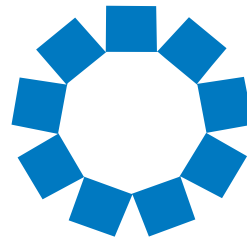


Regional Early Action Planning Grants (REAP)

Annual Report Template



**ASSOCIATION
OF BAY AREA
GOVERNMENTS**

<https://www.hcd.ca.gov/grants-funding/active-funding/reap.shtml>

April 2021

Instructions

The following form is to be used for satisfying the annual reporting requirements of Health and Safety Code section 50515.04. The annual report utilizing this form must be submitted to HCD by April 1 of the year following receipt of funds and annually thereafter until funds are expended.

Applicants must submit the annual report to HCD by email at

reap@hcd.ca.gov.

Applicants should utilize the following instructions in completing the forms.

Overall Context: This section will provide an overview of the project, including needs, challenges, limiting factors, opportunities and solutions unique to the region. The section should also discuss the overall approach, goals and high-level summary of the status of the program.

Project Highlights, Accomplishments and Best Practices: This section will generally discuss some highlights for the overall project from the last year and any accomplishments resulting from the efforts in implementing the program. This section may also list and explain some of the best practices occurring through the program. This section can highlight efforts at a regional, sub-regional or local level and can include a wide ranging variety of efforts that facilitate housing impacts such as engaging stakeholders, building support for housing, major progress in zoning amendments, subregional collaboration, technical assistance outcomes.

Status of Activities: This section will provide a description of each of the major activities in the applicant's program. For major activities, the applicant can consult Section C from the application. The section will provide a general description of the overall activities, highlighting challenges, opportunities and accomplishment and will complete the status table. Column 1 of the status table is entitled Activity Category. This column will be completed with the relevant activity category (i.e., identification of best practices, education and outreach, improved RHNA methodology, suballocation, technical assistance and administration costs). Column 2 will include a brief description of the activity. Columns 3 and 4 will report the amount of money allocated to each activity and how much has been expended per activities as of the end of the calendar year. Column 5 will describe the overall timing of the project with beginning and anticipated completion dates. Column 6 will include a general status (i.e.,



not yet started, in progress, complete) and anticipated upcoming milestones. Column 7 will qualitatively and quantitatively, where possible, describe the regional impact on housing as a result of the activity.

Summary of Housing Production Indicators: This section will give an overview of housing production indicators and a summary of building permits, certificates of occupancy, or other completed entitlements issued by entities within the region or by the jurisdiction, as applicable. Applicants may use the Annual Progress Reports published the previous year to provide the total number of new units for the region. Self-reported data by cities and counties is available on HCD's [Housing Element and Implementation and APR Data Dashboard](#) (note: HCD cannot independently verify most project-level data). HCD recognizes REAP funds may not begin to impact housing production completed in 2019 and 2020, but that these numbers may be used as a baseline or context for indicating housing production at a regional scale. Baseline year will be the 2019 calendar year and current year will be the prior year annual progress report. Applicants may add other indicators of housing production and numerical outcomes and may also discuss any anticipated changes and limiting or confounding factors potentially impacting the effectiveness of the activities.

Additional Information: The applicant may add any applicable information as necessary to demonstrate the status and impacts of the overall program.



Association of Bay Area Governments “ABAG”

Overall Context:

REAP has been an incredible catalyst for ABAG to build a strong infrastructure for the delivery of regional technical assistance supporting excellence in local housing planning.

Bay Area Planning Directors and elected officials from ABAG’s 109 local jurisdictions were deeply engaged in ABAG’s REAP program design. ABAG staff attended 25+ meetings with Planning Directors and local staff, solicited input at two General Assemblies from all ABAG members and engaged the League of Cities and other outside stakeholders. The input collected from this comprehensive outreach strategy was done before adopting a framework for the REAP program and informed its four pillars:

- 1) **A collaborative, cohort and workgroup-based approach** to facilitate knowledge sharing on policies and best practices, site analysis and strategies, etc.
- 2) **A regional consultant pool** to achieve economies of scale, reduce administrative burden on local staff and allow for flexibility to craft locally appropriate policies and programs.
- 3) **Regional coordination with HCD** to leverage State-delivered TA to focus REAP funding on regionally appropriate tasks such as establishing “safe harbors” for local jurisdictions by having HCD pre-review regional data products.
- 4) **Housing leadership development & community engagement** to develop research-based messaging, train local staff in diverse and inclusive methods for gathering public input online and in non-traditional settings outside of formal public meetings.

