



CITY of CALABASAS
CITY COUNCIL AGENDA REPORT

DATE: SEPTEMBER 25, 2024

TO: HONORABLE MAYOR AND COUNCILMEMBERS

**FROM: MICHAEL KLEIN, AICP, COMMUNITY DEVELOPMENT DIRECTOR
TOM BARTLETT, CITY PLANNER
JACLYN RACKERBY, PLANNER**

SUBJECT: THE CITY'S GRANT APPLICATION FOR THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S (HUD) PATHWAYS TO REMOVING OBSTACLES TO HOUSING (PRO HOUSING) GRANT PROGRAM

MEETING DATE: OCTOBER 9, 2024

SUMMARY RECOMMENDATION:

That the City Council review and receive comments on the draft application to the U.S. Department of Housing and Urban Development's (HUD) Pathways to Removing Obstacles to Housing (PRO Housing) grant program.

BACKGROUND:

On August 13, 2024, HUD released a Notice of Funding Opportunity (NOFO) for the FY 24 Pathways to Removing Obstacles to Housing (PRO Housing) grant program. This program appropriates a total of \$100 million for competitive grant funding, for the identification and removal of barriers to affordable housing production and preservation. Eligible applicants include City, County, and State governments, as well as other multijurisdictional entities. The minimum award amount per jurisdiction is \$1,000,000, and the maximum award amount is \$7,000,000, with an estimated total of 30 jurisdictions nationwide expected to be awarded this grant. Funding from the PRO Housing Grant Program is intended to be utilized by eligible

applicants who demonstrate the existence of barriers to housing production in their communities, and propose one or more eligible activities towards removal of these barriers to increase the supply of affordable housing.

The grant overview can be found on HUD's website at the below link:

https://www.hud.gov/program_offices/comm_planning/pro_housing

DISCUSSION/ANALYSIS:

The PRO Housing Grant Program was initially created in 2023, and with the first round of funding in 2023, 175 jurisdictions nationwide submitted applications. Twenty-one jurisdictions were awarded funding through the grant program, including LA County, CA (awarded \$6,700,000), Anaheim, CA (awarded \$3,497,329) and Arcata, CA (awarded \$1,000,000). The City of Calabasas is requesting \$2.2 million in grant funding, recognizing that the total awarded amount could be less than the total amount requested. Priority is given to eligible applicants considered by HUD to be a 'Priority Geography'. The City of Calabasas is specifically listed by HUD as a 'Priority Geography' community, as is most of the LA County Region. Once grants are awarded, the timeframe for proposed activities under the grant is 2025 through 2030.

The City is proposing three main activities pursuant to the grant program, which are described in detail within the grant application (Attachment A):

- Establishment of Objective Design Standards
- Creation of an Adaptive Reuse Ordinance
- Preparation of the 2030-2050 General Plan Update

The grant application requires the City to identify barriers to production of market-rate and affordable housing, and then to discuss which eligible activities the City is pursuing to overcome these barriers, as well as to identify how national objectives would be furthered by these activities. The below table (from Exhibit D within the grant application – Soundness of Approach) outlines how the City's proposed activities comply with the established barriers, eligible activities, and national objectives.

Key barriers per Need [Factor (a)(iii)]	Eligible Activities per Section III(F)(2)	City Activities	National Objectives
Zoning and land use controls	G. Establishing incentive programs or flexibilities to enable and promote the adaptive reuse of vacant or underutilized properties for housing or mixed-use development	Creation of Adaptive Reuse Ordinance & Creation of Objective Design Standards	a. Benefiting low- and moderate-income persons
Permitting procedures and approval timing and predictability	N. Developing proposals to replace discretionary design review procedures with objective design and development standards	Creation of Objective Design Standards	a. Benefiting low- and moderate-income persons
Capacity to conduct meaningful community engagement, procedural delays associated with soliciting engagement or community review, and/or opposition to new and/or affordable housing.	A. Developing or updating housing plans, community development strategies, and zoning and land use policies such as overlays to encourage multifamily and mixed-use development or access to affordable housing, floating zones (such as redevelopment, workforce housing, or live/work zones in high opportunity areas), incentive zoning, transit-oriented development zones, floodplain management or climate resilience plans, or ordinances to encourage housing development or preservation	General Plan Update	c. Meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs

As part of the grant application process, the City is required to publish its PRO Housing application online for public comment for a minimum of 15 days, and must afford the public and other interested parties the reasonable opportunity to examine the application contents. The grant application was published on the City’s website beginning September 23, 2024. The City must also conduct at least one

public hearing, prior to submittal of the grant application. Grant applications must be submitted to HUD by October 15, 2024.

FISCAL IMPACT/SOURCE OF FUNDING:

No fiscal impact to the City will occur as a result of this proposal because this is merely a pre-application step toward the filing of a federal grant application. In the event the City would garner a grant award from HUD, for all or any portion of the proposed work program, then potential fiscal impacts to the City can be determined and presented to the City Council as part of the formal grant acceptance process.

REQUESTED ACTION:

Review and receive comments on the draft application to the HUD PRO Housing grant program.

ATTACHMENTS:

- A. Draft PRO Housing Grant Application
- B. FY24 PRO Housing Quick Summary