

Association of Bay Area Governments

Executive Board

November 21, 2019

Agenda Item 10.c.

Regional Early Action Planning Grants Program

Subject: Adoption of Resolution No. 17-19 Authorization to Request for Advance Allocations for Regional Early Action Planning Grants

Background: The California Department of Housing and Community Development (HCD) has announced allocations of funds under the Regional Early Action Planning (REAP) grant program, the regional component of the Local Government Planning Support Grants Program.

The 2019-2020 Budget Act provides regions and jurisdictions with one-time funding for planning activities to enable jurisdictions to meet the sixth cycle of the Regional Housing Needs Allocation (RHNA). This includes a total of \$125 million in statewide funding that will be allocated to Counties, COGs and Multiagency Working Groups by population-based formula. ABAG is eligible to receive \$23.7 million in funding.

On October 9, 2019, Governor Gavin Newsom signed into law SB 113, which permits a Council of Governments (COG) or a fiscal agent of a Multiagency Working Group to request up to 25 percent of the funding available to it, on or after October 1, 2019. The application for full funding and Notice of Funding Availability for the remainder of funds will be available in 2020.

ABAG can request an allocation for 25% of the funds totaling \$5.9 million now. The attached staff memo provides additional background information and the proposed activities for these funds. Also, as HCD requires a resolution to request funding, Resolution No. 17-19 is attached.

Item 10.d. includes a memo that describes the budget amendment recommendation by the Executive Board to the General Assembly.

Issues: The ABAG Bylaws do not currently contemplate a mid-year budget amendment where additional revenues become available; however, staff's interpretation is that the General Assembly would have to approve a budget amendment to increase the total revenue envelope. Item 10.d. describes actions the ABAG Executive Board and General Assembly could take to accept and allocate this new revenue.

Association of Bay Area Governments

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Recommended Action: The Finance Committee is requested to recommend Executive Board adoption of, and the Executive Board to adopt, Resolution No. 17-19 authorizing the Executive Director of the Metropolitan Transportation Commission, or her designee, on behalf of the Association of Bay Area Governments to request Advance Allocation for Regional Early Action Planning Grant from California Department of Housing and Community Development in the amount of \$5.9 million and to approve the use of funds as reported.

Attachments:

- A. Memo REAP Grants Program
- B. Resolution No. 17-19
- C. Local Government Planning Support Grants Program—Direct Funding to Bay Area Jurisdictions
- D. ABAG Bylaw Excerpt

Reviewed:


Therese W. McMillan

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date: November 21, 2019

To: ABAG Finance Committee
ABAG Executive Board

From: Executive Director

Subject: **Regional Early Action Planning Grants Program**

Background

Enabled in the FY 2019-20 state budget trailer bill advanced by Governor Newsom, the Regional Early Action Planning Grants Program (REAP) is the regional component of the Local Government Planning Support Grants program¹. It provides new, one-time funding administered by the Department of Housing and Community Development (HCD) to help implement the sixth cycle of the Regional Housing Need Allocation (RHNA). Funds would be distributed directly to local jurisdictions, as well as to Councils of Governments (COGs), which are slated to receive \$125 million statewide². Of this statewide total, ABAG is projected to receive \$23.7 million, and local jurisdictions in the 9-county Bay Area will receive \$25.5 million (see Attachment C). On October 9, 2019, Governor Newsom signed into law SB 113, which permits a COG to request up to 25 percent of the funding available to it, on or after October 1, 2019. ABAG is eligible to receive \$5.9 million from this first tranche of funding. The remaining \$17.8 million will be available in early 2020.

According to HCD, the eligible uses for the 25% portion of the REAP program include:

- Developing an improved methodology for the sixth cycle of RHNA;
- Providing local jurisdictions with technical assistance, planning, temporary staffing or consultant needs associated with updating local planning and zoning documents, expediting application processing, or other actions to accelerate additional housing production;
- Suballocating moneys to local jurisdictions to support planning to accelerate housing production in ways that align with state planning priorities, including housing, transportation, equity, and climate goals;
- Covering the costs of administering this grants program.

