



County of San Mateo

Inter-Departmental Correspondence

Department: HOUSING

File #: 22-144

Board Meeting Date: 2/22/2022

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Raymond Hodges, Director of Department of Housing

Subject: Authorization to Apply to and Participate in the California Department of Housing and Community Development's Prohousing Designation Program

RECOMMENDATION:

Adopt a resolution:

- A) Authorizing the County of San Mateo to apply to and participate in the California Department of Housing and Community Development's Prohousing Designation Program on behalf of the unincorporated Areas of the County; and
- B) Authorizing the Director of Department of Housing, or designee, to enter into, execute, and deliver the County's Application, and if the County's Application is approved, all documents required or deemed necessary or appropriate to participate in the Prohousing Designation Program, and all amendments thereto.

BACKGROUND:

In 2019, established by the State of California pursuant to Government Code section 65589.9, the Prohousing Designation Program ("PDP") creates incentives for jurisdictions that are compliant with state housing element requirements and have enacted local Prohousing policies. The State of California defines Prohousing policies as policies which, "facilitate the planning, approval, or construction of housing." Some examples include the provision of local financial incentives, reduction of development permit times and permitting fees, the preservation of affordable housing units at risk of becoming market rate units, and other similar policies. The PDP is overseen by the California Department of Housing and Community Development ("HCD"). On June 7, 2021, HCD released the PDP Emergency Regulations for the PDP to implement the program and began accepting applications from eligible applicants on July 1, 2021.

Local governments that receive a Prohousing designation through the PDP will receive a scoring advantage when applying for several competitive state funding programs including the Affordable Housing & Sustainable Communities Program, Infill Infrastructure Grant Program, the Transformative

Climate Communities Program, and the Transit and Intercity Rail Capital Program. These programs support housing, transportation, infrastructure, land use, and related objectives. HCD plans to add other state funding programs to the list after appropriate engagement with stakeholders and partner agencies.

The application awards points to jurisdictions using four scoring categories. Applicants shall demonstrate that they have enacted or proposed policies that significantly contribute to the acceleration of housing production in each of the 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

Each of the above categories has a menu of eight to thirteen Prohousing policies with various point allocations. An award of the Prohousing designation requires a total score of 30 points or more across the four categories. In addition, each Prohousing policy has an opportunity to receive extra points if they incorporate an enhancement factor. Enhancement factors include policies such as targeting investments to lower opportunity areas, going beyond state law to reduce displacement of lower income households, and adopting zoning policies that allow lower income households to have access to housing in High and Highest Resource Areas (as defined by the California Tax Credit Allocation Committee (TCAC) and HCD Opportunity Maps).

Once an application is received, HCD has 60 days from the time the application is submitted to issue preliminary findings to applicants. The PDP is not competitive and any jurisdiction that receives 30 points or more can receive a Prohousing designation. In accordance with application requirements, the resolution includes an Attachment A that: (1) is formatted in a way that differs from the standard County resolution to comply with the application requirements of the PDP; and (2) must be executed contemporaneously with the standard County resolution.

DISCUSSION:

Over the past years, the County has developed and implemented Prohousing-related programs and policies aligned with the PDP. Examples of these enacted programs and policies include:

- Zoning to allow for residential or mixed uses in one or more non-residential zones.
- Establishment of ministerial approval processes for a variety of housing types.
- Priority permit processing and reduced plan check time processing for Accessory Dwelling Units (ADU) and Junior Accessory Dwelling Units (JADU).
- Creation of the ADU Amnesty Program.
- Expedited permit review processes and waiver of fees for farm labor housing.
- Establishment of a local housing trust fund.
- Continued commitment of a regular annual affordable housing subsidy pool through the Affordable Housing Fund.
- Providing funding to reduce displacement of lower income households and conserving existing

affordable housing stock with the creation of the Affordable Rental Acquisition and Preservation Program.

The County will document these enacted policies to score points in the various categories and move towards the minimum score of 30 points in the application.

The PDP also allows jurisdictions to propose new Prohousing policies if they can be enacted within two years of the date of the applicant's application. In addition to the list of enacted policies, the County has included a list of proposed Prohousing policies that will contribute to the minimum score needed to receive a Prohousing designation from the state. These Proposed policies include:

- Absence or elimination of public hearings for projects consistent with zoning and the general plan.
- Establishment of consolidated or streamlined permit processes that minimize the levels of review and approval required for projects, and that are consistent with zoning regulations and the general plan.
- Establishment of a standardized application form for all entitlement applications.
- Practice of publicly posting status updates on project permit approvals on the Internet.
- Adoption of non-development impact fee reduction strategies, including fee deferrals and reduced fees for housing for persons with special needs.
- Adoption of universal design ordinances pursuant to Health and Safety Code section 17959.

More details on the proposed policies are included in the draft application (Appendix 2 of Attachment B) attached to this report as reference.

A Prohousing designation and its benefits are consistent with the following policies adopted in the 2014-2022 Housing Element of the County's General Plan:

Policy HE 17.2

Encourage infill development on vacant or redevelopable lots in already developed areas, near existing infrastructure, and prioritize funding assistance for infill development where possible.

Policy HE 26.1

Continue to use available local, state and federal funds to increase the supply of extremely low, very low, low- and moderate-income affordable housing through support for site acquisition, new construction, acquisition/rehab, and adaptive re-use.

The County is facing the statewide challenge of providing an adequate supply of affordable housing, and continues to aggressively pursue new sources of local, state, and federal funding to create more affordable housing choices and leverage County affordable housing commitments. A Prohousing designation will provide a critical funding advantage for state programs that support affordable housing, transportation, infrastructure, and land use in the unincorporated areas of the County. In addition, it will send a strong signal to the housing development community statewide that the County of San Mateo is focused on accelerating housing production.

County Counsel has reviewed and approved the resolution as to form.

FISCAL IMPACT:

This item has no direct fiscal impact on County funds, however, the PDP designation will make the unincorporated areas of the County more competitive for various State funding programs that support affordable housing, transportation, infrastructure, and land use initiatives.