



ASSOCIATION  
OF BAY AREA  
GOVERNMENTS

Item 7b, Attachment B

Bay Area Metro Center  
375 Beale Street, Suite 700  
San Francisco, CA 94105  
415.820.7900  
www.abag.ca.gov

## *Memorandum*

TO: ABAG Executive Board

DATE: June 18, 2020

FR: Executive Director

RE: REAP Consulting Budget Funds for Business Plan for Expanded Housing Portfolio

### **Background**

The Regional Early Action Planning Grants Program (REAP) is the regional component of the Local Government Planning Support Grants program administered by the state Housing and Community Development Department (HCD). ABAG's portion of this funding is \$23.9 million. ABAG applied for a 25% advance (\$5.9 million) in January 2020 and expects to receive funds this summer. At the direction of the ABAG Executive Board, the initial 25% of funds have been designated (1) to enhance the 6<sup>th</sup> cycle of RHNA, and (2) to develop a technical assistance program to support local jurisdictions in adopting compliant Housing Elements. In FY 2019-20, ABAG transferred \$3.45 million of REAP funds to MTC for staffing and consulting support for these activities. The \$2.45 million balance of REAP funds remains in the ABAG budget for direct support to local jurisdictions with their Housing Elements.

### **Updated REAP Consulting Budget**

Much has changed since ABAG submitted the application for the first 25% of REAP funds in January. The COVID-19 pandemic has exacerbated the region's underlying housing crisis. At the same time, ABAG and MTC have engaged in robust discussions to develop a regional housing strategy, ultimately directing staff to develop an expanded Regional Housing Portfolio with ABAG in a leading role. Additionally, staff achieved significant costs savings in the REAP consulting budget by performing a greater-than-expected amount of work on the RHNA process in-house and achieving other efficiencies.

Staff proposes repurposing the cost-savings in the REAP consulting budget to enable funding up to \$400,000 in consulting services for the proposed Business Plan for an expanded regional housing portfolio. This would leverage \$100,000 in private donations pledged by Bay Area Housing For All (see Attachment B to the Summary Sheet for the joint meeting of the ABAG Administration and MTC Executive Committees). Staff has received preliminary approval from HCD that redeployment of these consulting funds for the Business Plan meets REAP statutory requirements. These funds have already been designated for consultant support and transferred to the MTC budget. This would not affect the \$2.45 million in REAP funds earmarked to assist local jurisdictions with their Housing Elements.

---

Therese McMillan