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# California's Prohousing Designation Program: Rewarding City and County Policies that Boost Housing Supply

**AUTHORS:**

ALEXANDER RAMILLER, GRADUATE STUDENT RESEARCHER  
CAROLINA REID, FACULTY RESEARCH ADVISOR  
BEN METCALF, MANAGING DIRECTOR

## Introduction

Local governments play a crucial role in enabling and boosting housing production, whether by loosening regulatory restrictions on housing development or by developing financial incentives for new housing. Encouraging local jurisdictions in California to further policy measures that promote the construction of new housing can therefore be an important tool in boosting housing production statewide.

To incentivize local governments to proactively adopt policies that encourage housing production, the California 2019-2020 Budget Act set aside funds for the creation of the Prohousing Designation Program (PDP). Officially adopted by the California Department of Housing and Community Development (HCD) in 2021, the PDP uses a points-based system to evaluate a jurisdiction’s housing and development policies across four categories: favorable zoning and land use, acceleration of housing production timeframes, reduction of construction and development costs, and providing financial subsidies. Applicants also have the potential to obtain one or two enhancement points for prohousing policies that align with equity and/or sustainability goals. Jurisdictions that receive the prohousing designation are provided with an advantage in applications for a range of grant opportunities. They are also eligible for funding from the newly created Prohousing Incentive Pilot (PIP) Program, which includes resources set aside exclusively for jurisdictions with the prohousing designation.

While the PDP has been active for approximately two years under emergency rule-making, HCD is currently developing permanent rules for the program. This provides an opportunity to institute reforms that could boost the program’s long-term effectiveness. In this paper, we examine the different policies that are assigned points under the current program, and assess whether those criteria are justified based on the existing research literature. We also analyze application data for ten “early adopters” that received the designation prior to March 2023 and for which we have detailed information on the policies they submitted for the PDP. This analysis shows how each early adopter accumulated points, and which types of policies were most commonly adopted.

Based on this analysis, we then turn to a series of recommendations for how HCD could make both short- and long-term reforms to the program. Our recommendations include opportunities for reducing the number of policies that are considered pro-housing, for example, by identifying and removing criteria for which compelling evidence of prohousing impacts does not exist, removing those that serve overlapping functions, and rethinking how enhancement factors are considered and scored. Over time, HCD should also move toward more objective metrics for the PDP designation that link policy adoption with housing production. We also recommend that HCD develop a process to regularly review and update PDP criteria to account for state policy reforms and ensure that PDP jurisdictions are going “above and beyond” state minimum standards.

## Background on the Prohousing Designation Program

The PDP was introduced through the 2019–2020 Budget Act (Assembly Bill (AB) 101), which enabled HCD to designate local jurisdictions as “prohousing” for award cycles commencing after July 1st, 2021.<sup>1</sup> The program is intended to provide incentives for local jurisdictions that proactively pursue housing policies that can increase production, and that go “above and beyond” policies required by state law. The designation provides an incentive for jurisdictions and their elected officials to take on furthering prohousing policy, which can be politically challenging in part because the tangible benefits of new housing may not be realized for years.

The PDP builds on existing California housing law that requires jurisdictions to adopt zoning that facilitates local housing production. Since 1969, state law has required local jurisdictions to produce a “Housing Element” detailing how they will produce enough housing to meet their Regional Housing Needs Allocation (RHNA). The RHNA target is determined by HCD and regional governments based on projected demographic and housing conditions, and divided into different levels of affordability.<sup>2</sup> While local jurisdictions are not obligated to develop the specified numbers of housing units, they are legally obligated to produce realistic plans under which those housing production targets could be met, through a combination of land use regulations, the reduction of regulatory constraints, funding programs for housing production at specific income levels, and other strategies to increase regulatory capacity for housing production. As of 2010, each local

jurisdiction must also complete an Annual Progress Report (APR) detailing its progress in meeting its housing production targets, including the number of housing unit permits issued and projects currently in the construction pipeline.<sup>3</sup>

The PDP seeks to give local officials a clear roadmap for which prohousing measures to pursue while tangibly rewarding those jurisdictions that go “above and beyond” baseline requirements of Housing Element law. Any local jurisdiction (county or incorporated city/town) is eligible to apply for the program if it meets the following requirements:

- Demonstrates compliance with all state housing laws, including no open investigations into state housing law violations by HCD’s Housing Accountability Unit (HAU);
- Possesses a compliant Housing Element;
- Submits an Annual Progress Report (APR); and
- Issues a formal resolution to pursue the Prohousing Designation.

Through these requirements, the PDP encourages jurisdictional compliance with existing laws, though it also means that not all jurisdictions are eligible for the PDP designation.<sup>4</sup>

For local jurisdictions that meet the baseline eligibility requirements, the prohousing designation status is assessed via a self-scored rubric of existing and proposed local policies intended to increase housing production. Under the current framework, policies are awarded one, two, or three points, reflecting the relative importance assigned to those policies in accelerating housing production.

Applicants must achieve a minimum score (30 points as of December 2023), as well as points for at least one qualifying policy in each of four separate categories. The four categories are intended to address different dimensions of policy barriers to housing production (see Appendix Exhibits 3–7 for complete criteria).

**1. Favorable zoning and land use policies**, such as rezoning to increase allowable density, allowing missing middle housing and ADUs in existing low-density residential zones, providing density bonuses, reducing or eliminating parking requirements, allowing housing in non-residential zones, and/or modifying development standards to increase housing production.

**2. Acceleration of housing production timeframes**, including streamlining of approval processes, reducing the role of public hearings in project approvals, developing standardized permit application procedures and objective design standards, and/or improving transparency through public posting of permit status updates.

**3. Reduction of construction and development costs**, including reducing impact and/or development fee, promoting innovative housing types that reduce development costs, and offering pre-approved design templates and universal design ordinances.

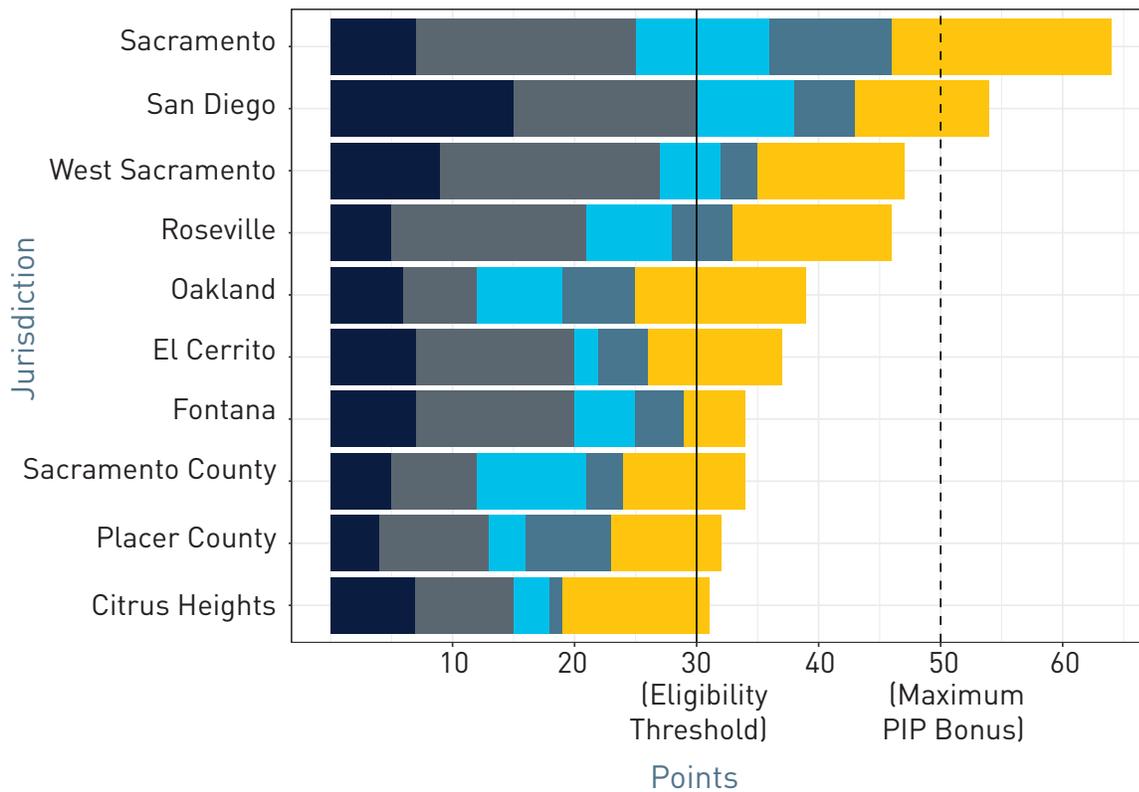
**4. Providing financial subsidies**, such as establishing a Housing Trust Fund or other local funding sources, offering grant or low-interest loans for affordable ADU construction, or making public lands available for affordable housing development.

Importantly, the PDP program is only intended to reward jurisdictions that go above preexisting prohousing state mandates. For example, jurisdictions are given points in Category 1 if they increase the zoning capacity for new housing beyond what is required under RHNA. Applicants also have the potential to obtain one or two enhancement points for prohousing policies that also achieve other objectives, such as preventing displacement or targeting community and economic development to lower-resourced areas. These enhancement points reward jurisdictions for aligning housing production with equity and sustainability goals.

As of November 2023, 30 jurisdictions have received the prohousing designation. (see Appendix Exhibits 1 and 2 for a complete list of prohousing jurisdictions). Among the ten jurisdictions that were the earliest adopters of the program, and for which data on their PDP scores were available, there was significant variation in the categories and policies for which they received points (Figure 1). San Diego, for example, received the most points (15) for its implementation of favorable zoning and land use laws, whereas Sacramento and West Sacramento both received the most points (18) for policies that accelerate housing production timeframes. All of the jurisdictions received enhancement factor points, and for 6 of the early adopters, these enhancement points were critical for crossing the eligibility threshold.

