



## Legislation Text

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Adopt a Resolution Authorizing Application to and Participation in the California Department of Housing and Community Development's Prohousing Designation Program

### **COUNCIL PRIORITY**

- Housing and Homelessness

### **SUMMARY**

The State Department of Housing and Community Development (HCD) Prohousing Designation Program recognizes cities that go beyond state law to promote housing production. Cities with the Prohousing Designation have a competitive advantage for affordable housing grant programs. The Program allocates points for existing policies as well as policies that will be enacted within a two-year timeframe.

The City of San Leandro 2023-2031 Housing Element (Action 10.7) and City Council Housing and Homelessness Work Plan (Item 2.b) include making recommendations to Council and filing a Prohousing Designation application to be more competitive for various State funding sources.

### **RECOMMENDATIONS**

Staff recommends that the City Council adopt the attached resolution for the Prohousing Designation Program authorizing the submittal of the application to State HCD.

### **BACKGROUND**

In 2019, the State legislature enacted Assembly Bill 101 that established the Prohousing Designation Program (PDP) to help address the housing crisis in California. The PDP creates incentives for jurisdictions that are compliant with housing laws, and housing element requirements, and have enacted Prohousing local policies that go beyond existing law. Cities receiving a Prohousing Designation from the State Department of Housing and Community Development (HCD) will receive a competitive advantage for affordable housing grant programs.

The Prohousing policies fall into four scoring categories to evaluate jurisdictions for the Prohousing Designation. The categories are as follows:

- Category 1: Favorable Zoning and Land Use
- Category 2: Acceleration of Housing Production Timeframes
- Category 3: Reduction of Construction and Development Costs
- Category 4: Providing Financial Subsidies

An additional category titled "Enhancement Factors" allows a jurisdiction to receive extra points for

each qualifying Prohousing policy.

Jurisdictions designated as Prohousing are awarded additional points or preference in the scoring of other program applications, which may result in receiving additional funds from eligible State programs, including, the Affordable Housing and Sustainable Communities Program, Transformative Climate Communities, and the Infill Incentive Grant Program. The Prohousing Designation also qualifies jurisdictions to apply for Prohousing Incentive Pilot Program funds.

The California Department of Housing and Community Development (HCD) began accepting Prohousing applications on June 30, 2021, and as of February 5, 2024, 37 cities have received the Prohousing designation, with Emeryville and Oakland being the only cities in Alameda County.

Jurisdictions wishing to apply for the Prohousing Designation Program must complete and submit an application to HCD and provide documentation of its policies, and before Prohousing Designation is granted, must adopt and submit a resolution authorizing application to the Program. HCD provides a template resolution from which jurisdictions may base their resolution. Staff has included a draft resolution as Attachment A.

### **Analysis**

To receive a Prohousing Designation, a jurisdiction must receive a minimum of 30 points. Both existing and proposed policies are eligible to receive points. Staff has conducted a preliminary assessment of existing policies and those proposed in the approved Housing Element. The City of San Leandro is likely to receive 32 points under the four Prohousing categories with nine Enhancement Factor points. Attachment B shows the projected points in each category.

On December 5, 2022, the City Council adopted the 2023-2031 San Leandro Housing Element Update which was subsequently certified by the Department of Housing and Community Development (HCD) on February 2, 2023. The certified Housing Element contains many programs and goals that align with the Prohousing local policies necessary to achieve the Prohousing Designation. These policies may include, but are not limited to the following:

- Provision of local financial incentives for housing, including, but not limited to, establishing a local housing trust fund.
- Reduction of parking requirements for sites that are zoned for residential development.
- Adoption of zoning allowing for use by right for residential and mixed-use development.
- Zoning more sites for residential development or zoning sites at higher densities than is required to accommodate the minimum existing regional housing need allocation for the current housing element cycle.
- Adoption of accessory dwelling unit (ADU) ordinances or other mechanisms that reduce barriers for property owners to create ADUs.
- Reduction of permit processing time.
- Creation of objective development standards.
- Reduction of development impact fees.

The draft scoring matrix for Prohousing Designation is included as Attachment B. Staff recommends including existing policies as well as proposed policies that can be accomplished within a two-year timeframe based on prior Council direction in the 2023-2031 Housing Element and Housing and

Homelessness Work Plan. Should any of the proposed policies not come to fruition within the two-year period, staff would be required to amend the City's Prohousing application with HCD.

### **Applicable General Plan Policies**

- Housing Element Goal 1: Increase Housing Production by Providing Adequate Sites for a Variety of Housing Types and Removing Constraints to Residential Development
- Housing Element Action 10.7: Apply for the State Pro-housing Designation Program to be more competitive for various State funding sources and actively maintain this designation.
- Housing Element Policy P.2.2 Support and Increase Funding for Deed-Restricted Affordable Housing. The City shall promote affordable housing development through financial and strategic support, including administrative and technical assistance to affordable housing developers.

### **Environmental Review**

This activity is not a project under California Environmental Quality Act (CEQA) as defined in CEQA Guidelines, section 15378, because it has no potential for resulting in either a direct or reasonably foreseeable indirect physical change in the environment.

### **Financial Impacts**

There is no financial impact to apply to the Prohousing Designation Program; however, successful designation as Prohousing would improve the City's chances of securing grant funds for housing programs.

### **ATTACHMENTS**

***Attachment A:*** Resolution authorizing application to and participation in the Prohousing designation program

***Attachment B:*** Preliminary Prohousing Scoring Table

**PREPARED BY:** Avalon Schultz, AICP, Assistant Community Development Director