



Sacramento Area
Council of
Governments

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January 25, 2024

The Honorable Toni G. Atkins
Senate President Pro Tempore
State Capitol, Room 205
Sacramento, CA 95814

The Honorable Robert Rivas
Speaker California State
Assembly 1021 O Street, Suite
Sacramento, CA 95814

The Honorable Nancy Skinner
Chair, Senate Committee on
Budget and Fiscal Review
1020 N Street, Suite 502
Sacramento, CA 95814

The Honorable Jesse Gabriel
Chair, Assembly Committee on
Budget
1021 O Street, Suite 8230
Sacramento, CA 95814

RE: Restore Budget Funding for Regional Early Action Planning Grants of 2021 (REAP 2.0)

Dear President pro Tempore Atkins, Speaker Rivas, Chair Skinner, and Chair Gabriel:

On behalf of the Sacramento Area Council of Governments (SACOG), representing six counties and 22 cities, I urge the Legislature to reject the \$300 million cut to the Regional Early Action Planning Grants of 2021 (REAP 2.0) included in Governor Newsom's 2024-25 January Budget proposal. The \$300 million rescission eliminates half of a \$600 million investment to advance the implementation of adopted regional plans by funding planning and development activities that accelerate infill housing and reduce vehicle miles traveled (VMT).

SACOG has directed all REAP 2.0 funding to infrastructure projects and local land use planning activities that implement our Green Means Go program, which accelerates infill housing development. SACOG has already awarded the full share of our \$31.8 million to local jurisdictions. **Our REAP 2.0 funding is expected to unlock 8,000 infill housing units, 6,000 of which are projected to be affordable to low- and moderate-income households.**

Green Means Go REAP 2.0 funding is directed to locally-nominated Green Zones—areas that cities and counties have identified for infill development, mostly in older commercial corridors and main streets. In addition to reducing vehicle emissions, Green Means Go will stimulate economic development and improve the region's quality of life by helping to spur development within a center, corridor, or established community as identified in SACOG's Sustainable Communities Strategy (SCS).

SACOG developed Green Means Go at the direction of the California Air Resources Board (CARB) to help the region achieve our CARB-mandated 19 percent greenhouse gas (GHG) reduction target through our SCS. Green Means Go is a multi-year pilot program

- Auburn
- Citrus Heights
- Colfax
- Davis
- El Dorado County
- Elk Grove
- Folsom
- Galt
- Isleton
- Lincoln
- Live Oak
- Loomis
- Marysville
- Placer County
- Placerville
- Rancho Cordova
- Rocklin
- Roseville
- Sacramento
- Sacramento County
- Sutter County
- West Sacramento
- Wheatland
- Winters
- Woodland
- Yolo County
- Yuba City
- Yuba County

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to lower GHG emissions in the six-county Sacramento region by accelerating infill housing development and reducing and electrifying vehicle trips.

REAP 2.0 is the sole funding source for Green Means Go. SACOG received \$31.8 million from REAP 2.0. The funding rescission will mean a loss of over \$15 million in critical infill housing dollars for Green Means Go and will significantly reduce the number of housing units expected from the Green Means Go funding. SACOG was one of the first regions to have its REAP 2.0 funding plan approved by the Department of Housing and Community Development, and subsequently awarded all of its funding in March 2023 through a competitive process. The program awarded funds to local agencies for capital and planning projects that spur new housing development, with the majority going to capital projects.

Capital Investments \$26.4 million:

- SACOG estimates the Green Means Go capital underground infrastructure investments will unlock 8,000 infill housing units—6,000 of which are low or moderate-income.
- All capital investments and their associated infill housing are at risk from the proposed REAP 2.0 rescission because these projects cannot be reduced in scope without compromising housing development potential.
- Unless the rescission is rejected, funding uncertainty will mean that Green Means Go capital construction projects are unlikely to proceed to construction bids this year. This will mean cancellation or cost increases that make projects infeasible.

Planning Investments \$4.8 million:

- Green Means Go planning awards are needed to set up the next wave of capital infrastructure projects and prepare Green Zone corridors for development.
- Green Zones can accommodate 32% of planned housing growth in the region, creating an estimated 84,000 new homes in climate-friendly locations by 2040.
- Green Zones see a 16% reduction of VMT per capita, double the regional reduction per capita at 8%.

We understand the difficult choices facing the Legislature in this budget, but as California's housing and climate crises continue to worsen, we urge the Legislature to prioritize infill housing necessary to reach the state's climate goals and reject cuts to the REAP 2.0 program. Green Means Go is key to the Sacramento region's commitment and solution to California's housing, climate, and transportation challenges. Green Zones recognize a connection between land use, housing, economic and workforce development, transportation investments, and travel choices.

Thank you for considering our position on this critical matter. We look forward to working with you to ensure our region can develop desperately needed homes in infill areas that will reduce greenhouse gas production. Please don't hesitate to contact me or Bless Sheppard, State Government Affairs, at BSheppard@sacog.org or 916-340-6218 with any questions or concerns.

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Sincerely,



James Corless
Executive Director

cc: The Honorable Brian Jones, Senate Minority Leader
The Honorable James Gallagher, Assembly Minority Leader
Honorable Members, Senate Budget and Fiscal Review Committee
Honorable Members, Assembly Budget Committee
Honorable Members, SACOG State Legislative Delegation
Timothy Griffiths, Consultant, Senate Budget and Fiscal Review Committee
Genevieve Morelos, Consultant, Assembly Budget Committee
Chantele Denny, Consultant, Senate Republican Caucus
Brent Finkel, Consultant, Assembly Republican Caucus
James Hacker, Deputy Cabinet Secretary, Office of Governor Newsom
Teresa Calvert, Program Budget Manager, Department of Finance
Lourdes Morales, Principal Fiscal & Policy Analyst, Legislative Analyst's Office
Chris Lee, Politico Group