



In December 2022, HCD launched the Prohousing Incentive Pilot Program (PIP). The PIP is funded by Senate Bill 2 with the intended purposes to create and conserve affordable housing. Cities with a Prohousing Designation are now eligible for community development resources through the PIP Program. The competitive program offers \$25.7 million in additional funding to Prohousing cities to help accelerate housing production and preservation. In addition to awards based on a Prohousing Designated jurisdiction's size, the PIP Program provides bonus award amounts based on a jurisdiction's Prohousing Designation application score. In order to be eligible for the PIP, jurisdictions must apply for a Prohousing Designation by March 15, 2023. The final PIP program guidelines and Notice of Funding Availability are included as Attachment 4.

## **DISCUSSION:**

Through the REAP Local Staff Assistance Program, the Advance Planning team has been working with WRCOG technical assistance consultant WSP to develop the City's PDP application (Attachment 5). The application requires that the City demonstrate its housing-related policies, programs and activities exceed minimum state requirements in four categories:

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

Within each category, between eight and twelve prohousing policies are assigned one to three points (depending on the impact of the policy to achieving the purposes of the category). A jurisdiction must be awarded a minimum of 30 points (out of a possible 60 points) to receive the Prohousing Designation.

In addition to the required minimum score, the governing body of the jurisdiction must adopt a Resolution authorizing the submittal of the PDP application. A sample resolution provided by HCD is included as Attachment 6. Staff recommends that the Committee recommend the Council adopt the resolution authorizing City staff to submit the PDP application.

The PIP Program is a competitive grant that awards eligible jurisdictions a base amount plus a potential bonus amount for higher PDP application scores. Based on these factors, Riverside would be eligible for a maximum award of \$2.5 million, which may be used to fund a variety of housing-related activities for affordable housing for extremely low-, very low-, low- and moderate-income households.

## **STRATEGIC PLAN ALIGNMENT**

This item contributes to the following Envision Riverside 2025 **Strategic Priority 2 – Community Well-Being (Goal 2.1 – Facilitate the development of a quality and diverse housing supply that is available and affordable to a wide range of income levels)** and **Strategic Priority 5 – High Performing Government (Goal 5.4 – Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact)**.

This Project aligns with the following Cross-Cutting Threads:

1. **Community Trust** – The PDP Application will be built on policies, programs and activities that have been developed with extensive community outreach and engagement, including the 6<sup>th</sup> Cycle Housing Element, Five Year Homelessness Action Plan, and similar efforts.
2. **Equity** – The PDP Application will facilitate future applications for grant funding to support

expanded housing opportunities for Riverside's disadvantaged and underinvested populations.

3. **Fiscal Responsibility** – The PDP Application will increase the competitiveness of the City's applications for limited State funding resources to support critical needs related to housing.
4. **Innovation** – The PDP Application will earn the City formal recognition for its innovative and leading efforts related to expanding housing opportunities and streamlining governmental processes.
5. **Sustainability & Resiliency** – The PDP Application will increase the City's competitiveness for future applications to the Affordable Housing and Sustainable Communities (AHSC) and Transformative Climate Communities (TCC) grant programs.

## **FISCAL IMPACT**

There is no fiscal impact to the General Fund associated with this report.

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### Attachments:

1. HCD Prohousing Designation Program – Frequently Asked Questions
2. SCAG REAP 1.0 Subregional Partnership Program Information Sheet
3. WRCOG Local Staff Assistance Program Agreement
4. PIP Final Program Guidelines and NOFA
5. HCD Prohousing Designation Program Application Form
6. Prohousing Designation Program Sample Resolution
7. Presentation