



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
December 5, 2023

TOPIC: HCD Prohousing Designation Program Application

AGENDA TITLE

A Resolution Authorizing Application to the California State Department of Housing and Community Development for the Prohousing Designation Program

RECOMMENDED ACTION

Adopt a Resolution authorizing the application to the California State Department of Housing and Community Development Prohousing Designation Program.

RESOLUTION NO. 2023-XXXX entitled A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA AUTHORIZING THE APPLICATION TO AND PARTICIPATION IN THE PROHOUSING DESIGNATION PROGRAM

GOVERNMENT CODE §84308 APPLIES No

DISCUSSION

In 2019, Assembly Bill (AB) 101 established the Prohousing Designation Program administered by the California Department of Housing and Community Development (HCD). The program provides incentives to cities and other jurisdictions in the form of additional points or other preference in the scoring of competitive funding applications for housing, community development, and infrastructure grant programs. Jurisdictions that receive a Prohousing Designation will have a competitive advantage in grant funding for the acceleration of housing production. The program is designed to further assist jurisdictions that are compliant with their General Plan Housing Elements and have enacted or are in the process of enacting policies that promote housing.

Cities with a designation are eligible to apply for a new Prohousing Incentive Program first released in a Notice of Funding Availability in December 2022. This first round of funding awarded jurisdictions over \$33 million in grants from the Building Homes and Jobs Trust Fund to accelerate affordable housing production and preservation. This program is expected to have additional rounds of funding available as the participation in the Prohousing Designation Program increases. The Prohousing Designation and the Prohousing Incentive Program provide additional opportunities for funding of projects that include development, acquisition, rehabilitation, and preservation of affordable housing.

Eligibility to receive the Prohousing Designation requires the applicant to have an adopted Housing Element, be current on submission of the Annual Progress Report, and be in compliance with applicable State housing law. Applicants must also submit a Resolution, with language and format as required by HCD, authorizing application and participation in the program. Jurisdictions that meet these requirements qualify for the validation phase of the application, which is based on the following four scoring categories:

- Favorable Zoning and Land Use
- Acceleration of Housing Production Timeframes
- Reduction of Construction and Development Costs
- Providing Financial Subsidies

A minimum score of 30 points is required to receive a Prohousing Designation, and applicants must demonstrate that they have enacted or proposed at least one policy in each of the four categories. An initial review by Planning staff indicates that the City will receive a score in excess of 30 points due to the programs and reforms already adopted by the City Council in the form of the Housing Element (2022) and General Plan Update (2022).

If this item is approved, Planning staff will submit the application and Resolution to HCD for review. HCD will then either approve or provide feedback on the application within 60 days. If awarded, the Prohousing Designation remains valid for three years.

FISCAL IMPACT

There is no fiscal impact associated with this action.

EXHIBITS

1. Resolution – Authorizing Application to Program
2. Draft Prohousing Designation Program Application

Submitted By: Minh Thai, Executive Director of Planning and Building Agency

Approved By: Tom Hatch, Interim City Manager