

Regional Early Action Planning Grants (REAP)

Annual Report



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

March 2021

AMBAG 2020 REAP REPORT

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Overall Context:

Background:

In September 2019, the adopted FY 2019-20 California Budget (AB 74) and associated housing trailer bill (AB 101) established the Local Government Planning Support Grants Program and directed the California Central Coast to create a multiagency working group to oversee implementation of a portion of this program. The CCHWG was formed in late 2019 to oversee the implementation of the Central Coast's REAP program to provide the Central Coast region with one-time funding, including grants for planning activities, to enable jurisdictions to meet the 6th Cycle of the Regional Housing Needs Assessment (RHNA). Approximately \$7,931,311 was allocated to the Central Coast region under this program. The Central Coast is delineated by the boundaries of the Association of Monterey Bay Area Governments (AMBAG), Council of San Benito County Governments (SBtCOG), San Luis Obispo Council of Governments (SLOCOG), and the Santa Barbara County Association of Governments (SBCAG) and includes the jurisdictions within.

Between August and November 2019, AMBAG, SBtCOG, SLOCOG, and SBCAG coordinated with County Boards of Supervisors and County-based Cities Selection Committees throughout the Central Coast to establish the CCHWG. As required by AB 101, the Working Group is comprised of one supervisor from each county, and two city members from each county selected by county based Cities Selection Committees. The city members represent one smaller and one larger city in each county. Once the working group has been formed, the law requires that each city and county in the Central Coast region must be notified of its formation and purpose.

In December 2019, AMBAG, SLOCOG, SBtCOG, and SBCAG distributed a notice of formation for the CCHWG to all cities and counties throughout the Central Coast region in compliance with this notification requirement.

Overall Context in 2020:

In April, 2020, the Central Coast Housing Working Group (CCHWG) approved an approach to allocate \$7,931,311 in Central Coast REAP funding fairly and equitably to the Association of Monterey Bay Area Governments (AMBAG), San Benito County Council of Governments (SBtCOG), San Luis Obispo Council of Governments (SLOCOG), and the Santa Barbara County Association of Governments (SBCAG). In conformance with the approved approach, the Boards of AMBAG, SLOCOG, SBtCOG and SBCAG approved further suballocating funding to their member city and county jurisdictions, and approved using a portion of funding to improve and implement COG Regional Housing Needs Allocation (RHNA) processes as applicable.

The goals of the suballocation program were the same as the general REAP program: For technical assistance, preparation, and adoption of planning documents and process improvements to accelerate housing production and facilitate compliance to implement the sixth cycle of the regional housing needs allocation. All projects are required to meet at least one eligibility criteria from the following list:

- Accommodating development of housing and infrastructure that accelerates housing production that aligns with state planning priorities, housing, transportation, equity, and climate goals
- Implementing sustainable communities strategies related to housing planning and accelerating housing production
- Establishing Prohousing Policies pursuant to Government Code section 65589.9
- Providing technical assistance in improving housing permitting processes, tracking systems, and planning tools
- Establishing regional or countywide housing trust funds for affordable housing (e.g. planning activities and processes, guidelines, charters)
- Performing infrastructure planning, including sewers, water systems, transit, roads, or other public facilities necessary to support new housing and new residents
- Performing feasibility studies to determine the most efficient locations to site housing consistent with Government Code sections 65040.1 (State Planning Priorities) and 65080 (Regional Transportation Plans)
- Covering the costs of temporary staffing or consultant needs associated with eligible activities
- Covering the cost of technical assistance, planning, temporary staffing, or consultant needs associated with updating local planning and zoning documents, expediting application processing, and other actions to accelerate additional housing production
- Reimbursing the cost of approved and eligible costs incurred for work after October 1, 2019

On June 10, 2020, AMBAG's Board approved the FY 20-21 Monterey Bay Region Overall Work Program (OWP) and Budget with a budget item for the full Central Coast amount of \$7,931,311 in REAP funds. This allows AMBAG to accept and administer this funding for the Central Coast as CCHWG designated fiscal agent for the Central Coast REAP grant.

On July 8, 2020, a Standard Agreement between AMBAG and the California Department of Housing and Community Development (HCD) was fully executed, allowing HCD to proceed with disbursing \$3,982,828 to AMBAG for suballocating to COGs and jurisdictions throughout the Central Coast according to CCHWG and COG approved approaches.

