

SBCAG STAFF REPORT

SUBJECT: Regional Early Action Planning Grants

MEETING DATE: January 20, 2022

AGENDA ITEM: 8

STAFF CONTACT: Michael Becker

RECOMMENDATION:

Receive a presentation on the Regional Early Action Planning Grants' program (REAP).

DISCUSSION:

AB 140 (2021) resulted in the creation of the second iteration of the Regional Early Action Planning Grants' program (REAP 2.0). A few key differences separate the two REAP programs, including the following.

- REAP 2.0 allows for both planning and capital projects.
- REAP 2.0 is funded with a total statewide amount of \$600 million compared to the first REAP's \$175 million.
- SBCAG is a designated recipient of REAP 2.0 funds. SBCAG worked through a coalition of Central Coast agencies for the first REAP program.

Following the passage of AB 140, SBCAG staff were engaged in the development of the resulting program. The stated intent of the program was to provide a source of discretionary funds that could be used to implement sustainable communities' strategies. The resulting framework paper released by HCD largely follows this, though states the program purpose as "...supporting transformative planning and implementation activities that include, but are not limited to, accelerating infill and affordable development; supporting residents through realizing multimodal communities; shifting travel behavior through reducing driving; and increasing transit ridership, walking, and biking as primary modes of transportation."

Key Statistics

- REAP 2.0 is funded by a mix of state and federal funds, for a total of \$600 million statewide. The SBCAG region will receive a formula share of \$5.84 million with the vast majority expected to be suballocated. An additional \$30 million will be available through a competitive statewide program.
- The application period extends through 2022. It is currently expected that regions will have identified all projects before submitting a combined application to HCD for review.
- All awarded funds must be encumbered by June 2024 and completely spent by June 2026. Final invoices will be due three months ahead of the June 2026 deadline. There will be no exceptions to the deadlines.
- There must be a mix of both planning and capital projects.
- Projects must have a strong nexus between accelerating infill housing, reducing VMT, advancing the region's SCS, and affirmatively furthering fair housing (AFFH). Please refer to HCD for more information on AFFH: [AFFH / Fair Housing \(ca.gov\)](https://www.hcd.ca.gov/fair-housing). Current understanding is the suite of the region's projects must meet all objectives.

- SBCAG will be required to develop performance metrics for analyzing proposed projects.
- SBCAG will be required to conduct a public process to set program priorities.

On November 23, 2021, HCD released the framework paper (Attachment A) for review. The framework paper is the first iteration of the program guidelines. Final guidelines are expected in February 2022.

Attachment A discusses eligible and ineligible activities (see pages 6 through 10). In short, projects are likely eligible if they contribute to infill housing production and/or reduce VMT. Ineligible projects are those that don't have the housing or VMT nexus or are a requirement of another law or regulation. For instance, the Air Resources Board already requires the transition to a zero-emission transit fleet and therefore the use of REAP funds to acquire zero-emission buses would not be eligible.

ATTACHMENT:

- A. Framework Paper (web posting only)