ABAG’s Executive Board unanimously approved a REAP program budget that balanced the need to properly resource regional TA delivery (\$13M) and to provide additional funding to local jurisdictions (\$10.9M). The funding to local jurisdictions will supplement their SB2 and LEAP funding to support the creation of compliant Housing Elements under the strain of COVID-19 on local budgets.



Project Highlights, Best Practices and Recent and Anticipated Achievements:

Support for RHNA Housing Methodology Committee (“HMC”): The HMC was a key part of ABAG's approach to creating the RHNA allocation methodology. Through the HMC, ABAG's staff sought to facilitate dialogue and information sharing in order to enable coordinated action to address the Bay Area's housing challenges. The role of the HMC was to advise ABAG staff on developing a RHNA methodology for the 2023 to 2031 RHNA cycle. This would result in allocations that meet the statutory requirements and are consistent with the forecasted development pattern included in Plan Bay Area 2050. The HMC was comprised of elected officials and staff from each Bay Area County, plus 16 regional stakeholders representing diverse perspectives, from equity and open space to public health and public transit. REAP provided funding for CBO support on RHNA community engagement and to hire professional meeting facilitators for HMC.

Regional Data Tools: REAP also provided term-limited staff to support MTC's existing Data Visualization Team in the creation of three innovative regional data tools.

- 1) The [Online Visualization Tool for Exploring RHNA Methodology Options and Allocation Outcomes](#) allowed members of the HMC to adjust various factors under consideration for use in the RHNA methodology in real time to see how adjustments would affect the distribution of units at all income units throughout the Bay Area.
- 2) The [Housing Element Site Selection “HESS” Online Tool](#) identifies potential sites in all local Bay Area jurisdictions for Housing Element site inventories and flags those that will likely require rezoning to be used under new state laws. It leverages a variety of datasets to allow planners to visualize sites in the context of PDAs, transit-rich areas, environmentally sensitive areas and much more to assist them in locating housing. Presently this tool screens sites based on HCD's minimum zoning and density requirements and will automatically populate sections of HCD's new reporting form saving countless hours of data entry. The tool will be further enhanced this year with data related to affirmatively furthering fair housing (AFFH).
- 3) **Staff also engaged in a rigorous compilation of over 60 data points for each of the 109 Bay Area jurisdictions** into editable Excel spreadsheets with tables, graphics, and editable Word documents containing narratives that may serve as a starting point for local planners to begin drafting the Housing Needs section of their Housing Elements.

These data tools have been estimated to save each local jurisdiction at least \$30,000 and will also save HCD time and money in reviewing Bay Area housing elements because HCD is pre-reviewing the HESS tool for compliance with state laws and has approved the housing needs data packets.



AFFH: ABAG has formally adopted an [Equity Platform](#) to guide all of its work and REAP funds are supporting the participation in [STIR Labs](#), a program that matches governments with academics to research historically discriminatory land use policies. With the academic team at UC Merced, ABAG will study historical land use policies that created the initial patterns of racial segregation, such as redlining maps and racially restrictive covenants on housing, that lead to long-term exclusion from opportunity and the creation of racially and ethnically concentrated areas of poverty. ABAG also hopes to understand how best to use the Tax Credit Allocation Committee (TCAC) Opportunity Maps to assess a community's fair housing issues. The insights gained will be shared regionally through Subregional Planning Collaboratives.

Regional Support for Outreach and Education: ABAG has allocated \$2M in REAP funding to provide robust support for local planners as they engage their communities around the housing element and related implementation. Regional support is still being scoped, but will include research-based messaging guidance and training in engagement outside of traditional public meetings. Engagement outside of traditional public meetings will include online engagement, lists of non-English speaking media outlets, some translation services and on-call consulting to help craft effective outreach.

Subregional Planning Collaboratives: \$4.68M of REAP funding has been suballocated to Bay Area counties to support Planning Collaboratives. The Collaboratives are based on the APA award-winning "[21 Elements](#)" model where 20 cities and San Mateo County have pooled their resources for over a decade to jointly hire a technical assistance provider to support the development of compliant housing elements and to act as adjunct staff on a wide range of housing policy and planning issues. This model achieves economies of scale by allowing jurisdictions to draw on jointly produced templates for staff reports, graphics, and presentation templates that may be customized to address local priorities. This will help member jurisdictions save time on independent research. The Collaboratives provide a structured forum for peer-to-peer learning and sharing of best practices and lessons learned that is particularly valuable to smaller jurisdictions with limited staff. The Collaboratives also provide unique training opportunities to early-career planners. Additionally, ABAG will be facilitating Peer Cohorts for jurisdictions across the region that share similar planning challenges such as agricultural towns that need to plan for farm labor housing or areas facing high risk of wildfire or sea level rise. ABAG will also be launching a number of shorter-term subject matter workgroups designed to assist interested jurisdictions in the implementation of pro-housing policies such as zoning for missing middle housing or updating their ADU ordinances.