Prohousing jurisdictions are eligible to receive an advantage on certain grant award processes, including six existing grant programs (see Appendix Exhibit 3 for a full list of grant program descriptions). The prohousing status of the jurisdiction may provide one of two benefits. In some programs, such as the Affordable Housing Sustainable Communities program, juris-

**Figure 1: Early Prohousing Designation Program Awardees**



**Categories**

- Favorable Zoning and Land Use
- Acceleration of Housing Production Timelines
- Reduction of Construction and Development Costs
- Providing Financial Subsidies
- Enhancement Factor

Source: Analysis of HCD data on PDP applications for 10 jurisdictions that received prohousing designation as of March 2023.

dictions with a prohousing designation are eligible to receive additional points that can contribute to their overall application score. In other programs, such as the Local Partnership Program, the prohousing status of the jurisdiction is used as a qualitative evaluation criterion.

The launch of the PDP also coincided with the creation of the PIP Program, a targeted funding program which provides resources exclusively to jurisdictions with a prohousing designation. PIP Program funding can be used for the development, acquisition, rehabilitation, and preservation of housing. The PIP Program

award is based on population size and the total number of points that the jurisdiction received on its application for the Prohousing Designation.<sup>5</sup> The PIP Program thus incentivizes jurisdictions to not only obtain the prohousing designation, but also to maximize the total number of points they receive.

Despite the financial benefits of receiving a prohousing designation, there are several factors that may impede local adoption of the PDP. Interviews with local planning staff revealed that the lack of clarity around which policies “count” can impose barriers to completing the rubric.

Currently, jurisdictions looking to apply to the PDP must rely on program documentation and reaching out individually to jurisdictions that have already obtained the designation to identify which policies they should include. Capacity constraints, particularly for smaller jurisdictions, also pose a barrier.<sup>6</sup> For the thirty jurisdictions that received the full designation, it took an average of 155 days from submitting the initial application to HCD to receiving the designation, encompassing initial review by HCD, revisions by the jurisdiction, and final adjudication by HCD.<sup>7</sup> These timelines have generally gotten shorter over time, reflecting improvements in the review and revision process by HCD and participating jurisdictions. Finally, there may also be local opposition to pursuing the prohousing designation. In Yreka, for example, a narrow city council vote prevented pursuit of the PDP designation.<sup>8</sup>

## Evaluating the Evidence for the Criteria in the Prohousing Scoring Rubric

In this section, we present the results of our analysis of the PDP applications for the 10 jurisdictions that had adopted the PDP as of March 2023.<sup>9</sup> The applications reveal which policies are being used by jurisdictions to receive the designation, and provide examples of how jurisdictions are interpreting and implementing pro-housing policies. We also assess whether the existing research literature supports the conclusion that those policies can meaningfully influence new housing production.

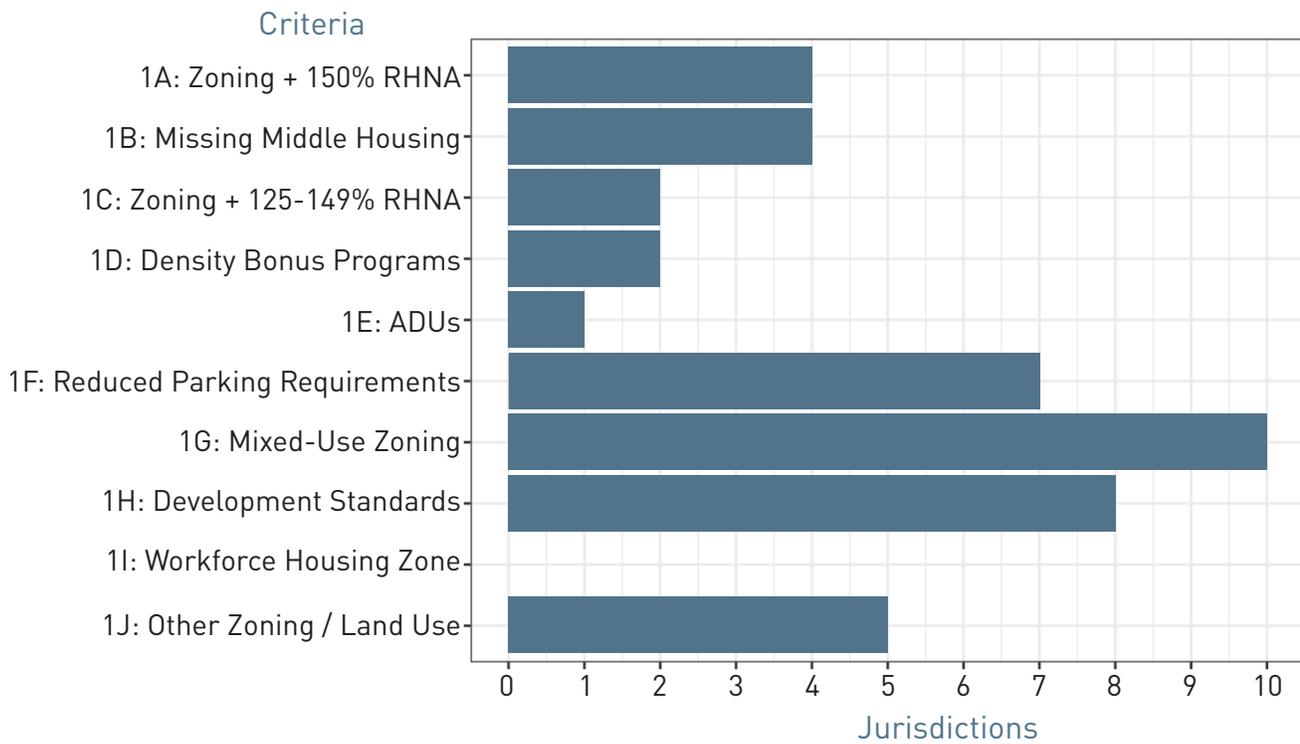
## **Category 1: Favorable Zoning and Land Use**

The first category in the PDP focuses on zoning and land use regulations (Criteria 1A, 1C; see Exhibit 4 for full descriptions of criteria in Category 1). PDP criteria under this category provide a range of options for regulatory reform, including rezoning to increase allowable density, allowing missing middle housing and ADUs in existing low-density residential zones (1B, 1E), density bonus standards (1D), reduction or elimination of parking requirements (1F), allowing housing in non-residential zones (1G) and the modification of development standards to increase housing production (1H). Figure 2 summarizes the points that early-adopter jurisdictions earned under this category.

The majority of the policies in this category are evidence-based, and existing research has consistently shown that removing restrictions on land use can facilitate more supply and lower housing costs.<sup>10,11</sup> Land use regulations directly constrain housing production by restricting both the number of viable sites for construction and the potential capacity of new development, and can also indirectly drive up land acquisition costs at remaining development sites. Increasing allowable density on a given parcel (1A, 1B, 1C, 1E) increases the probability that it will subsequently be developed and that the resulting housing will be denser and offer a greater contribution to housing supply growth.<sup>12,13,14</sup>

All 10 “early adopter” jurisdictions indicated that they had made zoning reforms to allow for residential or mixed uses in one or more non-residential zones (e.g., commercial, light industrial) (1G). Others received points for increasing density through ADUs and/or facilitating the production of missing middle housing. For

**Figure 2: PDP Category 1- Favorable Zoning and Land Use Criteria**



Source: Analysis of HCD data on PDP applications for 10 jurisdictions that received prohousing designation as of March 2023.

For a complete description of each criterion, see Appendix Exhibit 4.

example, the City of San Diego received points for allowing up to 10-unit buildings in certain qualifying single-family zones (1B) and allowing the construction of an additional ADU for each ADU set aside for households with moderate incomes or lower (1E).

Only two jurisdictions received points for implementing density bonus programs that exceeded statutory requirements (1D) San Diego, for example, received points for its “100-Percent Affordable Density Bonus” program, which provides unlimited density and increased height limits for projects in Transit Priority Areas in which 100 percent of pre-bonus units are affordable (primarily for very low- and low-income households). Density bonus laws are designed to enable the production of affordable housing by allowing developers

to include a larger number of total units in their development if a certain proportion of those units are designated as affordable. The low uptake of these reforms among PDP jurisdictions is consistent with other research that has found that relatively few California jurisdictions have adopted local density bonus rules and only a handful have adopted them broadly.<sup>15</sup>

Seven out of the 10 jurisdictions also reduced or eliminated parking requirements, though the nature of the reductions varied across places. Parking requirements have been shown to significantly raise the cost of development due to the added expense of constructing (often underground) parking garages, and may curtail production.<sup>16,17,18</sup> Several cities (Citrus Heights, Sacramento, and Roseville) eliminated parking requirements only for

certain ADU developments, while several others (El Cerrito, Fontana, and West Sacramento) reduced parking requirements in specific plan areas. San Diego went the furthest of any early adopter, eliminating parking requirements entirely for multifamily developments in areas with frequent transit.

Nine of the 10 jurisdictions received points for modifying their development standards to promote greater development intensity (1H). The impact of these reforms on new housing production depends significantly on the types of reforms that are implemented. Floor Area Ratio (FAR) standards,<sup>19,20</sup> maximum permitted units per acre, minimum lot and unit sizes,<sup>21</sup> and height limits<sup>22</sup> have all been shown to influence both the amount and density of new housing, particularly for multifamily developments.<sup>23,24,25</sup> However, there is no guarantee that the adoption of a single reform to development standards will be effective; for example, increasing height limits while maintaining the same FAR standards may not enable significant increases in production if the FAR is the binding constraint on how many new units can get built on a given lot. The current PDP approach emphasizes the presence of a given policy, rather than its effectiveness and its complementarity with other existing policies.