¹ The Local Government Planning Support Grants Program, including both the local and regional elements, is described in Health and Safety Code Section 50515.

² The \$125 million statewide includes COGs, Multiagency Working Groups (Central Coast Multiagency Working Group and San Joaquin Valley Multiagency Working Group), and counties not represented by COGs or Multiagency Working Groups.

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Recommended Uses for the Initial 25% Portion of Funds

Staff proposes assigning the initial \$5.9 million to support time-critical regional and local efforts around RHNA and Housing Elements. The funding would be used to build the agency's capacity to support development of the RHNA methodology and RHNA Plan, and provide local jurisdictions with the technical resources and support necessary to carry out the goals of RHNA. This would include resources to support jurisdictions in developing and implementing compliant housing elements as well as developing community engagement strategies.

Table 1: Proposed Activities for Initial 25% Portion of REAP funds (\$5.9 million).

Element	Description	Funding
Support RHNA HMC and RHNA Plan process	Provide staffing and consultant support over three years for: <ul style="list-style-type: none"> • RHNA Housing Methodology Subcommittee including technical and analytical work, policy support, facilitation, and legal assistance; • Enhanced direct engagement with local elected officials, city and county managers, and city and county planners; • Enhanced partnerships with Community Based Organizations to assist in incorporating feedback into RHNA 	\$1.95M
	Provide consulting assistance/grants to counties and/or local jurisdictions to support RHNA subregions or planning collaboratives	\$500K
Support Local Jurisdictions' RHNA and Housing Element Efforts	Provide staffing and consultant support over three years to assist jurisdictions on policy research, emerging practices, site inventory analyses, and strategy and funding analysis	\$1M
	Provide grants to counties and/or local jurisdictions to: <ul style="list-style-type: none"> • Support development and implementation of compliant housing elements; • Support development and implementation of community engagement strategies related to housing production, preservation, and protection strategies 	\$2.45M
<i>Subtotal, Staffing and Consultant/Grant Assistance</i>		<i>\$3.45M</i>
<i>Subtotal, Grants to Local Jurisdictions</i>		<i>\$2.45M</i>
Total		\$5.9M

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Budget Considerations

The ABAG General Assembly adopted the FY2019-20 budget and work plan on June 6, 2019. The total administrative budget for FY 2019-20 is \$3.8 million. The work plan priorities include development of the RHNA Housing Methodology, related housing initiatives including analysis of sites identified by jurisdictions in their Housing Elements, and continued analysis of location and affordability levels for new housing permits.

The ABAG Bylaws do not currently contemplate a mid-year budget amendment where additional revenues become available. Staff's conservative interpretation of the Bylaws is that the ABAG General Assembly must approve a budget amendment when that amendment increases the overall budget total (see Attachment D). Furthermore, the MTC/ABAG Contract for Services requires that staffing support for the activities of the ABAG Board be included in the MTC budget. The recommended approach described below aims to balance the requirements of the ABAG Bylaws with the need to expend the funds quickly to provide support for the RHNA effort.

Recommended Actions

1. **Approval of HCD Resolution to Request REAP Grant:** Staff recommends that the Executive Board approve ABAG Resolution No. 17-19 to request the 25% portion of the REAP Grant Program revenues (\$5.9 million) in line with the proposed activities described in Table 1 above. Expenditure of the funds will follow the General Assembly approval of the proposed budget amendment. Staff will return to the Executive Board at a later date to seek authorization to apply for the remaining \$17.8 million of the REAP funds. More detail will be available at that time on the proposed use of those funds in support of RHNA and other housing activities.
2. **FY2019-20 ABAG Budget Amendment:** In agenda Item 10.d., staff will recommend that the Executive Board refer for approval to the General Assembly an amendment to the FY2019-20 ABAG Budget to include \$23.7 million in REAP Grant Program revenues. This amount is equal to the total REAP revenues. The proposed budget amendment will allow for the \$5.9 million expenditures consistent with Table 1. To effect the near-term staff and consultant efforts as well as support for local jurisdiction RHNA subregion/ planning collaborative efforts, \$3.45 million is proposed to be transferred to MTC in line with the Contract for Services between ABAG and MTC dated May 30, 2017. The budget will be released at least 45 days prior to a convening of the General Assembly, which will be asked to approve the budget amendment. Amending the budget to include the maximum funding capacity provided by the State allows the Executive Board to subsequently request specific allocations against that capacity, at the point that expenditure details are better known.

