

Regional Early Action Planning Grants (REAP)

Annual Report Template



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

March 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.

Sacramento Area Council of Governments

Overall Context:

Housing development in the six-county SACOG region has struggled to keep up with demand. This region has not built nearly enough multifamily housing products, and in particularly multi-family in infill areas. These products, which include everything from small scale “missing middle” housing like fourplexes to larger apartment buildings, tend to be more affordable because they have smaller unit sizes and use less land per unit. The region will need to build more housing to provide lower-income households as well as to reduce racial inequality and residential segregation. The SACOG region’s housing gaps include how much housing is built overall, what type, where it is built, and who can afford it.

- **How Much?** Current housing production is only about half as much as we need. SACOG currently adopted MTP/SCS assumes almost 11,000 a year are needed to keep up with the demand of the next 20 years. In the last 10 years, the average production has been about 5,500 annually.
- **What Type?** Current housing production shows that our region isn’t building nearly enough multi-family housing. The MTP/SCS forecasts that 74% of our future home production should be in attached or single-family small-lot housing, with the majority needed in attached housing types. In the last 10 years, only 19% of the housing built has been attached, 30% has been small-lot single-family and 51% is in traditional large-lot single-family homes.
- **Where?** Critical to achieving our housing goals, as well as our transportation and air quality goals is maintaining a balance of infill and greenfield housing. Our region has several specific plans and master plans for future greenfield development. Phasing the development of these over time and maintaining infill development is a challenge. The MTP/SCS assumes that even as these greenfields begin to develop over the next 20 years, that we maintain at least 64% of the new housing production in infill areas.
- **Who?** Currently housing is not affordable to most in our region, but people of color are particularly impacted. On average in our region, more than 50% of Black residents are paying more than 30% of their income on housing and 44% of Hispanic residents, 36% of Asian residents, and 34% of white residents are paying more than 30% of their

incomes towards housing costs. More production overall, especially in higher opportunity neighborhoods, and with a focus on higher-densities and attached housing will help reduce the housing cost burdens we are seeing today.

SACOG's REAP Program goals are consistent with the state's goals for REAP to increase and/or accelerate housing and we have added an emphasis on supporting more infill housing and more housing product variety given the challenges outlined above.

SACOG requested and was granted by HCD early access to 25% of the \$6,762,880 REAP 1 grant, and it is available to SACOG in early 2020. Of this amount, \$1,690,720, the SACOG board approved in March 2020 to be spent on continuing projects that are consistent with the REAP program goals. Here is how SACOG will utilize the first 25% of the REAP grant:

\$500,000 to \$600,000 for Civic Lab Commercial Corridor Focus Teams - In 2019, SACOG launched our second year of Civic Lab, which was focused on the revitalization of aging commercial corridors and main streets throughout the region. Several teams identified housing-related projects that qualify for REAP funds. This sub-allocation provides funding to implement projects that qualify under REAP and relate to a team's Civic Lab project work. The SACOG board approved awards in late 2020.

\$1,000,000 for Housing Element Updates - Throughout 2020 and parts of 2021, staff will work with state and local agencies on the Cycle 6 Regional Housing Needs Allocation. In March 2020, the SACOG board adopted the final 2021-2029 Regional Housing Needs Plan. To support local agencies implementing the Regional Housing Needs Plan and achieve compliance with increased state requirements for Housing Elements, this sub-allocation will award between \$10,000 and \$200,000 to each jurisdiction to help pay for Housing Element updates. Grant amounts will be based on the jurisdiction's share of units in the Regional Housing Needs Plan.

Residual funding will be used for administrative costs of managing the grant by SACOG staff.

For the remaining 75% of the REAP 1 grant, or \$4,928,380, the SACOG Board approved at its June, 2020 meeting the allocation of funds for the following activities (fund amounts subject to later changes by the SACOG). Below is a high-level summary of SACOG's remaining REAP Program.

\$2,825,000 for Non-Competitive Grants - The majority of our REAP funding will provide grant funds to each of SACOG's 28 member jurisdictions for housing planning that has a nexus to increased or accelerated housing production. Grant award amounts are formula based on the jurisdiction's share of units in the Regional Housing Needs Plan. Award amounts are between \$40,000 and \$600,000.

\$1,727,000 for Competitive Grants - To support SACOG's upcoming Green Means Go (*REAP 2.0") effort, a portion of REAP funds are being used to pilot a competitive, place-based grant program. The purpose of the competitive grants is to support housing planning aligned with the MTP/SCS within what we are calling "Green Zones." These green zones, which underpin the Green Means Go effort, are infill areas nominated by the local government to prioritize future infill development. Projects must be within Green Zones and either accelerate or increase housing in the Green Zone.

\$130,000 for Civic Lab Housing Series - In October and November 2020, SACOG organized and hosted a series of four housing related workshops targeted at local agencies. This Civic Lab Housing Series was intended to complement and support the noncompetitive and competitive grants outlined below. Additionally, SACOG will be using these funds to provide technical assistance to member agencies for Housing Elements or other REAP activities. This technical assistance will begin in Spring of 2021.

\$150,000 for South Lake Tahoe grant – HCD requested that SACOG administer the city of South Lake Tahoe's REAP grant for this set amount of money, despite the city not lying within SACOG's service boundary. SACOG's role was to set up an agreement with the city, make a full payment for the grant amount upon the city's invoice, and then provide an introduction between HCD staff and city staff. HCD is responsible for the project oversight for the city's grant.

\$246,600 Program Staff time – SACOG staff time has been utilized the set up the nearly 70 memorandums of understanding and scopes of work with each grant recipient agency. In addition, staff time has been utilized to help formulate projects and scopes, track projects as they progress and administer invoice payments.

Total budget: \$6,762,880

Project Highlights, Best Practices and Recent and Anticipated Achievements:

Prior to this annual report, the SACOG program staff prepared the framework for how the REAP grant would be utilized. The first priority was budgeting for the early access of the 25% of the total grant. After discussions with SACOG member agencies, the clear need was for housing element preparation and technical support. That resulted in splitting the funds based on the number of housing units received in the RHNA process. SACOG devised a fund allocation process to distribute to jurisdictions from \$10,000 to \$200,000. Each recipient had to sign an MOU with SACOG to receive the funding.

In addition, SACOG staff prepared a framework for how the remaining 75% of the REAP funds would be utilized. After discussions with SACOG member agencies and HCD, the staff prepared a framework that was presented to the SACOG Land Use and Natural Resources Committee and then the full SACOG Board in June 2020. The framework was approved as presented and SACOG's role is to implement it accordingly.

Status of Activities:

Activity Category	General Description	Amount Allocated	Amount Expended	Timing	Status	Regional Impact on Housing
4	Suballocation to support Housing Element updates	\$1,000,000	About one-third of the allocated funds have been invoiced	To be completed October 2021	In progress	Adopted Housing Elements that meet state law and reflect our cycle 6 RHNA, which will result in: planning for more housing at all income levels and support AFFH goals.

1,2,5	Civic Lab Housing Series and Technical Assistance Program	\$130,000	This activity has not yet been instituted.	To be completed by July 31, 2023	In progress	Supporting innovation and best practices in housing planning will help provide more meaningful projects and outcomes for the rest of the REAP program.
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Summary of Indicators of Housing Production: 2020

Housing Production Indicator	Baseline Year (2019)	Current Year (2020)	Cumulative Change	Notes
Building Permits	10,556 permits	13,151	2,595	
Certificates of Occupancy	6,349 units	5,382	(967)	
Completed Entitlements	5961	9676	3,715	

Additional Information: not applicable at this time.