## **Category 2: Acceleration of Housing Production Timeframes**

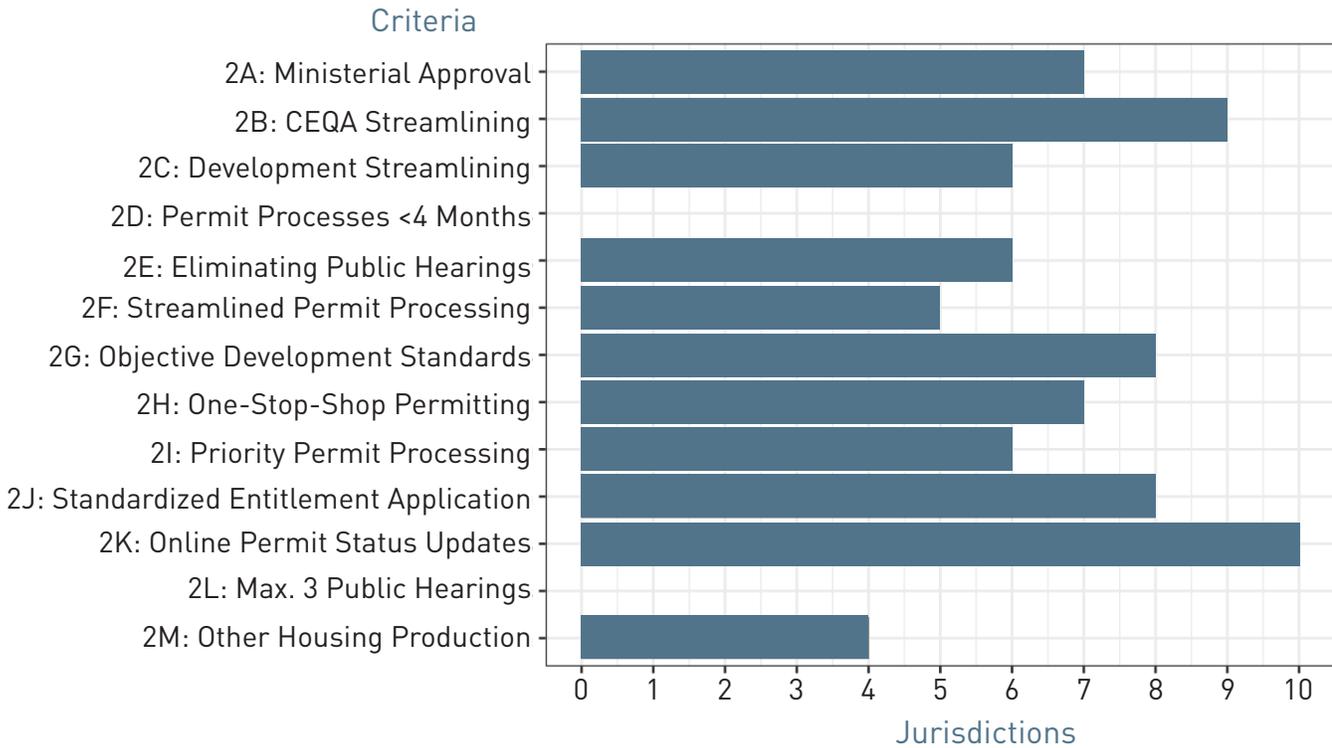
The second category in the PDP program focuses on reducing the administrative burden associated with permit processing, including the streamlining of approval processes (2A, 2B, 2C, 2D, 2F, 2I), reducing the role of public hearings in project approvals (2E, 2L), developing standard-

ized permit application procedures and objective design standards (2G, 2H, 2J), and improving transparency through public posting of permit status updates (2K). Figure 3 summarizes the points that early adopter jurisdictions received in this category.

Accelerating housing production timeframes can have a meaningful impact on both the cost and supply of housing. Cities that require more independent reviews to obtain a building permit have higher land costs, which translates into higher development costs and fewer housing units.<sup>26</sup> Delays and uncertainty associated with project permitting result in slower housing production and may discourage production altogether.<sup>27,28</sup>

A key strategy for enabling this streamlining is the establishment of ministerial or by-right approval processes, wherein developers may obtain permits for compliant projects without the need for discretionary project approval. By-right projects are permitted substantially faster than projects required to go through discretionary review, which means that by-right permitting can significantly accelerate housing production overall.<sup>29</sup> There have also been efforts to make more projects exempt from California Environmental Quality Act (CEQA) review, which has been shown to delay or block some proposed developments.<sup>30,31</sup> In recent years, a series of reforms have fully exempted projects that contain a sufficient share of affordable units from the CEQA process.<sup>32</sup> In order to receive credit for streamlining CEQA (2B), applicants to the PDP must demonstrate that they are going above and beyond these standards by exempting additional types of residential development from CEQA.

**Figure 3: PDP Category 2 – Acceleration of Housing Production Timeframes**



Source: Analysis of HCD data on PDP applications for 10 jurisdictions that received prohousing designation as of March 2023.

For a complete description of each criterion, see Appendix Exhibit 5.

Public hearings are also often a source of housing development delays.<sup>33</sup> As of 2019, the maximum number of public hearings allowed for a single housing development project has been limited to five.<sup>34</sup> To earn points, prohousing jurisdictions must reduce hearings to three or fewer or eliminate public hearings altogether.

The majority of applications by early adopters pointed to the presence of ministerial approval and CEQA streamlining reforms, applicable to at least some types of projects in some residential zones. The City of Sacramento, for example, enables ministerial review of infill projects between 2 and 200 units that meet objective design standards. Qualifying policies also included a mix of improvements to

permitting processes, standardized applications, reductions in public hearings, and the development of objective design standards.

However, it is hard to assess how many of these reforms are meaningful and go far enough to make an impact on housing development. For example, among early adopters, many received points for ministerial processes that were specifically for lower-density projects under a certain size. In Roseville, for example, eligibility for some form of streamlined review included only projects that were single-family, or multifamily with at least 20 percent affordable units. By limiting the scope of ministerial projects, this change is less likely to facilitate significant new production across a broad range of housing types.

Furthermore, while several early adopters received points for streamlining certain permit applications, none indicated that they had reduced permitting processes to less than four months.<sup>35</sup> Six received credit for eliminating public hearings for zoning-compliant projects (2E), but none committed to limiting the number of hearings for any project to three or fewer (2L).

All ten early-adopter jurisdictions received points for the public posting of permit status updates (2K). While useful for the purposes of transparency, evidence linking policies that facilitate transparency to housing production does not currently exist.

### **Category 3: Reduction of Construction and Development Costs**

The third category rewards jurisdictions for reducing construction and development costs, including impact and/or development fee reductions (3A, 3C) and the promotion of innovative housing types (3D). Other criteria focus on developing pre-approved design templates to facilitate the production of ADUs and other missing middle housing types (e.g., duplexes) and universal design ordinances (3B, 3F, 3G). This category also includes one point for reducing the costs of transportation-related infrastructure or policies that promote active modes of transportation (3E). Figure 4 summarizes the points that early adopter jurisdictions received in this category.

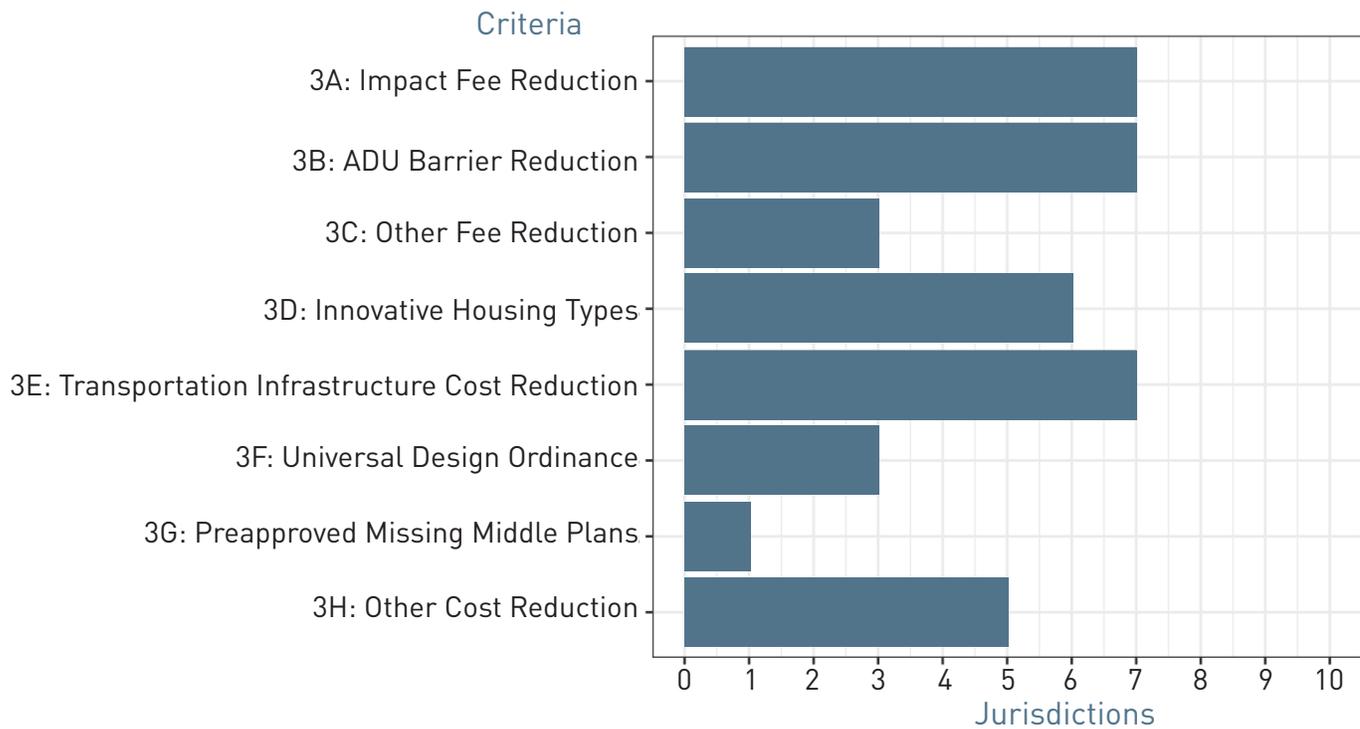
Impact fee reforms should be included as part of the PDP scoring criteria. Impact fees—which can include in-lieu fees, inclusionary housing fees, and fees for utility connections, school facilities, and permit processing—have been shown to both

increase the costs of new units and lower overall production.<sup>36,37,38</sup> Reductions in impact fees can increase housing production: for example, waivers for infrastructure impact fees of ADUs in Portland, Oregon were associated with a 150 percent increase in ADU permitting over a three-year period.<sup>39</sup>

Six early adopters received points for reducing or waiving impact fees for new affordable units, infill development, mobile home parks, or developments within specific plan areas (3A). For example, the City of Roseville estimated that its updated impact fee policies reduced per-unit costs by nearly \$12,000. Several jurisdictions achieved points for this criteria by waiving impact fees for affordable housing projects. Three of these applicants also listed fee reduction strategies for housing serving specific populations, including non-profit housing and housing for seniors, foster youth, veterans with a disability, people experiencing homelessness, and low-income college students.

