

**Metropolitan Transportation Commission
Policy Advisory Council**

October 12, 2022

Agenda Item 10

Regional Early Action Planning Grant (REAP 2) Program

Subject:

Overview and proposed regional framework for the REAP 2 program to invest in planning and implementation projects to accelerate infill, housing development, reduce vehicle miles traveled, and affirmatively further fair housing.

Background:

The Regional Early Action Planning Grant (REAP 2) Program is a one-time \$600 million state investment to advance implementation of adopted regional plans by funding transformative planning and implementation activities that accelerate infill housing development and reductions in per capita vehicle miles traveled (VMT). The REAP 2 program is administered by the California Department of Housing and Community Development (HCD), in collaboration with California Office of Planning and Research (OPR), Strategic Growth Council (SGC), and California Air Resources Board (CARB). The Bay Area's share of the Program is approximately \$103 million.

Unlike REAP 1, REAP 2 funding will be distributed to Metropolitan Planning Organizations (MPOs) rather than to Councils of Government (COGs). REAP 2 also significantly expands upon the project eligibilities introduced with REAP 1. In addition to planning activities, REAP 2 funds may also be used to implement and construct projects to help achieve regional goals for infill development and increased options for affordable housing and VMT-reducing transportation such as increasing transit ridership, walking, and biking.

Given the one-time opportunity presented by the REAP 2 program, staff recommends coordinating the REAP 2 funding proposal with other complementary fund sources, such as the One Bay Area Grant (OBAG 3) program and the Blue Ribbon funding for Transit Transformation Action Plan priority actions. A coordinated funding approach between these three programs advances *Plan Bay Area 2050* priorities while also allowing for the best matching of projects and programs to the most appropriate funding source.

Proposed Focus Areas

Throughout the *Plan Bay Area 2050* plan development process Bay Area residents consistently prioritized addressing housing unaffordability and the need to modernize and improve transit service. Other priorities raised during the various phases of engagement included addressing greenhouse gas (GHG) emissions, improving biking and walking infrastructure, and the local economy.

Based on the stakeholder engagement and needs assessment conducted through the development of *Plan Bay Area 2050*, the OBAG 3 framework, and the Transit Transformation Action Plan, staff recommends the following focus areas and proposed shares for the REAP 2 program:

1) Growth Framework Implementation

- ***Regional Housing Technical Assistance & Local Grants (\$15 million)***: This would build upon the success of ABAG’s REAP 1 funded Regional Housing Technical Assistance Program. REAP 2 funds could extend and enhance the program to support compliance with MTC’s Transit Oriented Communities Policy (TOC), implementation of local Regional Housing Needs Allocations (RHNA) targets and Housing Element requirements, and ensure Bay Area jurisdictions remain competitive for state funding by assisting with the new “pro-housing” designation. Components of the program could include regional technical assistance (policy development, data, trainings, etc.), funding for county-based Planning Collaboratives and exploring a “race to the top” housing policy grant pilot program.
- ***Priority Sites Pilot (\$28 million)***: This pilot program would provide predevelopment funding to accelerate regionally significant projects that leverage public land or the redevelopment of aging malls/office parks – two of the most impactful Housing Strategies in *Plan Bay Area 2050*. The program could prioritize projects that advance multiple regional goals (affordability, climate, equity, etc.) and demonstrate success factors such as local support, a clear path to entitlements, and a realistic financing plan.

In addition, because the affordable housing for all Priority Sites are likely to leverage tax credits, these projects will include mobility features for a minimum of 15% of units, and communications features for a minimum of 10% of units. Developments for seniors and housing for people with special needs will generally include mobility features in 100% of units and communications features exceeding 10% of units, and developers must prioritize leasing of accessible units to households in need of those features.

- ***Housing Preservation Pilot (\$15 million)***: Building upon the recently revised Bay Area Preservation Pilot (BAPP) and the launch of the Bay Area Housing Finance Authority (BAHFA), these funds would establish the first in-house capital program focused on preservation of unsubsidized affordable housing. The program would provide financing to non-profit developers and community land trusts for acquisition and rehabilitation of properties to establish long-term affordability, prioritizing projects in systemically marginalized communities and near existing or planned transit infrastructure. Preservation projects will strive to include mobility and communication features as part of the building rehabilitation plans where possible, while also considering the driving twin goals that existing residents should not be displaced and unit counts should not be reduced.

2) Transit Transformation Action Plan Implementation

- ***Accelerated Action Items (\$32 million)***: The Blue Ribbon Transit Recovery Task Force's 2021 Transit Transformation Action Plan (Action Plan) identifies a collection of 27 near-term actions to support the evolution of transit in the Bay Area; as we emerge from the pandemic. While some funding was identified to support the overall Action Plan, there remained a funding gap overall. The REAP 2 funding would augment existing funding and fill the funding gap, based on current anticipated needs for a 3-year period. A funding plan will be developed that maximizes the assignment of available funding sources across the collection of Action Plan projects. Specifically, it is anticipated that the REAP funds will support the advancement of accelerated initiatives that were central to the Action

Plan. These efforts include Fare Integration and Mapping and Wayfinding. Implementation progress towards these priority initiatives has been underway.

3) Community Choice Implementation

- **Community Choice Program (\$8 million):** Staff recommends using REAP funds to accelerate the implementation of projects in completed Community-Based Transportation Plans (CBTPs) that have not yet been funded through other sources. In addition, funds could be used for technical assistance and to get a head start on developing new local transportation plans and budgeting processes in Equity Priority Communities (EPCs) that identify projects for future regional and state discretionary programs.

In addition, a small portion of the available REAP 2 (\$5 million) are proposed for program administration and support, including invoicing, progress reporting, and project delivery monitoring.

Ongoing Engagement Strategy

Guided by MTC's Equity Platform, staff is in process of developing an ongoing engagement strategy for the REAP 2 program, with the goal of increasing opportunities for participation to inform individual program design and project implementation, particularly for those who may be most impacted by the program's investments. Public engagement staff will develop unique strategies tailored to the individual needs of each proposed program focus area and the communities they may impact, and identify opportunities for deep, meaningful, and robust community and stakeholder engagement.

The REAP 2 engagement strategy will be modeled after the extensive engagement conducted during *Plan Bay Area 2050*, the Blue Ribbon Transit Recovery Task Force, and other similar efforts, will build upon the partnerships established during those efforts, and will proactively employ a variety of strategies to reach a diversity of voices while assuring engagement with EPCs and other disadvantaged and historically underserved communities, including Tribal governments. All engagement efforts will also carefully consider language access and other potential barriers to participation.

Next Steps

Staff will present the REAP 2 funding proposal at the November meetings of the Programming and Allocations Committee and Commission for consideration and approval. MTC must submit a REAP 2 application to HCD for the entirety of the region's share by December 31, 2022.

Issues:

None.

Recommendations:

Information.

Attachments:

- Attachment A: PowerPoint