



Meeting Date: January 28, 2026

TOWN OF MORAGA

STAFF REPORT

To: Honorable Mayor & Councilmembers

From: Sonia Urzua, Planning Director, Brian Horn, Principal Planner

Subject: Authorization to Apply for and Receive Prohousing Incentive Program (PIP) Funds from the California Department of Housing and Community Development.

RECOMMENDATION

Adopt a Resolution authorizing the Town Manager, or their designee, to execute all documents necessary to complete the application process for the California Department of Housing and Community Development's Prohousing Incentive Program (PIP) grant funds for \$560,000.00 and for the receipt of said funds, to be allocated to the Park Street Senior Affordable Housing Project.

BACKGROUND

In 2019, Assembly Bill (AB) 101 established the Prohousing Designation Program, administered by the California Department of Housing and Community Development (HCD). The Prohousing Designation recognizes jurisdictions that have enacted or proposed policies to accelerate housing development and align with broader state goals. Communities with this designation receive additional funding for housing programs, including exclusive access to Prohousing grants and additional points in the scoring of competitive housing, community development, and infrastructure funding programs administered by HCD, including the Prohousing Incentive Program (PIP).

The PIP is a state investment from the Building Homes and Jobs Trust Fund, established through Senate Bill 2 in 2017 to create and conserve affordable housing. On September 31, 2025, HCD released a Notice of Funding Availability (NOFA) for the fourth round of PIP funding, totaling approximately \$8 million. This is the first round of funds for which Moraga is eligible to apply since obtaining its Prohousing Designation.

On November 13, 2024, the Town Council (TC) adopted Resolution 61-2024 authorizing the Town of Moraga to submit a Prohousing Designation Application to HCD, which was submitted on December 4, 2024. HCD evaluates these applications using four scoring categories:

Favorable Zoning and Land Use, Acceleration of Housing Production Timeframes, Reduction of Construction and Development Costs, and Providing Financial Subsidies. A minimum of 30 points is required out of a possible 138.

On July 7, 2025, the Town was awarded the Prohousing Designation, scoring 41 points. As of December 1, 2025, Moraga is one of 66 cities and counties statewide that have received the designation, and one of four recipients in Contra Costa County, along with Pinole, Richmond, and Walnut Creek.

DISCUSSION

The Town's Prohousing Designation qualifies Moraga to apply for Round 4 PIP funds. Under the PIP formula, Moraga is eligible for a \$150,000 base award (jurisdictions under 20,000 population) plus a \$10,000 bonus per Prohousing point. With a score of 41 points, Moraga's bonus is \$410,000, for a total potential award of \$560,000.

Health and Safety Code section 50470(b)(2)(D) identifies eligible uses for PIP funds. Staff recommends applying under the eligible use for predevelopment and development of affordable multifamily rental housing and allocating the award to support the Park Street Senior Affordable Housing Project (APN 255-140-052), developed by DANCO. The Planning Commission approved the project on March 11, 2025. If constructed, the project would contribute toward the Town's RHNA objectives by providing 39 low-income units, 9 moderate-income units, and one market-rate manager's unit. The Town's RHNA targets for the 2023–2031 Housing Element planning period are 318 very low-income units, 172 low-income units, 172 moderate-income units, and 445 above moderate-income units.

HCD requires a Town Council resolution as part of the PIP application. Included with this staff report are Attachment A- the standard Town Council resolution and Exhibit B - an HCD template resolution for the PIP application submittal.

Using the PIP funds to assist DANCO with predevelopment and development activities for the Park Street project is consistent with the Town's adopted policy framework, including Housing Element Program 11 and Economic Vitality Element Program EV-D: Grant Funding described below.

2023 – 2031 Housing Element, Program 11: Facilitate Access to Affordable Housing

Subsidies

“The Town shall facilitate access to Federal, State, and County financial assistance for affordable housing in Moraga through the following actions... b) Assist developers in accessing funding for the construction of senior housing, affordable housing, and housing for other underserved populations for which State or federal subsidies are available, including providing support for tax credit applications.”

General Plan 2040, Economic Vitality Implementation Program EV-D: Grant Funding

“Apply for grants that will facilitate the revitalization of Moraga's two commercial centers, including grants supporting sustainable development and infrastructure improvements.

Potential grantor agencies include but are not limited to the California Department of Housing and Community Development (HCD), the Energy Commission, the California Department of Parks and Recreation, the State Transportation Commission, the State Water Resources Control Board (SWRCB), and the California Infrastructure and Economic Development Bank (iBank).”

FISCAL IMPACT

There is no direct fiscal impact associated with preparing and submitting the grant application. The Town's indirect costs are minimal and will be absorbed through the adopted FY 2025-26 General Fund Budget. If the grant is awarded, the funds would assist in developing 48 senior units affordable to moderate- and low-income tenants. The developer is responsible for the permitting and construction costs.

CEQA COMPLIANCE

Under the California Environmental Quality Act 15378 (a), applying for grant funds is not considered a project because the action, as a whole, does not result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Under 15378 (a)(2), an activity undertaken by a person that is supported in whole or in part through public agency contracts, grants, subsidies, loans, or other forms of assistance from one or more public agencies.

Furthermore, the Planning Commission, in its approval on March 11, 2025, determined that the Park Street Senior Affordable Housing Project is exempt under Section 15183, Projects Consistent with a Community Plan and Zoning.

ALTERNATIVES

1. Adopt the attached resolution with modifications; or
2. Do not adopt the attached resolution and provide staff

NEXT STEPS

Unless directed otherwise, staff will proceed with preparing and submitting the PIP grant application to HCD prior to the March 31, 2026, submittal deadline. HCD will announce the awarding of grant funds to selected jurisdictions in June 2026.

If the Town is awarded the funds, staff will come back to the Council for approval of an agreement to pass on the grant funds to the developer.

ATTACHMENTS

[Attachment A - Draft Resolution](#)

[Attachment B - HCD Required_Resolution](#)