This category also rewards strategies that reduce construction and development costs by enabling innovative cost reductions in the construction process itself (3D) and by creating pre-approved plans for underrepresented housing types, such as missing middle housing (3B, 3G). Land use regulations and building code requirements have traditionally heavily restricted the siting of these housing types in metropolitan areas, necessitating systematic reforms if these housing types are to see increased use.<sup>40,41</sup> Alternative construction techniques such as modular and off-site housing construction can reduce overall construction costs, construction timelines, and localized construction impacts.<sup>42</sup> The City of El Cerrito received points for promoting modular construction for a

**Figure 4: PDP Category 3 – Reduction of Construction and Development Costs**



Source: Analysis of HCD data on PDP applications for 10 jurisdictions that received prohousing designation as of March 2023.

For a complete description of each criterion, see Appendix Exhibit 6.

156-unit building that was under construction at the time of the city’s application.

Some of the policies listed in this category may fit better under the land use reforms or streamlining categories. For example, reducing barriers for ADU production is also included in the land use reforms category, which increases the risks that a jurisdiction may count their ADU policies twice, while neglecting policies that can spur other important types of housing production. Points for reducing the costs of transportation-related infrastructure (3E) and for adopting a Universal Design Ordinance<sup>43</sup> (3F) are also not well-aligned with housing production goals. While enabling alternative transportation modes and providing accessible housing are important in their own right, they do not

have a clear relationship with the central program goal of increasing housing production and should instead be treated as secondary criteria, perhaps as a way for jurisdictions to receive bonus points.

**Category 4: Providing Financial Subsidies**

The final category focuses on funding, and provides points to jurisdictions that establish funding sources for affordable housing development, such as through a Housing Trust Fund or other local funding sources (4A, 4D, 4E, 4F, 4G). Jurisdictions can also get points if they offer grants or low-interest loans for affordable ADU construction (4B) or make public lands available for affordable housing development (4C). Figure 5 summarizes the points

that early adopter jurisdictions received in this category.

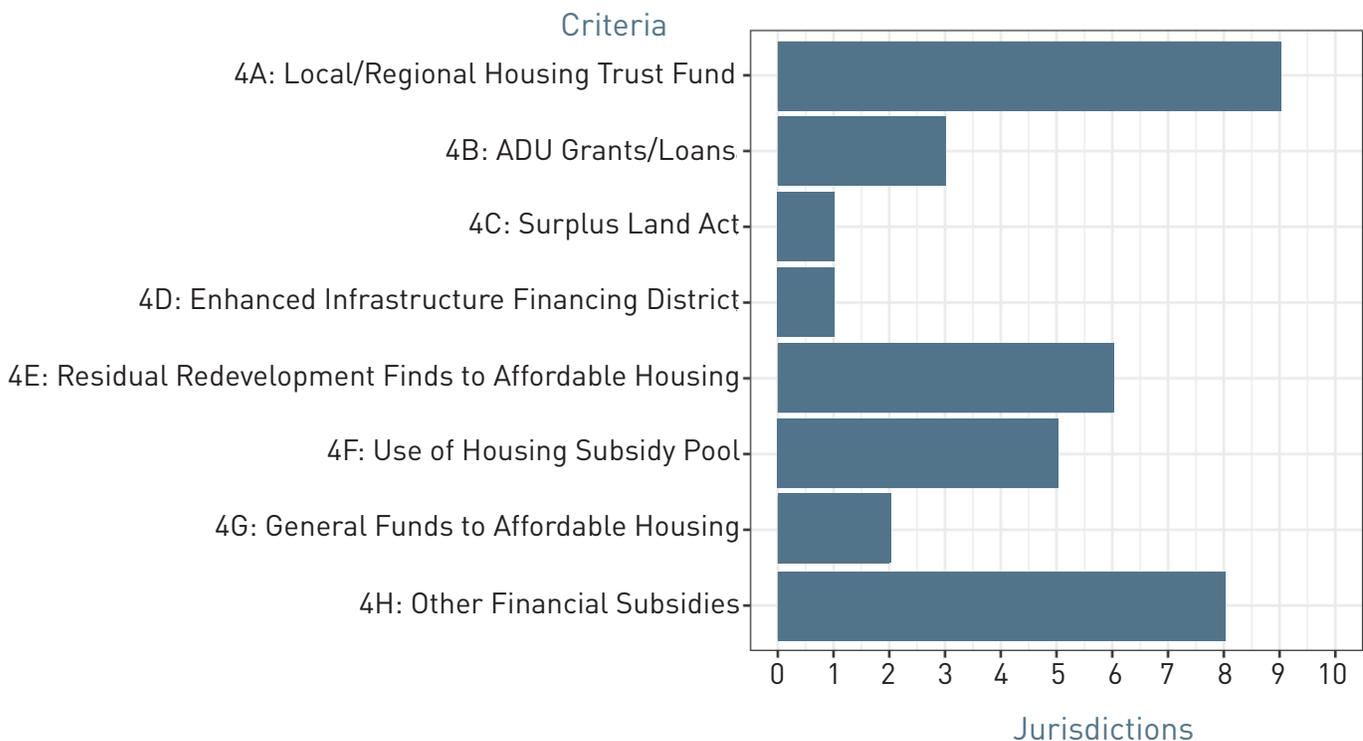
Most jurisdictions received points for one or more of these strategies. (Figure 5) The use of local trust funds is widespread amongst prohousing jurisdictions, with nine early adopters having either established or collaborated with a local housing trust fund (4A).<sup>44</sup> Many early adopters reported the use of residual redevelopment funds (4E)<sup>45</sup>, but only two (the City of Sacramento and Placer County) reported using general funds to support affordable housing development (4G), and only one (the City of Sacramento) received credit for an Enhanced Infrastructure Financing District (EIFD) that supports affordable housing (4D).<sup>46</sup> While no early adopters appear to have established ADU grant programs, several have established

low-cost loan programs for the development of affordable ADUs (4B).

Local funds can be critical in making affordable housing projects viable: the typical new affordable housing project developed using the Low-Income Housing Tax Credit (LIHTC) layers in local grants or loans. However, in this category, jurisdictions could potentially be rewarded for creating a lot of small, local pots of money. This not only limits the likelihood that those funds will contribute to new production, but it also increases regulatory and administrative burden, which can increase overall development costs.<sup>47</sup>

Jurisdictions that make publicly-owned land available for affordable housing also receive points in this category (4C), and this criterion should be maintained as it

**Figure 5: PDP Category 4 – Providing Financial Subsidies**



Source: Analysis of HCD data on PDP applications for 10 jurisdictions that received prohousing designation as of March 2023.

For a complete description of each criterion, see Appendix Exhibit 7.

has a direct impact on the feasibility of affordable housing production. Only one early adopter (the City of Sacramento) received points for this policy criterion.

Several jurisdictions also received points for the implementation of inclusionary housing fees (4H).<sup>48</sup> While research has shown that inclusionary zoning can boost affordable housing production, it may also reduce the overall volume of housing by increasing the cost of development, although the impacts of such policies vary by region.<sup>49,50</sup> The current PDP criteria do not include an assessment of whether a jurisdiction's inclusionary policies may be impeding overall housing production.

## Enhancement Factors

The final way to earn points is through enhancement factors, which reward local jurisdictions for adopting prohousing policies that simultaneously incorporate equity and sustainability objectives (see Appendix Exhibit 8 for complete descriptions). Each prohousing policy may receive one or two additional enhancement factor points.

