



County of Monterey

Item No.25

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: RES 23-046

March 21, 2023

Introduced: 3/13/2023

Current Status: Housing & Community
Development - Consent

Version: 1

Matter Type: BoS Resolution

Adoption of a Resolution to:

- a. Authorize staff to submit a Prohousing Designation Program (PDP) application administered by the California Department of Housing and Community Development; and
- b. Authorize the Housing and Community Development Director or designee to execute all required Agreements and related documents necessary to participate in the program; and
- c. Find that these actions are either not a “project” as defined by the California Environmental Quality Act (CEQA) or, if they are viewed as a project, are exempt from CEQA under the “common sense” exemption.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a Resolution:

- a. Authorize staff to submit a Prohousing Designation Program (PDP) application administered by the California Department of Housing and Community Development; and
- b. Authorize the Housing and Community Development Director or designee to execute all required Agreements and related documents necessary to participate in the program; and
- c. Find that these actions are either not a “project” as defined by the California Environmental Quality Act (CEQA) or, if they are viewed as a project, are exempt from CEQA under the “common sense” exemption.

SUMMARY:

The County of Monterey has an opportunity to become a Prohousing Designation jurisdiction gaining a competitive advantage for critical grant funding and sending a strong signal to the housing development community statewide that the County of Monterey is focused on accelerating housing production.

In 2019, AB 101 established the Prohousing Designation Program (PDP) administered by the California Department of Housing and Community Development. 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. Jurisdictions awarded a Prohousing Designation will receive a competitive advantage for critical affordable housing and infrastructure grant programs, including, the Affordable Housing and Sustainable Communities Program, Transformative Climate Communities, and the Infill Incentive Grant Program.

Jurisdictions began applying for the Prohousing Designation July 1, 2021. To date only ten jurisdictions throughout the state have received the designation.

DISCUSSION:

HCD's review and consideration for designating jurisdictions as Prohousing include the following:

- (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 as outlined in Attachment 3. A Prohousing Designation requires a total score of 30 points or more across all four categories:

- (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), eliminating off-street parking requirements, and allowing residential land uses in non-residential zones.
- (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 City-owned land for affordable housing development, and prioritization of local general funds for affordable housing.

Once the application is released, 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 the state. The state then has 60 days to issue a final determination of the designation as a Prohousing Jurisdiction. the County of Monterey could foreseeably be designated as a Prohousing Jurisdiction this year (2023).

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel will review future agreements with CA HCD.

FINANCING:

There is no financial impact to the General Fund to consider and direct staff to apply to CA HCD for Prohousing Designation. HCD staff time to prepare this report and the application is funded as part of the Fiscal Year 2022-23 Adopted Budget.

ENVIRONMENTAL REVIEW:

Staff has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines section 15378) because it does not have the potential to cause either a direct or reasonably foreseeable indirect physical change to the environment. Additionally, staff has determined that, even were the proposed actions to be seen as a project, they would be exempt under the “common sense exemption” set forth in CEQA Guidelines section 15061(b)(3), because, “ “[i]t can be seen with certainty that there is no possibility that the activit[ies] in question may have a significant effect on the environment.” Regardless, any subsequent discretionary projects resulting from this action will be separately assessed for CEQA applicability.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Authorizing County staff to file the PDP application and participate in program supports the Board of Supervisors’ Strategic Initiatives for a strong and affordable housing environment, which is critical to the economic well-being and growth of the County and its residents.

Mark a check to the related Board of Supervisors Strategic Initiatives

☒ Economic Development
Administration
Health & Human Services
☐ Infrastructure
☐ Public Safety

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The following attachments are on file with the Clerk of the Board:

Attachment A - Draft Resolution

Attachment B - Prohousing Designation Program Regulations

Attachment C - Prohousing Designation Program Blank Application

