
| County Strategic Plan pillar addressed: | Healthy, Safe, and Welcoming Place to Live, Work, and Visit |
| Additional Information | Technical support from the Napa-Sonoma Collaborative is funded by a State grant and thus regional planning staff hours to prepare the application will not be charged to the County. |

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Staff recommends that the Board of Supervisors adopt the state mandated resolution required to apply for the PDP program. The timing of the application is ideal as the County is in the final stages of adopting its General Plan Housing Element for State certification.

Jurisdictions awarded a Prohousing Designation will receive a competitive advantage on some affordable housing and infrastructure grant programs, including the Affordable Housing Sustainable Communities Program, Transformative Climate Communities, and the Infill Incentive Grant Program.

In addition to providing priority for a variety of funding sources, HCD announced on December 15, 2022, that an additional \$25.7 million would be available through a separate Prohousing Incentive Pilot (PIP). Of these funds, the County of Napa is eligible to apply for a base amount of \$1,250,000 and a bonus of up to \$500,000, for a total of \$1,750,000. Eligible uses include directly funding affordable housing and matching contributions to local/regional housing trust funds.

PROGRAM REQUIREMENTS:

HCD’s review and consideration for designating jurisdictions as Prohousing include the following policies, concepts, and standards that direct HCD's review and consideration of a Jurisdiction for a Prohousing Designation:

- (A) The Jurisdiction’s actions to facilitate the planning, approval, or construction of a variety of housing types (e.g., increasing zoned capacity for supply, facilitating affordability for all income levels,

removing regulatory barriers to development, and streamlining approval). Such action should be balanced by the Jurisdiction's equal efforts to prevent displacement, preserve existing affordable housing, and establish tenant protections.

(B) The Jurisdiction's accomplishment of integrated planning and development consistent with the state planning priorities set forth at Government Code section 65041.1 and/or the regional transportation plan adopted by the relevant transportation agency pursuant to Government Code sections 65080 and 65080.01. The Jurisdiction may accomplish this outcome through various actions, including, but not limited to, the facilitation of Location Efficient Communities that reduce auto dependence and VMT, and that are consistent with climate change priorities (e.g., climate change adaptation and hazard mitigation).

(C) The Jurisdiction's meaningful actions to foster inclusive and equitable communities with adequate, affordable, and accessible housing and transportation infrastructure pursuant to Government Code section 8899.50.

(D) The Jurisdiction's collaboration with public entities to align policies and programs, and with private entities to implement policies and to leverage funding and other resources.

(E) The Jurisdiction's compliance with established housing law and recent housing reform statutes (e.g., the Housing Accountability Act, the Streamlined Ministerial Approval Process (California Senate Bill 35 (2017)), and the Housing Crisis Act of 2019 (Stats. 2019, ch. 654)).

The application will ascribe points using four scoring categories. Applicants shall demonstrate that they have enacted or proposed at least one policy that significantly contributes to the acceleration of housing production in each of the four categories. A Prohousing Designation requires a total score of 30 points or more across all four categories and enhancement factors:

(1) **Favorable Zoning and Land Use (18 possible points)**. Examples include allowing duplexes, triplexes, and fourplexes by right in single-unit dwelling zones, going beyond the State Density Bonus Law, going beyond State law for Accessory Dwelling Units (ADUs), and eliminating off-street parking requirements.

(2) **Acceleration of Housing Production Timeframes (19 possible points)**. Examples include ministerial approval processes for a variety of housing types, streamlined environmental review processes, streamlined permitting processes, and reduced plan check times.

(3) **Reduction of Construction and Development Costs (11 possible points)**. Examples include deferred, reduced, or waived impact fees and pre-approved plans for ADUs and missing middle housing types.

(4) **Providing Financial Subsidies (21 possible points)**. Examples include participating with a local housing trust fund, offering surplus County-owned land for affordable housing development, and prioritization of local general funds for affordable housing.

(EFs) **Enhancement Factors (9 possible points)**. Provide bonus points for strong programs.

HCD has 60 days from the time the application is submitted to issue preliminary findings to the County. The County has 15 days to provide a written response to HCD. HCD then has 60 days to issue a final determination of the designation as a Prohousing Jurisdiction. Should the Board approve this resolution, staff will prepare the

application for the PDP and PIP Programs and submit it to the State for its initial determination.