

Regional Early Action Planning Grants (REAP)

Annual Report Template



[REAP Program Webpage](#)

March 2021

REAP Grant Annual Report - 2022

AMBAG 2021 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 2020 and December 2021 AMBAG entered into MOUs with all COGs and jurisdictions who submitted complete and eligible suballocation applications to AMBAG. This includes the following jurisdictions and agencies:

- AMBAG: AMBAG, Monterey County, Carmel, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, Soledad, Santa Cruz County, Capitola, Santa Cruz, Scotts Valley, Watsonville
- SBCAG: SBCAG, Vultureton, Carpinteria, Goleta, Guadalupe, Lompoc, Santa Barbara, Santa Maria, Solvang, Santa Barbara County
- SLOCOG: SLOCOG, Atascadero, Arroyo Grande, Paso Robles, Grover Beach, Morro Bay, Pismo Beach, San Luis Obispo, San Luis Obispo County
- SBtCOG: SBtCOG, Hollister, San Juan Bautista, San Benito County

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:

REAP funding has been key to providing much needed funding to implement unfunded housing mandates and help jurisdictions 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.

The majority of projects among our City and County REAP recipients revolve around three themes: (1) General plan and/or Housing Element updates to bring jurisdictions into compliance with RHNA and new state housing laws, (2) environmental review of general plans to accelerate housing production, and (3) rezoning or upzoning to allow for additional housing. Project among COG REAP recipients in the Central Coast region involved two types of projects: (1) tasks related to the COG RHNA processes, and (2) Implementation of RHNA Plans. Other projects include objective design standards, specific planning, permit streamlining, annexations for additional housing capacity, and updated ADU policies. From January 1 to December 31, 2021, jurisdictions in the Central Coast megaregion have spent \$1,614,056 in REAP funds on these projects.

COGs have made significant progress on REAP projects in 2021. SBCAG completed their RHNA process and RHNA plan. AMBAG and SBtCOG completed RHNA consultation, received the RHND, and reached the final phase of completing the methodology portion of the RHNA. AMBAG and SBtCOG expect to complete the final RHNA Plan in 2022. While SLOCOG completed their RHNA before REAP funds were received, the agency used REAP funds to coordinate meetings of it's regional Housing Action Committee to facilitate discussions between their jurisdictions on how to best implement their RHNA. They have also used funding to fund studies on how to facilitate new housing.

Cities and counties continue to make early progress on projects, and as yet do not have significant deliverables to report. Most jurisdictions have started spending, and in general are in the early phases of their projects, either procuring consultants, doing public outreach, or working on the early stages of their plans in cooperation with consultants. In the case of AMBAG and SBtCOG, many jurisdictions are waiting for the final RHNA Plan before starting on their housing element or general plan update projects that are funded by REAP.

Status of Activities:

[Insert information on Status of Activities]

While the Central Coast Housing Best Practices Study was completed in 2020, in 2021 two other studies were completed to provide resources and guidance for accelerating housing production in the Central Coast area: a study on the importance of taking early action on housing in the 6th cycle of RHNA, and a study on the barriers to housing development in the Central Coast and approaches to overcome them. Spending on sub-allocations to cities and counties in the area was approximately \$1.6M in 2021, a significant increase in spending over last quarters \$162K in spending for this task. AMBAG also made significant progress in improving the methodology for distribution of 6th cycle RHNA, executing the methodology process, nearly finalizing the methodology during 2021. In early 2022 the methodology is expected to be completed and the RHNA plan is expected to be completed in mid 2022.

[Insert data in the following table regarding Status of Activities]

Activity Category	General Description	Amount Allocated	Amount Expended 2021	Timing	Status	Regional Impact on Housing
1 – ID of Best Practices, 2 – Education and outreach 5 – Technical Assistance	Finalized the Central Coast Housing Best Practices Study, a study on the need and benefits of taking early action related to the sixth cycle regional housing need allocation, and a study on the barriers to housing development in the Central Coast. Distributed studies to megaregional jurisdictions.	\$40,000.00	\$40,000.00	Completed 6/2021	Complete	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	\$215,111.77	Est. Complete 6/2022	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 tasks for improved 6 th cycle methodology.	\$7,393,392.00	\$1,752,325.73	Est. Complete 8/2023	In progress	Suballocations will go to every city and county in the Central Coast to help fund housing element updates to conform to 6 th cycle

						RHNA and bring policies into conformance with new state housing laws. Planning projects will accelerate housing production.
5 – Technical assistance	Technical assistance	N/A	N/A	N/A	N/A	N/A
6 – Administering the REAP grant	Administering the REAP grant program	\$217,939.00	\$109,332.18	Est. Complete 8/2023	In progress	AMBAG expenses in administering the REAP program for the Central Coast megaregion.

Summary of Indicators of Housing Production:

Projects have not had time to impact housing permits, occupancy, or entitlements in a significant way.

[Insert data in the following table regarding Summary of Indicators of Housing Production]

HCD post-submission corrections

Housing Production Indicator	Baseline Year 2019	Year 2020 2021	Cumulative Change	Notes
Building Permits	Appx. 3625 813	Appx. 3069 1,518	N/A +705	2021 APRs for all jurisdictions not available at time or reporting.
Certificates of Occupancy	Appx. 2938 780	Appx. 3069 632	N/A -148	2021 APRs for all jurisdictions not available at time or reporting.
Completed Entitlements	Appx. 1842 711	Appx. 3069 932	N/A +121	2021 APRs for all jurisdictions not available at time or reporting.