Current PDP criteria reward policies that represent “one element of a unified, multi-faceted strategy to promote multiple planning objectives, such as efficient land use, access to public transportation, affordable housing, climate change solutions, and/or hazard mitigation” (EF1), or that promote development “consistent with state planning priorities” (EF2). Several of the criteria focus on environmental goals, such as increasing development in designated Location Efficient Communities or mitigating development impacts on Environmentally Sensitive or Hazardous areas (EF5, EF6). Other criteria include policies that focus on Affirmatively Furthering Fair Housing, through community devel-

opment investments and/or expanding housing opportunities in higher resourced communities (EF3, EF7, EF8).<sup>51,52</sup> Jurisdictions can also get points for policies that reduce displacement or preserve existing lower cost housing (EF4).<sup>53</sup>

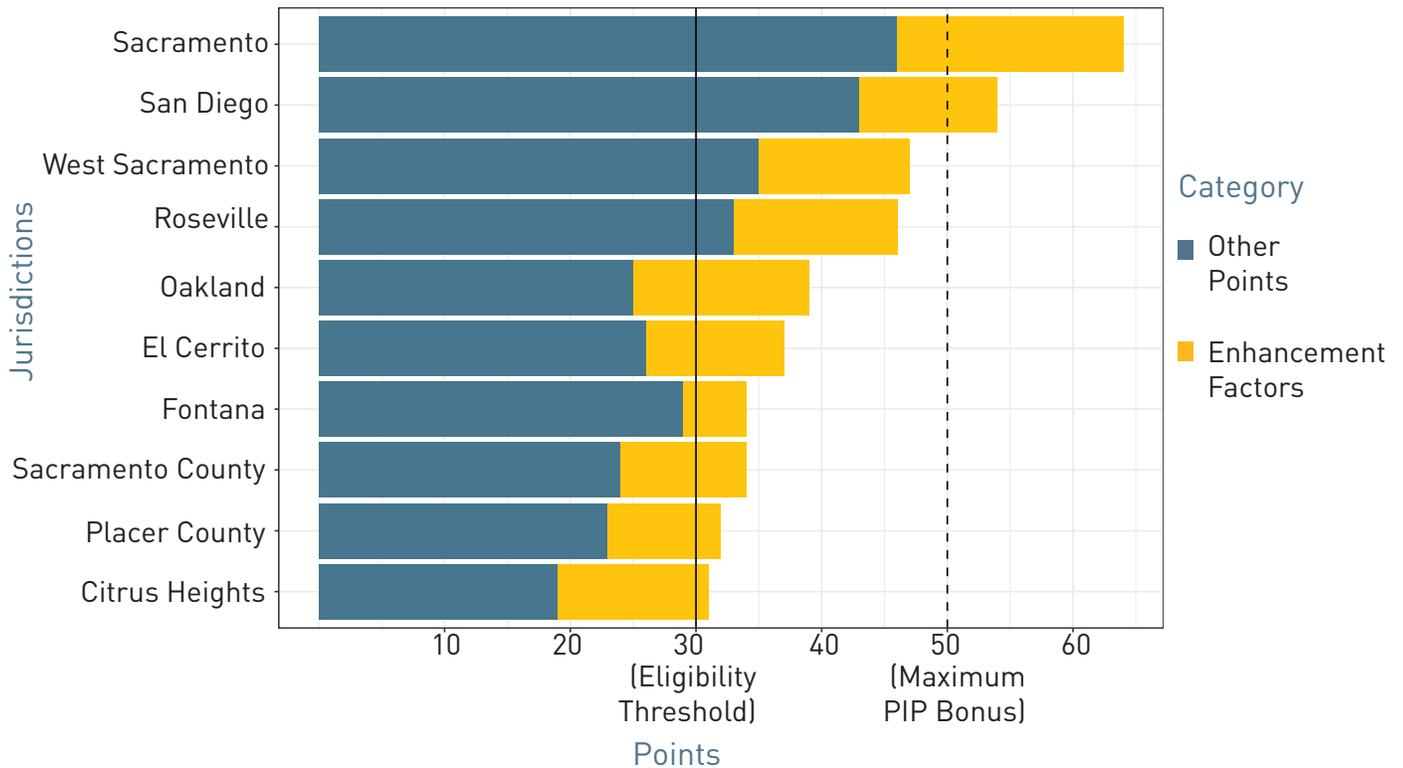
Enhancement points are a crucial component of the designation program. As Figure 6 shows, the majority of successful applicants relied on enhancement points to cross the 30-point eligibility threshold, and even jurisdictions that would already have met the eligibility threshold have benefited from enhancement points due to the PIP Program points-based award bonus.

Alignment of prohousing policies with other state priorities is critical; the PDP designation should not reward jurisdictions that pass reforms that concentrate affordable housing in high-poverty neighborhoods, or that rely solely on greenfield expansion into the wildland urban interface. However, as we discuss below, calibrating the total number of enhancement points a jurisdiction can receive to become eligible for the designation will make the PDP more effective over the long term.

## Recommendations

In designating certain jurisdictions as “prohousing” and giving them access to additional funding sources, the PDP highlights and rewards jurisdictions that are making significant progress in enabling housing production and incentivizes others to adopt similar policies. This is particularly important in the context of aligning local actors' incentive structures around policy changes whose benefits can otherwise often take years to materialize. In developing its initial scoring rubric in 2021, HCD focused on being inclusive of a

**Figure 6: Number of Enhancement Factor Points by Early Adopter Jurisdiction**



Source: Analysis of HCD data on PDP applications for 10 jurisdictions that received prohousing designation as of March 2023.

wide range of eligible policies. This inclusive approach may be warranted, since it can help to ensure that the program is applicable across California’s diverse jurisdictions, as well as allow jurisdictions to tailor their prohousing efforts to local conditions. However, by including a broad set of policies under each of the categories, HCD may also be diluting the adoption of policies that have been shown in the literature to have the most significant impact on production. In addition, as the legislature continues to pass new pro-housing laws at the state level, there is an ongoing need to review and revise PDP criteria to ensure that its goal of rewarding jurisdictions that go “above and beyond” is met.

While the PDP has been active for approximately two years under emergency rule-making, the current development of permanent rules for the program provides an opportunity to institute reforms that will ensure its longevity and continued relevancy. In addition to administrative changes related to the current structure of the criteria and scoring system, there are also opportunities to align the program criteria more closely with the evidence regarding which policies spur new production.

**Identify and remove criteria for which compelling evidence of prohousing impacts does not exist.** A few criteria stand out as clear candidates for reform or removal. The establishment of Workforce Housing Opportunity

Zones or housing sustainability districts (1I) and posting status updates on project permit approvals (2K) lack concrete research evidence as strategies to increase housing production. Measures that focus on transportation infrastructure (3E) and universal design (3F) are more suitable as enhancement factors, since they are not directly related to housing production.

**Simplify criteria by removing those that serve overlapping functions.**

Several criteria across categories overlap significantly, raising the possibility that some types of policies may be counted multiple times. Policies that qualified for the streamlining of project-level housing development (2C) overlap substantially with policies that received points for ministerial approval (2A) or streamlined CEQA analysis (2B). Policies that facilitate the production of ADUs and missing middle housing also appear in multiple sections. In addition, the inclusion of the flexible “other actions” criteria under each substantive category (1J, 2M, 3H, 4H) often overlaps substantially with existing criteria. Removing these criteria would streamline the prohousing designation analysis process and reduce current ambiguities and overlaps. Within the “financing” category, rather than rewarding jurisdictions for multiple sources of local funding, a more effective approach would be to give points for the total amount of funds a jurisdiction allocates to affordable housing as a share of its overall budget or population. In addition, jurisdictions should be incentivized to create a consolidated funding source or application.

**Review and update PDP criteria on a regular basis to account for state policy reforms.** Given the constantly evolving landscape of state housing policy in California, policies that are considered prohousing in 2023 may become base-

line statewide requirements in future years. Several PDP criteria bear significant overlap with recently passed legislative reforms that have, for example, increased the minimum density of parcels zoned exclusively for single-family housing,<sup>54</sup> allowed for the by-right development of affordable housing in commercial zones,<sup>55,56</sup> overturned local restrictions on ADU construction,<sup>57</sup> eliminated parking requirements within 1/2 mile of major transit stops statewide,<sup>58</sup> and automatically authorized post-entitlement permitting.<sup>59</sup> Several recent bills have also further expanded the role of surplus land in housing planning, including AB 2295 (2022), which allows housing development projects on property owned by local educational agencies.<sup>60,61</sup> If the goal of the PDP is to promote local policies that go above and beyond state minimum standards, program criteria will likely need to be updated on an ongoing basis in order to remain ahead of reforms to state law.

**Reduce the complexity of the PDP application process and provide technical assistance to jurisdictions interested in applying.**

The current application process, which requires the compilation of extensive documentation, increases the administrative burden for jurisdictions that have limited staff capacity. Integrating the PDP into the Housing Element compliance process could make the designation more broadly accessible. HCD could also provide local jurisdictions with model language or examples of policies that would count for different criteria. Sharing the specific policies that each prohousing-designated jurisdiction employed to satisfy program criteria would provide prospective jurisdictions with strategies to inform their own policy development, and would further the goal of promoting prohousing policies at a local level.

**Implement a systematic process for jurisdictions to renew their PDP status.** Currently, there is currently no system in place for the continuous evaluation of prohousing jurisdictions. Establishing a systematic renewal process will provide a measure of accountability and ensure that jurisdictions continue to strengthen their policies over time.

**The “enhancement factor” component of the program should be evaluated for reform, in order to ensure that policies receiving enhancement points are complementary to the goal of increased housing production.** The current structure of the program permits jurisdictions to receive a large number of enhancement points; among the ten early adopters, six jurisdictions received sufficient points for the designation only via enhancement points. While the pursuit of these complementary goals is designed to promote sustainable and equitable growth, the program should ensure that jurisdictions are adopting policies that sufficiently boost housing production specifically. One strategy for reform would be to require that jurisdictions cross the designation threshold solely based on points from the main program criteria, with enhancement factors providing a boost that would make prohousing jurisdictions eligible for additional funding opportunities, such as under the PIP Program. This would retain the value of the enhancement factors while emphasizing policy reforms that actively promote the central programmatic objective of enabling and accelerating housing production.

**Increase the incentives for becoming a prohousing jurisdiction.** The long-term longevity and impact of the program will require a more significant source of funding for prohousing jurisdictions.

