



Office of the City Manager

CONSENT CALENDAR

February 10, 2026

To: Honorable Mayor and Members of the City Council
 From: Paul Buddenhagen, City Manager
 Submitted by: Scott Gilman, Director, HHCS
 Subject: Application for Prohousing Incentive Program Funds

RECOMMENDATION

Adopt a Resolution authorizing the City Manager or designee to apply for and accept funds from the State of California's Prohousing Incentive Program, in an amount not to exceed \$1,250,000.

FISCAL IMPACTS OF RECOMMENDATION

The City of Berkeley (City) is eligible to apply for up to \$1,250,000 through the State of California Department of Housing and Community Development's (HCD) Prohousing Incentive Program (PIP).

The final award amount will be decided as part of the competitive application. The funding would be used to support the Department of Health, Housing and Community Services' (HHCS) programs in support of low income or unhoused residents, including the Housing Trust Fund program and/or eligible homeless services.

CURRENT SITUATION AND ITS EFFECTS

The City previously applied for Round 2 PIP funds and received an award of \$1,250,000 on July 8, 2024. The total potential award amount is based on a base award plus a bonus award amount. The base award is determined using the population size of a jurisdiction and the bonus award is based on a jurisdiction's Prohousing Designation score.

The City is now applying for Round 4 PIP funds. Applicants that have not received PIP funds in prior funding rounds will be given priority. Eligible applicants awarded in prior funding rounds, including the City, will only be eligible to receive an award once all previously unfunded eligible applicants receive an award. Jurisdictions must also receive Prohousing Designations from HCD by March 31, 2026, to be eligible for Round 4 PIP funds. The City received its Prohousing Designation on March 1, 2024.

PIP funds can be used to support a variety of planning or implementation activities related to housing and community development carried out by the Housing and Community Services division (HCS). HCS staff anticipate using the funds for one or both of the following eligible activities:

- 1) The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential livework, or rental housing that is affordable to extremely low-, very low-, low-, and moderate-income households, including necessary operating subsidies; and/or
- 2) Assisting persons who are experiencing or at risk of homelessness, including providing rapid rehousing, rental assistance, navigation centers, emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing; and
- 3) Grant administration activities (within the established limit of funds).

BACKGROUND

On September 30, 2025, HCD released the Notice of Funding Availability (NOFA) Round 4 for approximately \$8 million under the Prohousing Incentive Program. The PIP complements the Prohousing Designation Program. It is designed to encourage jurisdictions to obtain a Prohousing Designation and reward jurisdictions that pursue additional Prohousing Policies to earn a higher Prohousing Designation Score. The PIP is intended to increase participation in HCD's Prohousing Designation Program by pairing the designation with an impactful award grant to create and conserve affordable housing. Applications are due to HCD on March 31, 2026. Applicants are required to use the resolution template provided by HCD for this Council item. HCD will award PIP funds to eligible jurisdictions with Prohousing Designation, with additional bonus dollars available based on a jurisdiction's Prohousing Designation Program application score.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

There are no environmental sustainability and climate impacts directly associated with the recommendations in this report.

RATIONALE FOR RECOMMENDATION

A potential PIP award will make up to \$1,250,000 available for the City to support City programs that serve low income and/or unhoused populations. There are no matching funds or other requirements for the City to meet other than maintaining its Prohousing Designation.

ALTERNATIVE ACTIONS CONSIDERED

The City could decline to apply for the Prohousing Incentive Program. Staff do not recommend this as it is consistent with the City's Strategic Plan goal to increase affordable housing opportunities.

CONTACT PERSON

Snow Zhu, Community Development Project Coordinator, HHCS, 510-981-7774

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BERKELEY AUTHORIZING APPLICATION FOR, AND RECEIPT OF, PROHOUSING INCENTIVE PROGRAM FUNDS

WHEREAS, pursuant to Health and Safety Code 50470 et. Seq, the California Department of Housing and Community Development (Department) is authorized to issue Guidelines as part of an incentive program (hereinafter referred to by the Department as the Prohousing Incentive Program or “PIP”); and

WHEREAS, the City Council of the City of Berkeley desires to submit a PIP grant application package (“Application”), on the forms provided by the Department, for approval of grant funding for eligible activities toward planning and implementation activities related to housing and community development as a result of meeting eligibility criteria including but not limited to Prohousing Designation; and;

WHEREAS, the Department has issued Guidelines and Application on September 30, 2025, in the estimated amount of \$8,000,000 for PIP.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley (“Applicant”) resolves as follows:

SECTION 1. The City Manager or designee is hereby authorized to and directed to submit an Application to the Department in response to the NOFA, and to apply for the PIP grant funds in a total amount not to exceed \$1,250,000;

SECTION 2. In connection with the PIP grant, if the Application is approved by the Department, the City Manager or designee of the City of Berkeley is authorized and directed to enter into, execute, and deliver on behalf of the Applicant, a State of California Agreement (Standard Agreement) for the amount of \$1,250,000, and any and all other documents required or deemed necessary or appropriate to evidence and secure the PIP grant, the Applicant’s obligations related thereto, and all amendments thereto; and

SECTION 3. The Applicant shall be subject to the terms and conditions as specified in the Guidelines, and the Standard Agreement provided by the Department after approval. The Application and any and all accompanying documents are incorporated in full as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the Application will be enforceable through the fully executed Standard Agreement. Pursuant to the Guidelines and in conjunction with the terms of the Standard Agreement, the Applicant hereby agrees to use the funds for eligible uses and allowable expenditures in the manner presented and specifically identified in the approved Application.