Additional Local Suballocations: ABAG will provide three additional suballocation tranches of REAP funding to local jurisdictions designed to reach different policy goals.



- 1) **\$2.18M Non-Competitive Initial Minimum Allocation:** In order to ensure that all Bay Area jurisdictions participate regardless of their size, ABAG's Executive Board has approved the suballocation of a minimum of \$20,000 to each of its 109 local jurisdictions.
- 2) **\$3M Non-Competitive Supplemental RHNA-Based Allocation:** In order to provide additional support for Bay Area jurisdictions that receive a larger share of RHNA units, ABAG's Executive Board has approved a formula-based suballocation where all jurisdictions that received at least 1,000 RHNA units in the Draft Methodology will share pro-rata based on the number of units.
- 3) **\$1M Competitive Allocation:** In order to incentivize Bay Area jurisdictions to further ABAG's regional housing strategies, ABAG's Executive Board has approved a competitive pool for allocations up to \$100,000.

Leveraging Transportation Funding & Streamlining Applications: ABAG and MTC share one consolidated staff that created a joint simplified call for Letter of Interest "LOIs" for all of the REAP suballocations discussed above and for federal transportation funding through the existing [PDA Grant Program](#). We received Letters of Interest from 100% of our Bay Area jurisdictions that are currently being evaluated. This joint process has allowed ABAG staff unprecedented visibility into the full spectrum of local priorities for transportation and housing planning. Both funding sources were oversubscribed 6 to 1, but this joint review process has allowed staff to identify common requests for support that will be delivered more economically at a regional level using REAP funding.

Regional Planning Consulting Bench: A plethora of new state laws that affect the 6th Cycle Housing Elements has created a high demand for consultants across the state resulting in many small jurisdictions being unable to attract bidders for their RFPs. Additionally, the procurement process itself can be burdensome on local staff that is thinly stretched. Accordingly, ABAG has issued an [RFQ for a Regional Planning Consulting Bench](#) that includes 11 service categories including housing policy, comprehensive planning, resilience, transportation, legal counsel and more. We have received 94 responses that are currently being reviewed. The RFQ contains a Cooperative Use Clause that allows all 109 Bay Area jurisdictions to directly hire off this bench if their local procurement rules allow. Additionally, ABAG will allow Bay Area jurisdictions to elect to leave their REAP suballocations or PDA grants on deposit with ABAG/MTC. This will allow jurisdictions to retain consultants from the bench to perform scopes of work on their behalf while ABAG/MTC handles the contracting and invoicing. The bench will provide opportunities to streamline the deployment of not only REAP, but also SB2 and LEAP funds.



Business Plan for the Bay Area Housing Finance Authority “BAHFA”: AB 1487 created BAHFA and granted it unprecedented powers to raise funding for housing finance to support the “three P’s” of housing: production, preservation and protection. However, it did not provide any direct funding. BAHFA intended to place a general obligation bond on the November 2020 ballot to raise \$10 billion but did not proceed given the onset of the pandemic. BAHFA has raised \$100,000 in private donations that will be leveraged with \$400,000 in REAP funding for the purpose of hiring a consulting team that will create a comprehensive business plan for BAHFA to be able to nimbly deploy capital when it is able to go to the ballot for funding. Consultants will be selected through an [RFP](#) process.

Status of Activities:

The key provided here below outlines eligible activities from the 25% application. Funding from the 75% application has not yet been pulled down, therefore there are no updates for those activities.

Activity Categories for 25% application

- Eligible Activity 1 - An allocation budget for the funds provided pursuant to this section.
- Eligible Activity 2 - The amounts retained by the council of governments, regional entity, or county, and any suballocations to jurisdictions.
- Eligible Activity 3 - An explanation of how proposed uses will increase housing planning and facilitate local housing production.
- Eligible Activity 4 - Identification of current best practices at the regional and statewide level that promote sufficient supply of housing affordable to all income levels, and a strategy for increasing adoption of these practices at the regional level, where viable.
- Eligible Activity 5 - An education and outreach strategy to inform local agencies of the need and benefits of taking early action related to the sixth cycle regional housing need allocation.