Currently, the prohousing designation provides applicants with a few extra points on certain grants such as Affordable Housing and Sustainable Communities (AHSC) and Infill Infrastructure Grant (IIG). Prioritizing prohousing jurisdictions for a greater number of funding sources (such as those for transportation, infrastructure, or climate investments) would significantly increase the value of the designation. The state may also wish to consider a campaign to enhance the local political advantage of securing the prohousing designation, similar to how other designation programs provide signage and branding opportunities to participants.<sup>62</sup>

**Over the longer-term, develop more objective metrics for the PDP designation that link policy adoption with housing production.** The research evidence for the types of policies that spur production is growing, but ongoing research and data tools are needed that can assess how the full suite of land use and housing policies interact with market conditions to spur new supply. For example, while local jurisdictions may be awarded up to three points for zoning to accommodate greater than 150 percent of their RHNA housing production targets (1A), if the specific sites are not economically feasible for housing development, or if other policies (such as impact fees) decrease the financial feasibility of development projects, then these “prohousing” policies may not ultimately result in housing production. Moreover, it is not clear whether policies receiving three points are three times more effective in spurring housing production than those policies receiving one point.

While many of the PDP criteria are linked with increasing housing production via increased regulatory capacity and

decreased time and cost barriers to development, the extent to which these policies are sufficient to systematically boost housing production remains to be seen. Over time, HCD should develop objective standards for the effectiveness of various prohousing policies, and award points accordingly. For example, using tools such as the Turner Housing Policy Dashboard, PDP criteria could be streamlined and revised to maximize the potential for local housing production.<sup>63</sup> Using this type of tool would allow for the analysis of local policies not only by category, but also by the magnitude of their impact, such that a single policy might be equivalently weighted as an array of policies that accomplish a similar magnitude of increased housing production.

## Conclusion

The PDP provides a compelling model for how states can help to incentivize local jurisdictions to proactively plan for housing, and has the potential to be an important addition to California's housing policy toolbox. HCD's work to define a framework for prohousing legislation is notable for its attention to the different categories of policies that can spur new housing production. Balancing production with equity and sustainability goals is also an important dimension to ensuring that new supply isn't added at the expense of affordability or efforts to mitigate climate change.

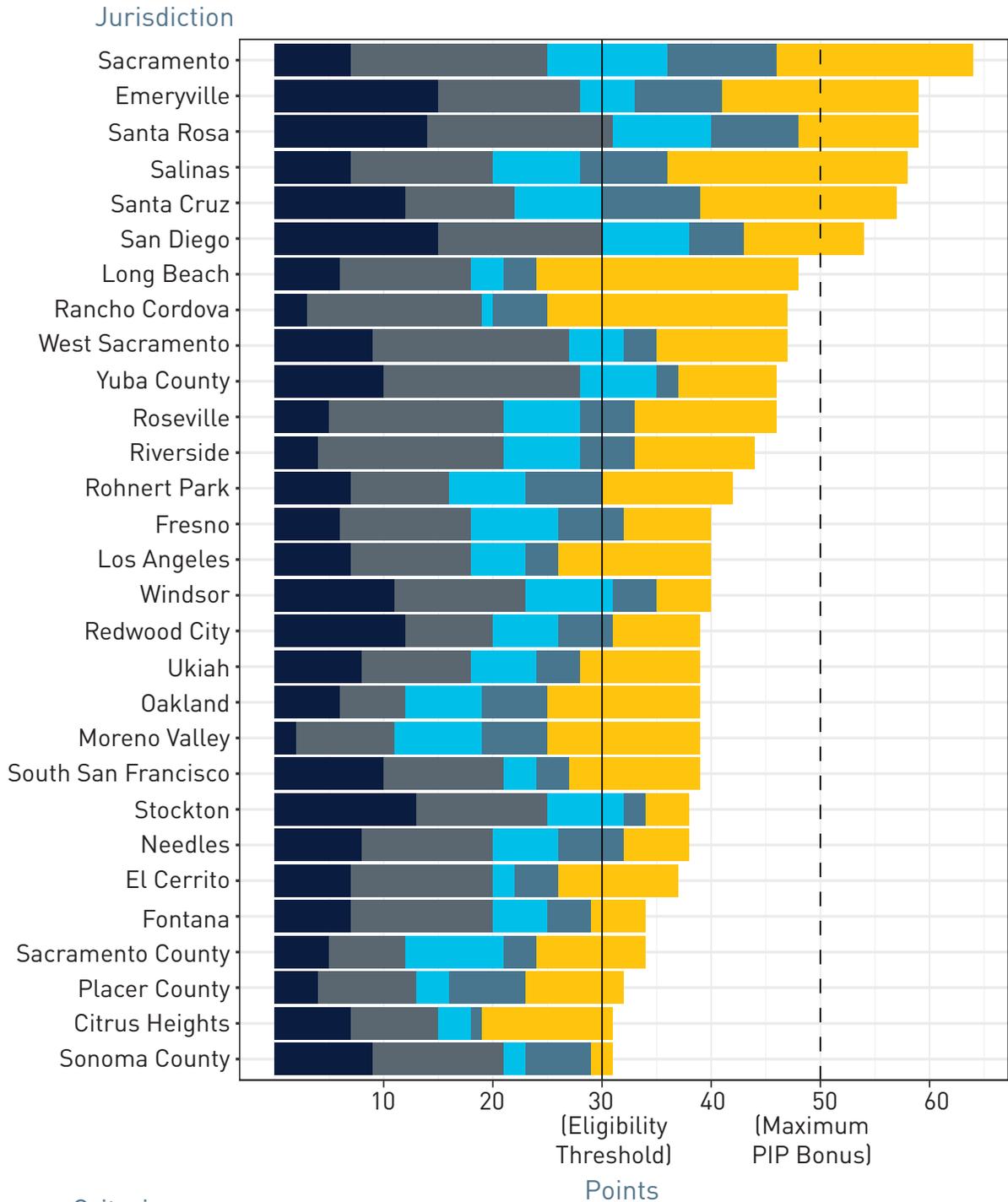
California's experiences with the early implementation of the PDP offers instructive lessons to other states that are making changes to accelerate housing supply. For example, several of the policies in the PDP are evidence-based, and could help to unlock new supply, including more afford-

able units, in other places as well. HUD should also consider adapting elements of California's PDP for its federal Pathways to Removing Obstacles to Housing (PRO Housing) program. HUD's PRO Housing program underscores the federal government's commitment to expanding supply, and will provide \$85 million in grant funding in its first round to communities who are actively taking steps to remove barriers to affordable housing.

As the state establishes permanent guidelines for the PDP moving forward, there are opportunities to improve the program. In the short term, consolidating program criteria and increasing program transparency will ensure that the PDP continues to meet its core objectives. In the longer term, data-driven, objective analysis of local policy reforms and their actual impact on production would provide the program with a stronger empirical foundation. Finally, to become even more impactful, tying additional sources of funding—for example, for infrastructure, parks, or transportation—to the PDP would likely incentivize more jurisdictions to meaningfully address California's housing supply shortage.

# Appendix

## Exhibit 1: All Prohousing Designation Program Awardees by Total Number of Points Earned



### Criteria

- Favorable Zoning and Land Use
- Reduction of Construction and Development Costs
- Enhancement Factor
- Acceleration of Housing Production Timelines
- Providing Financial Subsidies

Source: Analysis of HCD data on PDP applicants as of November 2023.

## Exhibit 2: Prohousing Designation Program Applicants

Jurisdiction	PDP Status	Population (2020)	Date Applied	Date Awarded	Points	PIP Round 1 Award
Sacramento	Designation Awarded	524,943	06/02/2022	02/10/2022	64	\$2,500,000
Oakland	Designation Awarded	440,646	08/05/2021	12/15/2022	39	\$2,390,000
Fontana	Designation Awarded	208,393	11/18/2021	12/15/2022	34	-
West Sacramento	Designation Awarded	53,915	02/18/2022	12/15/2022	47	\$970,000
San Diego	Designation Awarded	1,386,932	04/16/2022	12/15/2022	54	\$5,000,000
Citrus Heights	Designation Awarded	87,583	06/29/2022	12/15/2022	31	-
Roseville	Designation Awarded	147,773	08/27/2022	12/15/2022	46	\$1,610,000
Los Angeles	Designation Awarded	3,898,747	06/22/2022	01/19/2023	40	\$4,900,000
Sacramento County	Designation Awarded	610,442	02/12/2022	02/03/2023	34	-
Placer County	Designation Awarded	113,001	03/02/2022	02/03/2023	32	-
El Cerrito	Designation Awarded	25,962	05/20/2022	02/03/2023	37	\$620,000
Ukiah	Designation Awarded	16,607	10/23/2022	03/09/2023	39	\$455,000
San Diego County <sup>64</sup>	Designation Awarded	517,904	07/24/2022	03/26/2023	-	\$2,400,000
Needles	Designation Awarded	4,931	12/17/2022	03/26/2023	38	\$445,000
Rancho Cordova	Designation Awarded	79,332	01/19/2023	03/26/2023	47	\$960,000
Fresno	Designation Awarded	542,107	12/02/2022	04/06/2023	40	\$2,064,891.45
Salinas	Designation Awarded	163,542	12/21/2022	04/06/2023	58	\$1,650,000
Riverside	Designation Awarded	314,998	02/03/2023	04/06/2023	44	\$2,440,000
Stockton	Designation Awarded	320,804	02/05/2023	04/06/2023	38	-
Yuba County	Designation Awarded	65,019	02/17/2023	04/06/2023	46	\$960,000
Emeryville	Designation Awarded	12,905	02/24/2023	04/06/2023	59	\$575,000
Redwood City	Designation Awarded	84,292	03/04/2023	04/06/2023	39	\$890,000
Sonoma County	Designation Awarded	134,046	12/05/2022	06/11/2023	31	-
Santa Rosa	Designation Awarded	178,127	02/24/2023	06/11/2023	59	-
Moreno Valley	Designation Awarded	208,634	03/18/2023	06/18/2023	39	-
Windsor	Designation Awarded	26,344	02/02/2023	07/02/2023	40	-
Long Beach	Designation Awarded	466,742	03/17/2023	07/02/2023	48	-
Rohnert Park	Designation Awarded	44,390	03/16/2023	07/29/2023	42	-
Santa Cruz	Designation Awarded	62,956	03/30/2023	07/29/2023	57	-
South San Francisco	Designation Awarded	66,105	04/02/2023	07/29/2023	39	-

