



Office of the City Manager

CONSENT CALENDAR
March 12, 2024

To: Honorable Mayor and Members of the City Council
 From: Dee Williams-Ridley, City Manager
 Submitted by: Amy Davidson, Deputy Director, Health, Housing, and Community Services
 Subject: Application for Prohousing Incentive Program Funds

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to apply for and accept funds from the State of California's Prohousing Incentive Program, in an amount not to exceed \$1,250,000.

FISCAL IMPACTS OF RECOMMENDATION

The City of Berkeley is eligible to apply for up to \$1,250,000 through HCD's Prohousing Incentive Program (PIP). The final award amount will be decided as part of the competitive application. The funding would be used to support Housing and Community Services' (HCS) programs in support of lower income or unhoused residents, including the Housing Trust Fund program and/or eligible homeless services.

CURRENT SITUATION AND ITS EFFECTS

Jurisdictions must receive Prohousing Designations from HCD by March 30, 2024 to be eligible for PIP funds. HCS staff submitted an application for the Prohousing Designation Program in August 2023 and anticipates HCD approval by the PIP deadline. Applicants that have not received PIP funds in prior funding rounds will be given priority, which includes City of Berkeley.

PIP funds can be used to support a variety of planning or implementation activities related to housing and community development carried out by HCS within the Department of Health, Housing, and Community Services. HCS staff anticipate using the funds for one or both of the following eligible activities: 1) The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, or rental housing that is affordable to extremely low-, very low-, low-, and moderate-income households, including necessary operating subsidies; or 2) Assisting persons who are experiencing or at risk of homelessness, including providing rapid rehousing, rental assistance, navigation centers, emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing, and 3) grant administration activities (within the established limit of funds).

BACKGROUND

On January 23, 2024, HCD released the Notice of Funding Availability (NOFA) Round 2 for approximately \$9.5 million under the Prohousing Incentive Program. The PIP complements the Prohousing Designation Program and is designed to encourage jurisdictions to obtain a Prohousing Designation and reward jurisdictions that pursue additional Prohousing Policies to earn a higher Prohousing Designation Score. The PIP is intended to increase participation in HCD's Prohousing Designation Program by pairing the designation with an impactful award grant to create and conserve affordable housing. Applications are due to HCD on March 15, 2024.

HCD will award PIP funds to eligible jurisdictions with Prohousing Designation, with additional bonus dollars available based on a jurisdiction's Prohousing Designation Program application score. Resolution No. 70,945-N.S. adopted by the Council on July 11, 2023 authorized the City of Berkeley's application and participation in the Prohousing Designation Program.

The City is required to use the resolution template provided by the state for this council item.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

There are no environmental sustainability and climate impacts directly associated with the recommendations in this report.

RATIONALE FOR RECOMMENDATION

If approved, an application for PIP funds will make up to \$1,250,000 available for Berkeley to support City programs that serve lower income or unhoused populations.

ALTERNATIVE ACTIONS CONSIDERED

The City could decline to participate in the Prohousing Incentive Program. Since that would not be consistent with the City's Strategic Plan to increase affordable housing opportunities, staff are recommending participation as described above.

CONTACT PERSON

Asavari Devadiga, Community Development Project Coordinator, HHCS, (510) 981-5426

Attachment:
1: Resolution

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

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BERKELEY
AUTHORIZING APPLICATION FOR, AND RECEIPT OF, PROHOUSING INCENTIVE
PROGRAM FUNDS

WHEREAS, pursuant to Health and Safety Code 50470 et. Seq, the California Department of Housing and Community Development (Department) is authorized to issue Guidelines as part of an incentive program (hereinafter referred to by the Department as the Prohousing Incentive Program or “PIP”); and

WHEREAS, the City Council of the City of Berkeley desires to submit a PIP grant application package (“Application”), on the forms provided by the Department, for approval of grant funding for eligible activities toward planning and implementation activities related to housing and community development as a result of meeting eligibility criteria including but not limited to Prohousing Designation; and

WHEREAS, the Department has issued Guidelines and Application on January 23, 2024 in the amount of \$9,483,402.17 for PIP;

NOW THEREFORE, the City Council of the City of Berkeley (“Applicant”) resolves as follows:

SECTION 1. The City Manager or their designee is hereby authorized to and directed to submit an Application to the Department in response to the NOFA, and to apply for the PIP grant funds in a total amount not to exceed \$1,250,000;

SECTION 2. In connection with the PIP grant, if the Application is approved by the Department, the City Manager or their designee of the City of Berkeley is authorized and directed to enter into, execute, and deliver on behalf of the Applicant, a State of California Agreement (Standard Agreement) for the amount of \$1,250,000, and any and all other documents required or deemed necessary or appropriate to evidence and secure the PIP grant, the Applicant’s obligations related thereto, and all amendments thereto; and

SECTION 3. The Applicant shall be subject to the terms and conditions as specified in the Guidelines, and the Standard Agreement provided by the Department after approval. The Application and any and all accompanying documents are incorporated in full as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the Application will be enforceable through the fully executed Standard Agreement. Pursuant to the Guidelines and in conjunction with the terms of the Standard Agreement, the Applicant hereby agrees to use the funds for eligible uses and allowable expenditures in the manner presented and specifically identified in the approved Application.

