
April 13, 2023

Agenda Item 8.a

Regional Early Action Planning (REAP) Grant

Subject:

Update on the status of Regional Early Action Planning (REAP) Grant suballocations to local jurisdictions and request for direction to establish a deadline for local governments to claim their funding in order to ensure timely expenditure of state funds.

Background:

As part of the Regional Early Action Planning Grant program established in the FY 2019-20 state budget, ABAG was awarded approximately \$24 million of one-time funds to support planning activities that would accelerate housing production and facilitate compliance with the 6th Cycle of the Regional Housing Needs Allocation (RHNA). On November 19, 2020, the ABAG Executive Board approved the first set of local suballocations of REAP funding to all 109 local jurisdictions as well as seven Subregional Planning Collaboratives. On May 20, 2021, the ABAG Executive Board approved additional suballocations bringing the total amount of local suballocations to nearly \$10.9 million. In July 2021, MTC-ABAG staff opened a process for jurisdictions to claim their awards.

Each of the 109 jurisdictions in the ABAG region has been suballocated a minimum of \$20,000 to support local housing planning. Jurisdictions that received a RHNA allocation of at least 1,000 units were awarded supplemental suballocations based on the number of allocated units. Fourteen jurisdictions were selected to receive additional funding from a \$1 million competitive pool. The amount of funding suballocated to each jurisdiction [can be found at this link](#).

ABAG's REAP funding is a "use it or lose it" grant that initially carried a December 31, 2023 statutory expenditure deadline. Accordingly, ABAG's funding agreement with the state incorporates the December 31, 2023 expenditure deadline and per state requirements also drives a September 30, 2023 local invoicing deadline. The legislature has extended the statutory deadline to December 31, 2024, however the state has not yet amended ABAG's funding agreement that contains the December 2023 deadline. The state has indicated that it plans to require ABAG to complete spending by June 30, 2024 which would drive a local invoicing deadline of April 2024. At this point, ABAG is bound by the December 2023 expenditure deadline (and associated September 2023 local invoicing deadline) in the funding agreement. Any unspent funds must be returned to the state.

Discussion:

Staff have conducted extensive outreach to all local jurisdictions in a variety of ways during the last two years to encourage local governments to claim their awards. This includes but is not limited to: repeated direct outreach to local staff in each jurisdiction, presentations to all local Planning Directors at their regular county-level meetings, more than a dozen advisories in monthly bulletins disseminated to all local Planning Directors, multiple announcements at the Subregional Planning Collaboratives, as well as several presentations to the ABAG Housing

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Committee and the ABAG Executive Board. Upon request, staff have worked with several Executive Board members and MTC Commissioners to encourage jurisdictions in their counties to claim their suballocations. Additionally, MTC-ABAG staff have met one-on-one with local jurisdiction staff and remain available to meet individually with local staff to answer questions and provide technical support to access funds. MTC-ABAG staff have developed a simplified template Scope of Work to minimize the administrative burden on local jurisdiction staff; for example, local governments can swiftly be reimbursed for expenses incurred to develop their 6th Cycle Housing Elements. Since November 2022, MTC/ABAG staff have emphasized that time is of the essence for jurisdictions to claim their awards given the looming invoicing and expenditure deadlines.

In March 2023, staff presented the list of jurisdictions that have yet to claim their allocations to the Housing Committee and the Executive Board. In the Committee packet, staff raised the idea of imposing an April deadline for local governments to access their funds. Based on discussions at the Committee and the Executive Board, staff committed to return this month with the present item to seek additional feedback on imposing a deadline for local governments to claim funds. After the March 2023 ABAG Executive Board meeting, staff again contacted each jurisdiction with unclaimed funds to offer support in accessing funds and advising local officials about the possibility of forfeiting unclaimed funds.

As of April 3, 2023, 97 jurisdictions and all seven Subregional Planning Collaboratives had claimed a total of \$10,426,886 in REAP suballocations, amounting to approximately 96% of the available funding. However, another 10 jurisdictions still need to submit Scopes of Work to claim their suballocation awards (summing to \$400,426 or approximately 4% of total funding) and 2 jurisdictions have yet to respond at all to their award notifications (summing to \$52,688 or less than 1% of total funding). Attachment A provides details of the jurisdictions who have yet to secure their suballocations.

Staff continue to reach out to the remaining jurisdictions to offer one-on-one assistance to access their funds. However, given the extensive outreach conducted to date and the ease with which local staff have been able to claim awards, it is possible that some local jurisdictions may not have the desire or capacity to claim their awards in a timely manner.

Staff recommend establishing a deadline for jurisdictions to execute funding agreements and associated Scopes of Work that are necessary to access their suballocations. This will ensure that ABAG fully expends all REAP funding by the deadline and avoid returning unspent money to the state. As discussed during the March 2023 Housing Committee and Executive Board meetings, fully expending the REAP 1.0 funds is also a critical part of demonstrating the demand for and value of this funding, which can be leveraged in future legislative efforts to secure additional and/or ongoing resources to support ABAG and its member jurisdictions with housing-related work. Given the invoicing and expenditure deadlines as well as the time required to reprogram funds and ensure that new activities are completed by such deadlines, staff recommend setting a deadline of May 1, 2023 for local governments to submit Scopes of Work for their funding agreements.

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Next Steps:

Pending feedback from the Committee, staff would conduct a final round of individualized outreach to each remaining jurisdictions to apprise them of the deadline to claim their REAP suballocation. Then, staff would return to the Housing Committee and Executive Board in May with a proposal to reprogram any unclaimed funds to provide additional housing technical assistance for Bay Area jurisdictions working to certify and implement their Housing Elements.

Issues:

None


Recommended Action:

Information

Attachments:

- A. Summary of Local Suballocations
- B. Presentation Update on Summary of Local Suballocations

Reviewed:



Andrew Fremier