## Exhibit 2: Prohousing Designation Program Applicants (Continued)

Jurisdiction	PDP Status	Population (2020)	Date Applied	Date Awarded	Points	PIP Round 1 Award
Los Angeles County	Pending Revision	1,022,167	10/15/2021	-	-	-
Tulare County	Pending Revision	134,876	02/09/2022	-	-	-
San Mateo County	Pending Revision	63,164	03/09/2022	-	-	-
Sunnyvale	Pending Revision	155,805	07/30/2022	-	-	-
Larkspur	Pending Revision	13,064	11/17/2022	-	-	-
Adelanto	Pending Revision	38,046	11/19/2022	-	-	-
Healdsburg	Pending Revision	11,340	12/21/2022	-	-	-
Santa Monica	Pending Revision	93,076	03/10/2023	-	-	-
Merced	Pending Revision	86,333	03/17/2023	-	-	-
Mountain View	Pending Revision	82,376	03/17/2023	-	-	-
Petaluma	Pending Revision	59,776	03/17/2023	-	-	-
Rancho Cucamonga	Pending Revision	174,453	03/17/2023	-	-	-
Eureka	Pending Revision	26,512	04/01/2023	-	-	-
Napa	Pending Revision	79,246	04/01/2023	-	-	-
Placentia	Pending Revision	51,824	04/01/2023	-	-	-
Inglewood	Pending Revision	107,762	04/05/2023	-	-	-
San Luis Obispo	Initial Review	47,063	07/12/2023	-	-	-
Atwater	On Hold	31,970	01/12/2023	-	-	-
San Francisco	On Hold	873,965	11/09/2022	-	-	-

### Exhibit 3: Current Funding Benefits for Projects Located within Jurisdictions that Have Obtained the Prohousing Designation

Program	Purpose	Total Funding in Most Recent Cycle	Prohousing Bonus
Affordable Housing and Sustainable Communities (AHSC)	Reducing emissions through infill development and transportation infrastructure	\$405 million	PDP Awardee: +3 points
Infill Infrastructure Grant (IIG)	Promoting affordable/ mixed- income infill housing by providing financial assistance for capital improvement	\$160 million	PDP Awardee: +5 points PDP Applicant: +2 points (if jurisdiction has passed at least 3 policies outlined in the grant)
Local Partnership Program (LPP)	Transportation improvements by local or regional transportation agencies	\$400 million	PDP status of jurisdictions served by project is an evaluation criterion
<b>Prohousing Initiative Pilot Program (PIP)</b>	<b>Accelerating the production and preservation of affordable housing</b>	<b>\$33 million</b>	<b>Only jurisdictions with prohousing designation are eligible for funding</b>
Solutions for Congested Corridors Program (SCCP)	Reducing congestion on highly travelled corridors	\$500 million	PDP status of the jurisdictions served by project is an "additional evaluation criterion"
Transformative Climate Communities (TCC)	Reducing greenhouse gas emissions in disadvantaged communities	\$99 million	PDP Awardee: +5 points PDP Applicant: Some points possible
Transit and Intercity Rail Capital Program (TIRCP)	Capital improvements to modernize public transit infrastructure	\$690 million	PDP status serves as secondary criterion that a funded project is supported by supplementary housing growth

## Exhibit 4: Summary of Criteria in Category 1 – Favorable Zoning and Land Use Criteria

Category 1: Favorable Zoning and Land Use			
Criterion	Description	Early Adopters	Points
1A	Sufficient sites to accommodate <b>150 percent or greater</b> of the current or draft RHNA, whichever is greater, by total or income category	4/10	3
1B	Permitting <b>missing middle housing</b> uses (e.g., duplexes, triplexes, and fourplexes) <b>by right</b> in existing low-density, single-family residential zones	4/10	3
1C	Sufficient sites to accommodate <b>125 to 149 percent or greater</b> of the current or draft RHNA, whichever is greater, by total or income category	2/10	2
1D	<b>Density bonus programs</b> which <b>exceed statutory requirements<sup>65</sup> by 10 percent or more</b>	2/10	2
1E	Increasing allowable density in low-density, residential areas beyond the requirements of state Accessory Dwelling Unit law <sup>66</sup> (e.g. <b>permitting more than one ADU or JADU</b> per single-family lot), separate from policies qualifying under Category 1B	2/10	2
1F	<b>Reducing or eliminating parking requirements</b> for residential development as authorized by state law, <sup>67</sup> adopting vehicular parking ratios that are less than the ratio specified by state law, <sup>68</sup> or adopting maximum parking requirements at or less than the ratio specified by state law <sup>69</sup>	7/10	2
1G	Zoning to allow for <b>residential or mixed uses in one or more non-residential zones</b> (e.g., commercial, light industrial). Qualifying non-residential zones do not include open space or substantially similar zones	10/10	1
1H	Modification of development standards and other applicable zoning provisions to promote greater development intensity. Potential areas of focus include <b>floor area ratio; height limits; minimum lot or unit sizes; setbacks; and allowable dwelling units per acre.</b>	9/10	1
1I	Establishment of a <b>Workforce Housing Opportunity Zone</b> or a <b>housing sustainability district<sup>70</sup></b>	0/10	1
1J	Demonstrating <b>other zoning and land use actions</b> that measurably support the acceleration of housing production	5/10	1

## Exhibit 5: Summary of Criteria in Category 2 – Acceleration of Housing Production Timeframes

Category 2: Acceleration of Housing Production Timeframes			
Criterion	Description	Early Adopters	Points
2A	Establishment of <b>ministerial approval processes</b> for a variety of housing types, including single-family and multifamily housing	7/10	3
2B	Establishment of <b>streamlined, program-level CEQA analysis</b> and certification of general plans, community plans, specific plans with accompanying Environmental Impact Reports (EIR), and related documents	9/10	2
2C	<b>Documented practice of streamlining housing development</b> at the project level, such as by enabling a by-right approval process or by utilizing statutory and categorical exemptions as authorized by applicable law <sup>71</sup>	6/10	2
2D	Establishment of permit processes that take <b>less than four months...</b> must address all approvals necessary to issue building permits	0/10	2
2E	<b>Absence or elimination of public hearings</b> for projects consistent with zoning and the general plan	6/10	2
2F	Establishment of <b>consolidated or streamlined permit processes</b> that minimize the levels of review and approval required for projects, and that are consistent with zoning regulations and the general plan	4/10	1
2G	Absence, elimination or replacement of subjective development and design standards with <b>objective development and design standards</b> that simplify zoning clearance and improve approval certainty and timing	8/10	1
2H	Establishment of <b>one-stop-shop permitting processes</b> or a single point of contact where entitlements are coordinated across city approval functions (e.g., planning, public works, building) from entitlement application to certificate of occupancy	8/10	1
2I	<b>Priority permit processing or reduced plan check times</b> for ADUs/JADUs, multifamily housing, or homes affordable to lower- or moderate-income households	6/10	1
2J	Establishment of a <b>standardized application form</b> for all entitlement applications	8/10	1
2K	Practice of publicly posting <b>status updates on project permit approvals</b> on the Internet	10/10	1
2L	<b>Limitation on the total number of hearings for any project to three or fewer</b>	0/10	1
2M	Demonstration of <b>other actions</b> , not listed above, that quantifiably decrease production timeframes or promote the streamlining of approval processes	3/10	1

## Exhibit 6: Summary of Criteria in Category 3 – Reduction of Construction and Development Costs

Category 3: Reduction of Construction and Development Costs			
Criterion	Description	Early Adopters	Points
3A	Waiver or significant reduction of development impact fees for residential development	7/10	3
3B	Adoption of ordinances or implementation of other mechanisms that result in less restrictive requirements than existing state law <sup>72</sup> to <b>reduce barriers for property owners to create ADUs/JADUs</b> . Examples of qualifying policies include, but are not limited to, <b>development standards improvements, permit processing improvements, dedicated ADU/JADU staff, technical assistance programs, and pre-approved ADU/JADU design packages</b>	7/10	2
3C	Adoption of other fee reduction strategies separate from Category 3A, including fee deferrals and reduced fees for housing for persons with special needs	3/10	1
3D	Promoting innovative housing types (e.g., manufactured homes, RVs) that reduce development costs	6/10	1
3E	Measures that <b>reduce costs for transportation-related infrastructure or programs that encourage active modes of transportation or other alternatives to automobiles</b> . Qualifying policies include, but are not limited to, publicly funded programs to <b>expand sidewalks or protect bike/micro-mobility lanes</b> ; creation of <b>on-street parking for bikes</b> ; <b>transit-related improvements</b> ; or <b>establishment of carshare programs</b>	7/10	1
3F	Adoption of universal design ordinances <sup>73</sup>	3/10	1
3G	Establishment of pre-approved or prototype plans for missing middle housing types (e.g., duplexes, triplexes, and fourplexes) in low-density, single-family residential areas	1/10	1
3H	Demonstration of <b>other actions</b> , not listed above, that quantifiably reduce construction or development costs	5/10	1

