

**Metropolitan Transportation Commission
Programming and Allocations Committee**

January 11, 2023

Agenda Item 2d - 23-0097

MTC Resolution No. 4555

Subject:

Higher Impact Transformative Allocation of the Regional Early Action Planning Grant (REAP 2.0) Application Request. Adoption of Resolution No. 4555, authorizing MTC to submit a competitive application to the California Department of Housing and Community Development (HCD) for a \$10 million grant of Higher Impact Transformative Allocation funding as part of the Regional Early Action Planning Grants of 2021 (REAP 2.0).

Background:

In November 2022, MTC staff requested and received approval from the Programming and Allocations Committee to apply to HCD for a \$102.8 million formula allocation of Regional Early Action Planning Grant (REAP 2.0) funding. The approved REAP 2.0 formula proposal includes programs that will advance the Plan Bay Area 2050 Growth Framework (including direct affordable housing investments); the Transit Transformation Action Plan (including regional transit fare coordination and integration); and Community Choice Initiatives (including community power-building and engagement).

Subsequent to HCD's noticing of the formula funding availability, HCD released a competitive funding notice of availability for REAP 2.0 "Higher Impact Transformative" (HIT) funds for \$30 million statewide. As an accompaniment to the formula funds, HCD created the REAP 2.0 HIT program to support "novel, unique or innovative" actions that are scalable and that further REAP 2.0 goals and objectives, principally including the acceleration of urban infill affordable housing; the advancement of fair housing outcomes; and the reduction of vehicle miles travelled (VMT).

MTC requests approval to apply for REAP 2.0 HIT funds in the amount of \$10 million to further advance both state housing and transportation goals and MTC/ABAG's Plan Bay Area 2050 objectives. MTC further requests approval to submit this application in partnership with Turner Housing Innovation Labs (Turner) and the San Francisco Housing Accelerator Fund (HAF) and shall return to the Committee for a subsequent approval of a partnership agreement.

Proposed Use of Funds:

MTC, Turner and HAF seek HIT funding to 1) create the "Bay Area Builders Lab", a new construction technology incubator, and 2) establish the "Industrialized Construction Catalyst Fund (ICCF), a revolving fund designed to facilitate location-efficient, off-site affordable

housing production. Both uses fulfill all three HIT objectives by addressing one of the principal causes of California's chronic shortage of affordable housing: the high cost of construction. Five million dollars is proposed for each of the two uses. Through the Bay Area Builders Lab and ICCF, the team will:

- Accelerate infill development by incubating new technologies, products, and processes that can reduce the time and cost required for urban infill housing construction.
- Address the significant housing disparities and lack of opportunity low-income households face, especially in disadvantaged and historically underserved communities.
- Reduce VMT per capita by accelerating infill development through innovative cost control advancements.

Turner Center brings a substantial and preexisting commitment to the Builders Lab and is working with the City of Alameda on a selected site for its installation. Turner will also leverage world-class coaching in industrialized construction and business development from professors at UC Berkeley and Stanford University and scientists from Lawrence Berkeley National Labs.

As a complementary effort, the ICCF will fill gaps that are currently stalling the productive growth of off-site housing production: the need for upfront deposits that allow factories to buy materials and for affordable developers to secure a guaranteed spot in the production queue.

Next Steps:

- HIT application due to HCD: 12/31/22
- Submission of Programming and Allocations Committee (PAC) Resolution of approval to HCD: by 2/15/23
- Presentation to PAC of MTC, Turner Housing Innovation Labs and San Francisco Housing Accelerator Fund partnership agreement for approval: February 2023
- HCD awards issued: March 31, 2023

Issues: None.

Recommendation:

Refer MTC Resolution No. 4555 to the Commission for approval and authorize the Executive Director or designee to submit a \$10 million HIT Allocation of the Regional Early Action Planning Grant (REAP 2.0) application to HCD.

Attachments:

- MTC Resolution No. 4555

A handwritten signature in blue ink that reads "Alix A. Bockelman". The signature is written in a cursive style and is followed by a long horizontal line that extends to the right.

Alix A. Bockelman

Date: January 25, 2023

W.I.: 0097

Referred by: PAC

ABSTRACT

Resolution No. 4555

Authorization to submit a competitive application to the California Department of Housing and Community Development (HCD) for a \$10 million grant of Higher Impact Transformative Allocation funding as part of the Regional Early Action Planning Grants of 2021 (REAP 2.0).

Further discussion of the HIT REAP 2.0 application request is contained in the memorandum to the Programming and Allocations Committee dated January 11, 2023.

REQUIRED RESOLUTION TEMPLATE

MTC Resolution No. 4555 ***Metropolitan Transportation Commission***

AUTHORIZING RESOLUTION

The necessary quorum and majority of the Commissioners of the Metropolitan Transportation Commission (MTC), a Metropolitan Planning Organization, (“Applicant”) hereby consents to, adopts and ratifies the following resolution:

- A. WHEREAS, the Department is authorized to provide up to \$30,000,000 to Eligible Entities (“Applicant”) listed in Health and Safety Code Section 50515.08, subdivisions (a)(1)-(6) under the Higher Impact Transformative (HIT) Allocation of the Regional Early Action Planning grants program (REAP 2.0), as detailed in Health and Safety Code Section 50515.08-10.
- B. WHEREAS the State of California (the “State”), Department of Housing and Community Development (“Department”), issued a Notice of Funding Availability on November 9, 2022 for REAP 2.0 HIT Allocation funds available to Eligible Entities;
- C. WHEREAS Applicant is an Eligible Entity eligible to submit a Request for Funds pursuant to Health and Safety Code Section 50515.08(c) to develop and accelerate the implementation of the requirements described in Health and Safety Code section 50515.08(c)(1).
- D. WHEREAS the Department shall approve the Request for Funds, subject to the terms and conditions of Eligibility, Guidelines, NOFAs, Program requirements, and the Standard Agreement by and between the Department and REAP 2.0 Grant Recipients;

NOW THEREFORE BE IT RESOLVED THAT:

- 1. The **Metropolitan Transportation Commission** is hereby authorized and directed to request an allocation of funds not to exceed **\$10,000,000.00** (the amount allocated pursuant to Health and Safety Code section 50515.07(a) consistent with the methodology described in 50515.09(a)).
- 2. The **Executive Director** is authorized to execute the Request for Funds, on behalf of the MTC as required by the Department for receipt of REAP 2.0 funds.
- 3. When **MTC** receives an allocation of REAP 2.0 funds in the authorized amount of **\$10,000,000.00** from the Department pursuant to the above referenced Request for Funds, it represents and certifies that it will use all such funds only for eligible activities as set forth in Health and Safety Code section 50515.08(c)(1), as approved by the Department and in accordance with all REAP 2.0 requirements, guidelines, all applicable state and federal statutes, rules, regulations, and the Standard Agreement executed by and between the Applicant, MTC, and the Department.

REQUIRED RESOLUTION TEMPLATE

4. The **Executive Director** is authorized to enter into, execute, and deliver a State of California Standard Agreement for the amount of **\$10,000,000.00**, and any and all other documents required or deemed necessary or appropriate to evidence and secure the REAP 2.0 Allocation, the **MTC** obligations related thereto and all amendments the Department deems necessary and in accordance with REAP 2.0.

PASSED AND ADOPTED at a regular meeting of the Metropolitan Transportation Commission this twenty-fifth day of January, 2023, by the following vote:

AYES: _____ ABSTENTIONS: _____
NOES: _____ ABSENT: _____

Alfredo Pedroza, Chair

ATTEST: _____
Kimberly Ward, Clerk