Table 2 below shows the breakdown of the funds in line with the recommended actions.

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Table 2: Breakdown of REAP funds by Agency Budget

REAP Funds		Proposed Budget FY2019-20 Amendment		
		ABAG Revenue Augmentation	Transfer to MTC for RHNA staff/consultant work	Proposed New ABAG Revenue Capacity
25% Amount	\$5.9M	\$23.7	(\$3.45M)	\$20.25M
75% Remainder	\$17.8M			
Total	\$23.7M	\$23.7M	(\$3.45M)	\$20.25M

Next Steps

Staff has been planning to convene a regional policy forum focused on RHNA in February. Given that the delegates would be among the invitees, staff could add a General Assembly business meeting to that forum to request approval of the proposed budget amendment. While this new funding is available right now, the logistics of convening the General Assembly and the 45 day budget release timeframe mean that expenditure of resources – for staffing, consultants, and grants – would not be until after February 2020. In addition, MTC will be asked to amend its budget, conditioned on ABAG General Assembly approval, to reflect a transfer from ABAG in support of the staffing activities related to RHNA and Housing element work discussed above.



Therese W. McMillan

**ASSOCIATION OF BAY AREA GOVERNMENTS
EXECUTIVE BOARD**

RESOLUTION NO. 17-19

AUTHORIZING RESOLUTION

**AUTHORIZATION TO REQUEST AN ADVANCE ALLOCATION FOR REGIONAL
EARLY ACTION PLANNING GRANT PURSUANT TO HEALTH AND SAFETY CODE
SECTION 50515.02(D)(3) AND SECION 50515.02(D)(1)**

A necessary quorum and majority of the members of the Executive Board of the Association of Bay Area Governments ("Applicant") hereby consents to, adopts and ratifies the following resolution:

- A. **WHEREAS**, the Department is authorized to provide up to \$125,000,000 to Councils of Governments and Fiscal Agents of Multiagency Working Groups ("Applicant") under the Regional Early Action Planning grant program (REAP), the regional component of the Local Government Planning Support Grants Program (as described in Health and Safety Code section 50515.02).
- B. **WHEREAS**, the State of California (the "State"), Department of Housing and Community Development ("Department") issued a Notice and Request for Advance Allocation on October 10, 2019 for Regional Early Action Planning grants available to Councils of Government and Fiscal Agents of Multiagency Working Groups.
- C. **WHEREAS**, Applicant is a Council of Governments or Fiscal Agent of a Multiagency Working Group eligible to submit a Request for Advance Allocation pursuant to Health and Safety Code section 50515.02(d)(3) to develop and accelerate the implementation of the requirements contained in the Council of Governments or Multiagency Working Group's application pursuant to Health and Safety Code section 50515.02(d)(1) including the development of an education and outreach strategy related to the sixth cycle regional housing need allocation.
- D. **WHEREAS**, the Department shall approve the advance allocation request, subject to the terms and conditions of Eligibility, Guidelines, NOFAs, Program requirements, and the Standard Agreement by and between the Department and Local Government Planning Support Grant Recipients.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Association of Bay Area Governments (ABAG) is hereby authorized and directed to request an advance allocation not to exceed \$5.9 million (up to 25% of the amount allocated pursuant to Health and Safety Code section 50515.02(b) consistent with the methodology described in 50515.03(a)).

**ASSOCIATION OF BAY AREA GOVERNMENTS
RESOLUTION NO. 17-19**

2. The Executive Director of the Metropolitan Transportation Commission (MTC), or her designee, under the Contract for Services between ABAG and MTC dated May 30, 2017, is authorized to execute the Advance Allocation Request, on behalf of ABAG as required by the Department for receipt of REAP funds.