## Exhibit 7: Summary of Criteria in Category 4 – Providing Financial Subsidies

Category 4: Providing Financial Subsidies			
Criterion	Description	Early Adopters	Points
4A	Establishment of local housing trust funds or collaboration on a regional housing trust fund.	9/10	2
4B	Provide grants or low-interest loans for ADU/JADU construction affordable to lower- and moderate-income households	3/10	2
4C	A comprehensive program that complies with the Surplus Land Act <sup>74</sup> and that makes publicly owned land available for affordable housing, or for multifamily housing projects with the highest feasible percentage of units affordable to lower income households. A qualifying program may utilize mechanisms such as land donations, land sales with significant write-downs, or below-market land leases.	1/10	2
4D	Establishment of an Enhanced Infrastructure Financing District or similar local financing tool that, to the extent feasible, directly supports housing developments in an area where at least 20 percent of the residences will be affordable to lower-income households	1/10	2
4E	Directed residual redevelopment funds to affordable housing	6/10	1
4F	Development and regular (at least biennial) use of a housing subsidy pool, local or regional trust fund, or other similar funding source	5/10	1
4G	Prioritization of local general funds for affordable housing	2/10	1
4H	Demonstration of other actions, not listed above, that quantifiably promote, develop, or leverage financial resources for housing	8/10	1

## Exhibit 8: Summary of Policy Criteria in Bonus “Enhancement Factor” Category<sup>75</sup>

Enhancement Factors		
Criterion	Description	Points
EF1	Policy that represents one element of a unified, multi-faceted strategy to promote multiple planning objectives, such as efficient land use, access to public transportation, affordable housing, climate change solutions, and/or hazard mitigation	+2
EF2	Policies that promote development consistent with state planning priorities <sup>76</sup>	+1
EF3	Policies that diversify planning and target community and economic development investments (housing and non-housing) to improve lower opportunity areas. Such areas include, but are not limited to, “Low Resource” and “High Segregation & Poverty” areas designated in the most recently updated TCAC/HCD Opportunity Maps, <sup>77</sup> and “disadvantaged communities” <sup>78</sup>	+1
EF4	Policies that go beyond state law requirements in reducing displacement of lower income households and conserving existing housing stock that is affordable to lower income households	+1
EF5	Rezoning and other policies that support high-density development in Location Efficient Communities <sup>79</sup>	+1
EF6	Rezoning and other policies that result in a net gain of housing capacity while concurrently mitigating development impacts on or from Environmentally Sensitive or Hazardous Areas <sup>80</sup>	+1
EF7	Zoning policies that increase housing choices and affordability in “High Resource” and “Highest Resource” areas, as designated in the most recently updated TCAC/HCD Opportunity Maps	+1
EF8	Otherwise policies that involve meaningful actions toward affirmatively furthering fair housing, <sup>81</sup> including, but not limited to, outreach campaigns, updated zoning codes, and expanded access to financing support	+1

## ENDNOTES

1. California Gov't Code §65589.9.
2. See California Gov't Code §65583 and §65588. HCD allocates required housing units to regional Councils of Governments, which then allocate housing units to member jurisdictions. RHNA figures are divided into housing considered affordable for four income categories based on Area Median Income (AMI) categories established by the U.S. Department of Housing and Urban Development (HUD) and codified under state law: 1) Very Low (0 – 50 percent AMI), 2) Low (50 – 80 percent AMI), Moderate (80 – 120 percent AMI), Above Moderate (> 120 percent AMI).
3. California Gov't Code §65400.
4. As of November 2023, roughly two thirds of California jurisdictions had compliant Housing Elements and more than 95 percent submitted the required APR data in 2022. Since the launch of the PDP in July 2021, enforcement letters were sent by the HAU to 105 of California's 540 local jurisdictions; prior to the resolution of those cases, those jurisdictions would not have been eligible for the prohousing designation. This figure does not represent jurisdictions with housing accountability cases that remain open as of November 2023.
5. The baseline size of the award ranges from \$75,000 for jurisdictions with populations under 20,000 to \$4.5 million for jurisdictions with a population of 750,000 or greater. In addition to the base award, prohousing jurisdictions will receive \$10,000 for each point they received on their application, up to a possible maximum of \$500,000 for jurisdictions receiving 50 or more points.
6. Applications for the designation require a significant degree of supporting documentation beyond the application itself, including summary descriptions of policies, references to specific ordinances or planning documents that support the existence of these policies, timelines for the implementation of policies that have been proposed but not implemented, and references to specific local policy documents that support the jurisdiction's application.
7. Among jurisdictions that obtained the designation, the entire process ranged in duration from less than four months for the city of Fontana to more than fourteen months for Placer County.
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9. While eleven jurisdictions received the designation prior to March 2023, detailed scoring data are not available for the City of Los Angeles.
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28. In an extreme example of these permitting delays, the median applicant for a building permit in San Francisco currently waited almost two years (627 days) to receive a multifamily construction permit as of late 2022. See: Gardiner, D., & Neilson, S. (2022, December 14). 627 days, just for the permit: This data shows the staggering timeline to build homes in S.F. *San Francisco Chronicle*.
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35. Five different successful applicants attempted to obtain points in this category, with many citing internal policies to review permit applications within only a few weeks; however, these justifications were unanimously rejected by HCD due to insufficient evidence that the policies adopted by those jurisdictions actually succeeded in sufficiently reducing permit processing times. This criterion thus differed from most PDP criteria, in that it established a specific benchmark for the outcome—rather than the intent—of a specific policy.
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45. Residual redevelopment funds originate from over 400 Redevelopment Agencies (RDAs) that were dissolved by the state legislature in 2012. Property tax revenues from these former RDAs have been reallocated to pay off existing obligations (e.g. bonds), with the remainder allocated for discretionary use by local governments California Department of Finance. *Redevelopment Agency Dissolution*. Retrieved from: <https://dof.ca.gov/programs/redevelopment/>.
46. The Aggie Square EIFD centered around the Sacramento campus of UC Davis. EIFDs operate similarly to Tax Increment Financing (TIF) districts elsewhere in the country, using dedicated tax revenues to fund infrastructure improvements and housing.
47. Reid, C. (2020). “The Costs of Affordable Housing Production: Insights from California’s 9% Low-Income Housing Tax Credit Program.” Berkeley, CA: Turner Center for Housing Innovation.
48. These jurisdictions—the City of Sacramento, Fontana, and Placer County—received points for these inclusionary fee policies under the criterion allowing for miscellaneous development financing strategies not listed in other criteria (4H).
49. Inclusionary zoning refers to policies that require a certain percentage of units in new housing developments to rent at levels affordable to households with incomes below a certain percentage of the Area Median Income.



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59. AB 2234. (2022). <https://legiscan.com/CA/text/AB2234/id/2609187>.
60. AB 1486 (2019); California Gov't Code §54220.
61. AB 2295 (2022); California Gov't Code §65914.7.
62. For example, the “Tree City USA” designation program provides signage that can be posted at the outskirts of qualifying jurisdictions. See more: Arbor Day Foundation. “Tree City USA”. <https://www.arborday.org/programs/treecityusa/>.
63. Predictive development modeling tools include the recent dashboard created by the Turner Center to assess the impact of changing development standards in Los Angeles, as well as other tools as UrbanSim, Mapcraft, Deepblocks, Citybldr, and Penciller. While each of these tools has strengths and weaknesses, each can provide insight into the tangible impact of specific policy reforms. See more: Casey, A., et. al. “Modeling New Housing Supply in Los Angeles: Simulations from the Turner Housing Policy Dashboard.” Turner Center for Housing Innovation, UC Berkeley. Retrieved from: <https://turnercenter.berkeley.edu/research-and-policy/policy-dashboard-los-angeles/>.
64. No scoring data are available for San Diego County as of publication.



65. California Gov't Code §65915.
66. California Gov't Code §65852.2.
67. Ibid.
68. California Gov't Code §65915.
69. Ibid.
70. Interest in both programs has been minimal, with only one jurisdiction (the City and County of San Francisco) establishing a Housing Sustainability District and none establishing a Workforce Housing Opportunity Zone.
71. Pub. Resources Code, §§ 21155.1, 21155.4, 21159.24, 21159.25; Gov. Code, § 65457; Cal Code Regs., tit. 14, §§ 15303, 15332; Pub. Resources Code, §§ 21094.5, 21099, 21155.2, 21159.28.
72. California Gov't Code §65852.2 and §65852.22.
73. Cal. Health & Saf. Code § 17959.
74. California Gov't Code §54220.
75. Jurisdictions may claim policies under each criterion multiple times. The number of early adopters receiving points under each criterion is not currently available.
76. California Gov't Code §65041.1: a) promoting infill development and equity by rehabilitating, maintaining, and improving existing infrastructure that supports infill development, particularly in underserved areas, b) protecting environmental and agricultural resources c) ensuring that infrastructure associated with development does all of the following: 1) uses land efficiently, 2) is built adjacent to existing developed areas, 3) is located in an area appropriately planned for growth, 4) is served by adequate transportation and other essential utilities and services, and 5) minimizes ongoing costs to taxpayers.
77. California Tax Credit Allocation Committee. (2023). CTCAC/HCD Opportunity Area Maps. <https://www.treasurer.ca.gov/ctcac/opportunity.asp>.
78. Pursuant to California SB 535 (2012).
79. Cal. Code Regs. tit. 25 § 6601: “current or future residential dwellings that provide multiple transportation options and short commutes to daily destinations, significantly improve job and housing relationships, and/or mitigate impacts on or from Environmentally Sensitive or Hazardous Areas”.
80. Cal. Code Regs. tit. 25 § 6601: A) sensitive areas of a coastal zone, B) prime farmland, C) wetlands, D) area within very high fire hazard severity zone, E) hazardous waste sites, G) areas within special flood hazard zone subject to 100-year floods, H) areas within a regulatory floodway, I) lands identified for conservation, J) habitat for protected



species, K) lands under conservation easement, L) areas that are, feature, or contain tribal resources.

81. California Gov't Code §8899.50.



## ABOUT THE TERNER CENTER

The Turner Center formulates bold strategies to house families from all walks of life in vibrant, sustainable, and affordable homes and communities. Our focus is on generating constructive, practical strategies for public policy makers and innovative tools for private sector partners to achieve better results for families and communities.

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