



## AGENDA REPORT SUMMARY

**Meeting Date:** February 27, 2024

**Subject** Approve Resolution Authorizing Application to and Participation in the HCD Prohousing Designation Program

**Prepared by:** Nick Zornes, Development Services Director

**Reviewed by:** Jolie Houston, City Attorney

**Approved by:** Gabriel Engeland, City Manager

**Attachment(s):**

1. Standard Resolution for Program Participation

**Initiated by:**

City Council's 5-Year Strategic Goals.

Goal #4: Housing: The City of Los Altos will implement the Housing Element, programs, and policies to facilitate, incentivize and administer the availability of housing that is safe, diverse, and affordable for all income levels to meet the needs of the Community and seek to increase and protect its green space.

**Fiscal Impact:**

None.

**Environmental Review:**

Resolution is exempt from environmental review pursuant to Section 15061(b)(3) of the State Guidelines implementing the California Environmental Quality Act of 1970.

**Summary:**

- The City of Los Altos seeks to submit and participate in the HCD Prohousing Designation Program.
  - Local governments that receive the Prohousing Designation can also receive priority processing or funding points when applying for several funding programs, including:
    - Affordable Housing & Sustainable Communities (AHSC)
    - Infill Infrastructure Grant (IIG)
    - Transformative Climate Communities (TCC)
    - Solutions for Congested Corridors
    - Local Partnership Program
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- Transit and Intercity Rail Capital Program (TIRCP)
- Other programs may be added to the list after HCD engages with stakeholders and partner agencies on adding Prohousing points to other housing and non-housing programs.
- Currently there are only 37 participating jurisdictions throughout California.

**Staff Recommendation:**

Approve Resolution Authorizing Application to and Participation in the HCD Prohousing Designation Program

**Background**

Increasing the availability of housing statewide is critical to bettering the quality of life of all Californians and to ending homelessness. 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.

**Discussion**

As of January 2, 2024, the permanent regulations for the Prohousing Designation Program are approved. All new Prohousing Designation Program applications will need to be developed in accordance with the permanent regulations, and HCD will begin accepting applications under those regulations on March 2, 2024.

The Program creates incentives for Jurisdictions that are compliant with State Housing Element Law and that have enacted Prohousing Policies. These incentives will take the form of additional points or other preference in the scoring of applications for competitive housing and infrastructure programs. The administrators of each such program will determine the value and form of the preference.

Examples of HCD Prohousing Policies:

- 2H: Absence, elimination, or replacement of subjective development and design standards with objective development and design standards that simplify zoning clearance and improve approval certainty and timing.
- 2J: Priority permit processing or reduced plan check times for ADUs/JADUs or multifamily housing.
- 2M: Limitation on the total number of hearings for any project to three or fewer.
- 3A: Waiver or significant reduction of development impact fees for residential development with units affordable to Lower-Income Households.