Activity Category	General Description	Amount Allocated	Amount Expended	Timing	Status	Regional Impact on Housing
25% application activities update						
3, 4	Provide consulting services for a Business Plan for an expanded regional housing portfolio. This would leverage \$100,000 in private donations pledged by Bay Area Housing For All.	\$400,000		Funds encumbered in FY 2020-2021, with ongoing project management activities through FY 2023.	In progress. RFP to select consultants closes on April 15 th .	This business plan will allow BAHFA to nimbly deploy billions in future revenue from future regional ballot measure(s) to support production,



						preservation and protections.
3, 4, 5	Provide staffing and consultant support over three years for RHNA process, improved allocation methodology, enhanced engagement with local government officials, and enhanced partnerships with Community Based Organizations for public outreach	\$1,950,000	All staff costs: \$655,525.93 Consultant costs: \$67,010.37 Total: \$722,536.30	Funds encumbered in FY 2019-2020 and FY 2020-21, with ongoing project management activities through FY 2023.	In progress. Available balance on consultant contracts issued: \$63,489.63.	Providing REAP-funded data, legal and outreach support to the Housing Methodology Committee has resulted in a Draft RHNA Methodology that engaged a wide spectrum of stakeholders in thoughtfully allocating units throughout the Bay Area.
3, 4, 5	Provide consulting assistance/grants to counties and/or local jurisdictions to support RHNA subregions or activities planning collaboratives.	\$500,000		Funds encumbered in FY 2020-2021, with ongoing project management activities through FY 2023.	In progress. 100% allocated with pending grant agreements. Additional sources of funding totaling \$4.2M from 75% HCD application will supplement this \$500,000.	Creating the infrastructure for regional collaboration and peer-to-peer learning opportunities has been shown to be very effective at the county level in ensuring compliance with state housing laws and in implementing pro-housing policies and programs. REAP has enabled ABAG to scale up this model on the regional scale creating economies of scale that allow local jurisdictions to focus their funding on local housing policies and programs.
3, 4, 5	Provide staffing and consultant support over three years to assist jurisdictions with Housing Element updates, including policy research, emerging practices, and site inventory analysis.	\$600,000	\$182,560.59	Funds encumbered in FY 2020-2021, with ongoing project management activities through FY 2023.	In progress. Available balance on consultant contracts issued: \$43,439.41. Additional pending contract amount is \$170,336.	Enabled ABAG to create Bay Area wide REAP program design with the input of various stakeholders from all 109 jurisdictions to support the creation and implementation of housing elements that will further



						regional and statewide housing priorities.
3, 4, 5	Provide grants to counties and/or local jurisdictions to support development of compliant Housing Elements and community engagement strategies related to housing production, preservation, and protection.	\$2,450,000		Funds encumbered in FY 2020-2021, with ongoing project management activities through FY 2023.	In progress. \$2.18M allocated with pending grant agreements. Additional sources of funding totaling \$4M from 75% HCD application will supplement this \$2,450,000.	These suballocations are geographically disbursed to allow 100% of jurisdictions in the Bay Area to supplement SB2, LEAP and local funding for housing planning. It will also provide higher funding levels in jurisdictions with the highest RHNA allocations and includes a competitive funding pool to encourage locals to implement regional priorities.

Summary of Indicators of Housing Production:

Housing Production Indicator	Baseline Year (2019) HCD post-submission corrections	Current Year (2020)	Cumulative Change	Notes HCD post-submission corrections
Building Permits	19,865 26,760	Not available until July 2021	Not available until July 2021	Current Year (2020): 21,965 Cumulative Change: - 4,795
Certificates of Occupancy	13,884 16,908	Not available until July 2021	Not available until July 2021	Current Year (2020): 22,100 Cumulative Change: + 8,216
Completed Entitlements	31,889 33,956	Not available until July 2021	Not available until July 2021	Current Year (2020): 34,207 Cumulative Change: +251
Other				



Additional Information:

ABAG has designed its REAP program to establish a strong infrastructure to deliver world class technical assistance support to Bay Area jurisdictions as they draft their 6th Cycle Housing Elements. However, the adoption of compliant housing elements is just the first step in addressing the vast housing needs of our communities. The best plans will not reach their full potential unless they can be implemented.

Unfortunately, REAP funding must be spent by the end of 2023 and without additional funding, there will be a precipitous drop in regional capacity to deliver technical assistance just when it is needed to catalyze implementation of the policies and programs contained in the newly minted housing elements.

