



On September 30, 2025, the California Department of Housing and Community Development (HCD) released a Notice of Funding Availability (NOFA) for Round 4 PIP funds. As a designated Prohousing jurisdiction, the City is eligible to apply for up to \$1,440,000 in PIP Round 4 funds.

Every eight years, HCD evaluates the projected housing needs of the State and assigns each region a required number of housing units to be planned for during the subsequent eight-year planning cycle. Regional agencies then allocate those units among their member jurisdictions through the Regional Housing Need Allocation (RHNA) process.

The City’s RHNA allocation for the 2021– 2029 planning period is 18,458 units. The income category breakdown is as follows:

Income Category	RHNA Allocation
Very Low (50% of Area Median Income – “AMI”)	4,861
Low (30% of AMI)	3,064
Moderate (120% of AMI)	3,139
Above Moderate	7,394
<b>Total RHNA</b>	<b>18,458</b>

**DISCUSSION:**

The PIP Round 4 NOFA has been released, and staff is seeking City Council’s authorization to submit an application for \$1,440,000 in grant funding to support the development of affordable housing.

Staff will evaluate affordable housing development funding requests for eligibility, developer capacity, financial feasibility, and overall project readiness. Any proposed loan agreements utilizing PIP Round 4 funds will be presented to City Council for consideration and approval.

HCD requires that affordability covenants be recorded in first position against any properties assisted with PIP funds. These covenants will restrict the use, occupancy, and affordability of assisted units for a minimum of 55 years. PIP-assisted units must serve very low-income households earning at or below 50% of Area Median Income. households.

***Local Affordable Housing Trust Fund***

On March 12, 2024, the City Council approved a resolution establishing a Local Affordable Housing Trust Fund (Housing Trust Fund). The Housing Trust Fund is intended to support the development and preservation of affordable housing and may receive revenues from loan repayments, grants, charitable contributions, and a portion of the proceeds from the sale of certain City-owned properties.

If the City is awarded PIP Round 4 funding and those funds are subsequently loaned to a developer for the development of affordable housing, any residual receipt payments would be deposited into the Housing Trust Fund. Once sufficient funds have accumulated, staff will issue a Notice of Funding Availability (NOFA) to allocate funds in accordance with Council policy direction.

**FISCAL IMPACT:**

The total fiscal impact of the action is an increase of \$1,440,000 in revenues and expenditures to the Development Grants Fund. Upon City Council approval and award of the PIP Round 4 grant, an increase in revenue and appropriation of expenditures will be recorded in the amount of \$1,440,000, or in the amount of the award, in the Development Grants Fund, Prohousing Incentive Program Round 4 revenue account 9355700-334100 and expenditure account 9355700-440210.

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Attachment: Prohousing Incentive Pilot Program Round 4 Application Resolution