



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Shola Olatoye
Director, Housing and
Community Development

SUBJECT: Application for Prohousing
Designation

DATE: April 18, 2022

City Administrator Approval 

Date: May 5, 2022

RECOMMENDATION

Staff Recommends That City Council Adopt A Resolution Authorizing the City Administrator to Apply for and Enter into, Execute, and Deliver All Documents Required or Deemed Necessary for Participation in the State of California's Prohousing Designation Program.

EXECUTIVE SUMMARY

Approval of the proposed resolution will authorize the Director of the Department of Housing and Community Development, through the City Administrator, to submit an application and all necessary supporting documentation to seek a formal "Prohousing" designation from the State of California's Department of Housing and Community Development. The Prohousing designation would recognize Oakland's leadership in affordable housing production and Oakland's demonstrated commitment and history of adopting housing-friendly policies. The Prohousing designation will provide a scoring advantage for Oakland applications for several housing and housing-related statewide funding programs.

BACKGROUND / LEGISLATIVE HISTORY

The Prohousing Designation Program was created as part of the 2019-20 California State Budget. It serves as a voluntary incentive for cities to adopt housing-friendly policies that go beyond the requirements of state law. Cities that are certified by the State of California as "Prohousing" benefit from extra points in several competitively scored funding opportunities. The list of such funding opportunities is growing, but it currently includes the [Affordable Housing & Sustainable Communities \(AHSC\) program](#), the [Infill Infrastructure Grant \(IIG\) program](#), the [Transformative Climate Communities \(TCC\) program](#), and the [Transit and Intercity Rail Capital Program \(TIRCP\) program](#). The Affordable Housing & Sustainable Communities program directly funds affordable housing development, while the Infill Infrastructure Grant and Transformative Climate Communities programs both fund public infrastructure. The Transit and Intercity Rail Capital Program funds are available to support transit, such as BART or the Bay Ferry system. The State of California's Department of Housing and Community Development has announced its intention to provide bonus points for Prohousing communities in additional

City Council
May 17, 2022

funding programs, so this list of participating programs may grow. While it is difficult to predict the precise benefit, this designation will make Oakland more competitive for hundreds of millions of dollars in state funding. For context, Oakland previously received \$11.6 million of IIG funding in 2020¹, \$28.2 million in TCC funding in 2020², and \$40 million in AHSC funding in 2022³.

To qualify for the Prohousing Designation, cities and counties must be in current compliance with all state housing laws and adopt additional policies or procedures that support the production and preservation of housing. The application offers a menu of potential policies that a local government can claim credit for adopting or pledging to adopt within the next two years. These includes zoning related policies (such as reducing parking requirements), procedural practices (such as providing a standardized development application), and funding activities (such as directing former redevelopment funds towards affordable housing). Based on the number and type of policies adopted, applicants must meet a minimum threshold of points to qualify for the designation.

As of the drafting of this staff report, the City of Sacramento was the only city to have successfully been certified as “Prohousing.” Seven other communities were in various stages in the review process. The only other Bay Area community with an active application was the County of San Mateo.

ANALYSIS AND POLICY ALTERNATIVES

Due to the visionary leadership of its elected officials, the City of Oakland has already adopted many Prohousing policies that together would easily qualify the City for the Prohousing designation. The City of Oakland has made substantial financial investments in affordable housing, has streamlined development process, and embraced innovative land use policies across the City. Upon approval of this resolution, staff will transmit Oakland’s application to the State of California. The State of California will respond within 60 days to either approve the designation or request additional information. The application is over-the-counter, and if any modifications in the application need to be made, Oakland can do so without penalty. By making Oakland more competitive for housing-related state funding opportunities, this Prohousing designation advances the city-wide priority of housing and economic security. The Prohousing designation may also improve the competitiveness of area transit agencies for the Transit and Intercity Rail Capital Program (TIRCP) program, which would advance the city-wide priority of vibrant, sustainable infrastructure.

FISCAL IMPACT

As mentioned above, participation in the Prohousing Designation Program will have a positive impact on the competitiveness of future applications in the Affordable Housing & Sustainable

¹ <https://www.hcd.ca.gov/grants-funding/active-funding/iigp/docs/large-jurisdictions-award-list.pdf>

² <https://www.oaklandca.gov/news/2020/city-of-oakland-cbos-awarded-28-2-million-grant-for-transformative-east-oakland-projects>

³ <https://www.oaklandca.gov/news/2022/city-of-oakland-awarded-more-than-200-million-to-build-500-deeply-affordable-housing-units?fbclid=IwAR2li4aPctg8UAY2JXlakeptlW9uuru6tKiXuLiPiUGIx1Bu432xCZAw04>

Communities (AHSC) program, the Infill Infrastructure Grant (IIG) program, the Transformative Climate Communities (TCC) program, and the Transit and Intercity Rail Capital Program (TIRCP) program.

PUBLIC OUTREACH / INTEREST

Upon receipt of the designation, the City of Oakland will communicate its Prohousing Designation to affordable housing developers and other stakeholders that could benefit from the designation in their funding applications.

COORDINATION

The Department of Housing and Community Development has consulted with the Planning and Building Department on this resolution, with review by the Budget Bureau and Office of the City Attorney.

SUSTAINABLE OPPORTUNITIES

Economic: The Prohousing Designation would make projects in the City of Oakland more competitive for hundreds of millions of dollars in state funding. This could lead to increased investment in affordable housing, transit, and other essential infrastructure.

Environmental: Many of the policies identified in Oakland's Prohousing application contain environmental benefits. Policies such as reduced parking requirements, openness to new construction methods, and upzoning near transit have profound benefits in the fight against Climate Change.

Race and Equity: By making Oakland more competitive for state grant programs, the Prohousing Designation could increase investment in historically disinvested communities and make the City's affordable housing projects more competitive for State funds. Oakland's Prohousing Designation also sends a strong signal regarding Oakland's commitment to equitable housing solutions.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that City Council adopt a resolution authorizing the City Administrator to apply for and enter into, execute, and deliver all documents required or deemed necessary for participation in the State of California's Prohousing Designation Program.

For questions regarding this report, please contact Christina Mun, Deputy Director of Housing Development, Housing and Community Development at (510) 238-3360.

Respectfully submitted,

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