



City of Needles, California Request for City Council Action

CITY COUNCIL NPUA HACN

Regular Special

Meeting Date: March 10, 2026

Title: Resolution 2026-7 Authorizing the Submission of an Application for and Receipt of Prohousing Incentive Pilot Program Funds Not to Exceed \$520,000

Background: The California Department of Housing and Community Development (HCD) announced the release of this Notice of Funding Availability (NOFA) for approximately \$8 million under the Prohousing Incentive Program (PIP or Program). This estimate is based on funds collected during Quarter 1 of calendar year 2025, projected throughout the remainder of the calendar year, and is subject to change. Final proceeds generally will be available in Spring 2026 in advance of Award announcements.

The City of Needles was the first rural city in California to receive the State’s Prohousing Designation. As a result, the City is eligible under the Prohousing Incentive Pilot Program to submit a grant application that will help improve the City’s Prohousing Designation score. Under the Program, grants are available for a variety of planning or implementation activities related to housing and community development.

The City’s grant request is \$200,000 for rehabilitation and conversion of units such as motels and similar structures, \$300,000 for the construction of 40–50 affordable housing units, and \$20,000 for staff and legal expenses, for a total grant request of \$520,000.

Fiscal Impact: The City of Needles is eligible to submit a grant application for up to a maximum amount of \$520,000, and this funding opportunity does not require a local match.

Environmental Impact: The adoption of this resolution authorizes submission of a grant application and does not constitute approval of a development project. Environmental review will occur as required under CEQA if and when specific projects are proposed.

Recommended Action: Adopt Resolution 2026-7 Authorizing the Submission of an Application for and Receipt of Prohousing Incentive Pilot Program Funds Not to Exceed \$520,000

Submitted By: Patrick Martinez, City Manager
Rainie Torrance, Utility Manager

City Manager Approval: Patrick J. Martinez

Date: 3/5/2026

Other Department Approval (when required): Mark C. DeMay, CGFM

Date: 3/4/2026