



Office of the City Manager

CONSENT CALENDAR
July 11, 2023

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Jordan Klein: Director, Planning and Development
Lisa Warhuus, Director, Health, Housing, and Community Services

Subject: California Department of Housing and Community Development (HCD)
Prohousing Designation Program Application

RECOMMENDATION

Adopt a Resolution authorizing the City of Berkeley's application to and participation in the California Department of Housing and Community Development (HCD) Prohousing Designation Program.

FISCAL IMPACTS OF RECOMMENDATION

Jurisdictions who obtain the Prohousing Designation will receive additional points or other preference in the scoring of their competitive applications for specified housing, community development, and infrastructure funding. Such jurisdictions may also be eligible to apply for dedicated grant funding.

CURRENT SITUATION AND ITS EFFECTS

The Prohousing Designation Program creates incentives for jurisdictions that are compliant with state housing element requirements and have enacted what HCD has determined to be "Prohousing" local policies. Cities with a Prohousing Designation will receive additional points or other preference in the scoring of their competitive applications for specified housing, community development, and infrastructure funding.

Obtaining this funding is critical to leverage the City's Housing Trust Fund (HTF) program commitments and complete the financing for the City's affordable housing pipeline. The City has over 750 affordable housing units in the pipeline that will require access to competitive State funding to move forward. Obtaining the Prohousing Designation will improve the City's ability to access the competitive funds.

Berkeley has made significant progress in adopting policies consistent with the Prohousing Designation Program, which are outlined in the recently approved 2023-2031 Housing Element. The Department of Health, Housing, and Community Services (HHCS) is coordinating with the Planning and Development Department to identify eligible criteria and complete the application. The City's application will reflect adopted

policies and programs as well as those identified in the Housing Element to be implemented in the next two years, which can be included in the application as “proposed policies.” Authorization from the City Council is required to submit the application.

Obtaining the Prohousing Designation would advance the City’s strategic plan goal to create affordable housing and housing support service for our most vulnerable community members.

BACKGROUND

Increasing the availability of housing statewide is critical to bettering the quality of life of all Californians and to ending homelessness. The 2019-2020 Budget Act provided a spectrum of support, incentives, and accountability measures to meet California’s housing goals, and provided for the establishment of the Prohousing Designation Program.

Local governments with the Prohousing Designation can receive priority processing or funding points when applying for several funding programs including:

- Affordable Housing & Sustainable Communities (AHSC)
- Infill Infrastructure Grant (IIG)
- Transformative Climate Communities (TCC)
- Solutions for Congested Corridors
- Local Partnership Program
- Transit and Intercity Rail Capital Program (TIRCP)

Other programs may be added to the list after HCD engages with stakeholders and partner agencies to consider adding Prohousing points to other housing and non-housing programs.

There is also the potential to qualify for special funding. Local governments with the Prohousing Designation were eligible to apply for the new Prohousing Incentive Pilot Program grant funding, a \$26 million state investment from the Building Homes and Jobs Trust Fund established earlier this year. Future grant funds may be available to jurisdictions with Prohousing Designation.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

There are no environmental sustainability and climate impacts associated with this recommendation.

RATIONALE FOR RECOMMENDATION

Obtaining the Prohousing Designation will make Berkeley affordable housing projects more competitive in accessing state funding, as well as potentially giving the City

access to grants only available to Prohousing jurisdictions. The Prohousing Designation will help the City better leverage its funding with State funds for producing affordable housing and meeting its Regional Housing Needs Assessment (RHNA) goals.

ALTERNATIVE ACTIONS CONSIDERED

Staff did not consider alternative actions. Participating in this program will help Berkeley be more competitive for funds for affordable housing.

CONTACT PERSON

Anna Cash, Community Development Project Coordinator, HHCS, (510) 981-5403

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

A RESOLUTION OF BERKELEY CITY COUNCIL AUTHORIZING APPLICATION TO
AND PARTICIPATION IN THE PROHOUSING DESIGNATION PROGRAM

WHEREAS, Government Code section 65589.9 established the Prohousing Designation Program (“**PDP**” or “**Program**”), which creates incentives for jurisdictions that are compliant with state housing element requirements and that have enacted Prohousing local policies; and

WHEREAS, such jurisdictions will be designated Prohousing, and, as such, will receive additional points or other preference during the scoring of their competitive applications for specified housing and infrastructure funding; and

WHEREAS, the Department of Housing and Community Development (“**Department**”) has adopted emergency regulations (Cal. Code Regs., tit. 25, § 6600 et seq.) to implement the Program (“**Program Regulations**”), as authorized by Government Code section 65589.9, subdivision (d); and

WHEREAS, the **City of Berkeley** (“**Applicant**”) desires to submit an application for a Prohousing Designation (“**Application**”).

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that:

1. Applicant is hereby authorized and directed to submit an Application to the Department.
2. Applicant acknowledges and confirms that it is currently in compliance with applicable state housing law.
3. Applicant acknowledges and confirms that it will continue to comply with applicable housing laws and to refrain from enacting laws, developing policies, or taking other local governmental actions that may or do inhibit or constrain housing production. Examples of such local laws, policies, and action include moratoriums on development; local voter approval requirements related to housing production; downzoning; and unduly restrictive or onerous zoning regulations, development standards, or permit procedures.
4. Applicant further acknowledges and confirms that it commits itself to affirmatively furthering fair housing pursuant to Government Code section 8899.50.
5. If the Application is approved, Applicant is hereby authorized and directed to enter into, execute, and deliver all documents required or deemed necessary or appropriate to participate in the Program, and all amendments thereto (the “**Program Documents**”).

6. Applicant acknowledges and agrees that it shall be subject to the Application; the terms and conditions specified in the Program Documents; the Program Regulations; and any and all other applicable law.
7. The City Manager or designee is authorized to execute and deliver the Application and the Program Documents on behalf of the Applicant for participation in the Program.