In July 2020, the AMBAG, SLOCOG, and SBCAG sent REAP suballocation applications to their member jurisdictions. Each suballocation application required the suballocation recipient to document the scope, schedule, and budget of REAP fund use, certify that funds will be used in conformance with their state approved uses, and required an executed Memorandum of Understanding (MOU) with AMBAG before a Notice to Proceed was issued. The suballocations operate on a spend and reimburse basis, and suballocation recipient jurisdictions must submit quarterly invoicing and reporting to AMBAG in order to receive reimbursement for their REAP funded housing planning projects. Activities are monitored by AMBAG to assure all REAP spending goes toward eligible uses.

On August 4, 2020, AMBAG received \$3,982,828 from HCD. The remaining funding obligated for the Central Coast REAP program will be provided by HCD at a later date. Between August and December 2020 AMBAG entered into MOUs with COGs and jurisdictions who submitted complete and eligible suballocation applications to AMBAG in 2020. This includes the following jurisdictions:

- AMBAG: AMBAG, Del Rey Oaks, Gonzales, King City, Marina, Pacific Grove, Sand City, Seaside, Watsonville
- SBCAG: SBCAG, Bulleton, Goleta, Lompoc
- SLOCOG: SLOCOG

The types of projects with approved suballocation applications include Updates to 6th Cycle RHNA processes for COGs; housing element updates, housing related components of general plan updates, land use policy, and zoning code updates related to accelerating housing production; ADU policy updates to accelerate housing production for this type of housing product and; specific plans and associated EIRs to expedite housing production.

One key opportunity is that REAP funding has been able to provide much needed funding to implement unfunded housing mandates and come into compliance with new housing laws designed to implement planning policies which accelerate housing production. The rural, suburban, and semi-urban nature of our region means that most jurisdictions have not had the financial resources to implement unfunded housing mandates and compliance with housing laws until REAP funding was made available.

Project Highlights, Best Practices and Recent and Anticipated Achievements:

In November 2020, AMBAG completed the California Central Coast Housing Best Practices Toolkit which was targeted at housing best practice strategies for the Central Coast megaregion. This toolkit defines itself from other toolkits by focusing on housing strategies applicable to the rural, suburban, and semi-urban nature of the Central Coast. The purpose of this study was to provide a technical assistance resource to REAP applicants to both assist in REAP suballocation project scoping for each jurisdiction in the megaregion, but to also act as a resource for implementation of housing planning projects. This toolkit was composed through subregional coordination with SLOCOG, SBtCOG, SBCAG and AMBAG contributing.

In addition to this, AMBAG provided technical assistance to all suballocation applicants in scoping, scheduling, budgeting, and application review for REAP suballocation applicants.

AMBAG expects that all jurisdictions in the Central Coast will have notices to proceed with their REAP suballocations by the end of 2021.

Status of Activities:

Activity Category	General Description	Amount Allocated	Amount Expended	Timing	Status	Regional Impact on Housing
1 – ID of Best Practices, 2 – Education and outreach 5 – Technical Assistance	Finalized a Central Coast Housing Best Practices Study and distributed to megaregional jurisdictions. Preparing a study on the need and benefits of taking early action related to the sixth cycle regional housing need allocation for the Central Coast megaregion. Preparing a study on the barriers to housing development in the Central Coast.	\$40,000.00	\$17,387.09		In progress, expected completion in 2021.	Deliverables will assist cities and counties in the Central Coast by providing template strategies and approaches to improve the housing production framework and implement planning projects to help accelerate housing production.
3 – Improved methodology for 6 th Cycle RHNA	Improving methodology for distribution of 6 th Cycle RHNA	\$280,000.00	\$127,730.05		In progress	COG updates to RHNA 6 th cycle methodologies.
4 – Suballocating funds	Suballocating money to jurisdiction and megaregional COGs to accelerate housing production. Includes	\$7,393,392.00	\$162,608.83		In progress	Suballocations will go to every city and county in the Central Coast to help fund housing element updates to conform

	tasks for improved 6 th cycle methodology.					to 6 th cycle RHNA and bring policies into conformance with new state housing laws. Planning projects will accelerate housing production.
6 – Administering the REAP grant	Administering the REAP grant program	\$217,939.00	\$84,993.42		In progress	AMBAG expenses in administering the REAP program for the Central Coast megaregion.

Summary of Indicators of Housing Production:

HCD post-submission corrections

Housing Production Indicator	Baseline Year 2019	Current Year 2020	Cumulative Change	Notes
Building Permits	Appx. 3625 813	TBD 1,054	N/A +241	2020 APRs for all jurisdictions not available at time of reporting.
Certificates of Occupancy	Appx. 2938 780	TBD 918	N/A +138	2020 APRs for all jurisdictions not available at time of reporting.
Completed Entitlements	Appx. 1842 711	TBD 451	N/A -260	2020 APRs for all jurisdictions not available at time of reporting.
Other				
Other				
Other				

Additional Information: