



**DATE:** March 5, 2024  
**TO:** Mayor and City Council  
**FROM:** Director of Development Services  
**SUBJECT:** Adopt a Resolution Authorizing Application to and Participation in the Prohousing Designation Program

**RECOMMENDATION**

That the Council adopts a resolution (Attachment II) authorizing application to and participation in the Prohousing Designation Program.

**SUMMARY**

The State of California established the Prohousing Designation Program to incentivize local policies that would increase the availability of housing statewide. Staff have determined that the City would likely meet the minimum qualifications to receive the Prohousing Designation and that it would be beneficial to the City to apply. Staff recommends adoption of the resolution authorizing application to and participation in the Prohousing Designation Program.

**BACKGROUND**

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 (Program). The purpose of the Program is to increase the availability of housing statewide to better the quality of life of all Californians and to end homelessness by providing incentives to cities and counties in the form of additional points or other preferences in the scoring of competitive housing, community development, and infrastructure programs. Current incentives include access to the Prohousing Incentive Pilot Program Funding and priority processing of funding points when applying to the following state grant programs:

- 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)

On December 22, 2023, the City submitted the Prohousing Designation Program Application. However, on January 2, 2024, the permanent regulations for the Prohousing Designation Program were approved. While the City submitted its Prohousing Designation Application prior to the effective date, the state was unable to approve the application prior to the March 1, 2024 deadline and the City must resubmit under the new regulations.

## **DISCUSSION**

Staff have determined that the City will likely meet the minimum qualifications to receive the Prohousing Designation and that it would be beneficial to the City to apply. The minimum requirements include:

- Compliant housing element and annual progress reports
- All required rezones complete
- Jurisdiction compliant with all housing laws
- Compliant with constitutional rights of persons experiencing homelessness and enact best practices consistent with the United States Interagency Council on Homelessness' "7 Principles for Addressing Encampments" (June 17, 2022, update)
- Can revoke for failure to stay in compliance with threshold requirements

Having the Prohousing Designation would increase competitiveness for the state funding opportunities listed above. It would give the City access to housing funding that is limited to Prohousing designated jurisdictions (the Prohousing Incentive Pilot Program). Lastly, it would give the City the opportunity to highlight all the Prohousing policies that it currently has in place and plan to implement within the next two years.

In addition to meeting the minimum requirements, the State awards Prohousing Designation to jurisdictions that have policies that:

- Create housing favorable zoning and land use policies
- Accelerate housing production timeframes
- Reduce construction and development costs
- Provide housing financial subsidies

As of the date of this report, there are 37 jurisdictions that have received the Prohousing Designation.

## **FISCAL IMPACT**

There is no fiscal impact associated with this agenda item.

## **STRATEGIC INITIATIVES**

This agenda item supports the Strategic Priority of Preserve, Protect & Produce Housing. This item is not specifically related to a project identified in the Strategic Roadmap. Staff are bringing forth this new item because it will improve competitiveness for some state housing grants for projects located in the City of Hayward. Staff will include this item in the next bi-annual update to Council on the Strategic Roadmap.

## **NEXT STEPS**

If approved, staff will complete the Prohousing Designation Application. HCD will have 60 days to review and provide feedback.

*Prepared by:* Christina Morales, Housing Division Manager

*Recommended by:* Sara Buizer, AICP, Director of Development Services

Approved by:



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Kelly McAdoo, City Manager