3. When ABAG receives an advance allocation of REAP funds in the authorized amount of \$5.9 million from the Department pursuant to the above referenced Advanced Allocation Request, it represents and certifies that it will use all such funds only for eligible activities as set forth in Health and Safety Code section 50515.02(d)(1), as approved by the Department and in accordance with all REAP requirements, guidelines, all applicable state and federal statutes, rules, regulations, and the Standard Agreement executed by and between the Applicant and the Department.

4. The Executive Director of MTC, or her designee, under the Contract for Services between ABAG and MTC dated May 30, 2017, is authorized to enter into, execute and deliver a State of California Standard Agreement for the amount of \$5.9 million and any and all other documents required or deemed necessary or appropriate to evidence and secure the REAP advance allocation, ABAG's obligations related thereto and all amendments the Department deems necessary and in accordance with REAP.

PASSED AND ADOPTED at a regular meeting of the Executive Board of the Association of Bay Area Governments this 21st day of November, 2019 by the following vote:

Ayes:

Abstentions:

Noes:

Absent:

David Rabbitt
President

INSTRUCTION: The attesting officer cannot be the person identified in the resolution as the authorized signor.

ATTEST:

Frederick Castro
Clerk of the Board

Attachment C: Local Government Planning Support Grants Program- Direct Funding to Bay Area Jurisdictions

	Size Category	Amount	City	County	Population
Very Large	Population >750,000	\$1,500,000	San Jose	Santa Clara	1,043,058
Very Large	Population >750,000	\$1,500,000	San Francisco	San Francisco	883,869
Large	Population 300,000-749,999	\$750,000	Oakland	Alameda	432,897
Medium to Large	Population 100,000-299,999	\$500,000	Fremont	Alameda	232,532
Medium to Large	Population 100,000-299,999	\$500,000	Santa Rosa	Sonoma	175,625
Medium to Large	Population 100,000-299,999	\$500,000	Contra Costa County	Contra Costa	173,406
Medium to Large	Population 100,000-299,999	\$500,000	Hayward	Alameda	159,433
Medium to Large	Population 100,000-299,999	\$500,000	Sunnyvale	Santa Clara	155,567
Medium to Large	Population 100,000-299,999	\$500,000	Alameda County	Alameda	149,536
Medium to Large	Population 100,000-299,999	\$500,000	Sonoma County	Sonoma	141,781
Medium to Large	Population 100,000-299,999	\$500,000	Santa Clara	Santa Clara	128,717
Medium to Large	Population 100,000-299,999	\$500,000	Concord	Contra Costa	129,889
Medium to Large	Population 100,000-299,999	\$500,000	Berkeley	Alameda	123,328
Medium to Large	Population 100,000-299,999	\$500,000	Vallejo	Solano	119,544
Medium to Large	Population 100,000-299,999	\$500,000	Fairfield	Solano	117,149
Medium to Large	Population 100,000-299,999	\$500,000	Antioch	Contra Costa	113,901
Medium to Large	Population 100,000-299,999	\$500,000	Richmond	Contra Costa	110,436
Medium to Large	Population 100,000-299,999	\$500,000	Daly City	San Mateo	109,122
Medium to Large	Population 100,000-299,999	\$500,000	San Mateo	San Mateo	104,570
Medium	Population 60,000-99,999	\$300,000	Vacaville	Solano	98,807
Medium	Population 60,000-99,999	\$300,000	Livermore	Alameda	91,039
Medium	Population 60,000-99,999	\$300,000	Santa Clara County	Santa Clara	88,368
Medium	Population 60,000-99,999	\$300,000	San Leandro	Alameda	89,825
Medium	Population 60,000-99,999	\$300,000	Redwood City	San Mateo	85,319
Medium	Population 60,000-99,999	\$300,000	San Ramon	Contra Costa	83,957
Medium	Population 60,000-99,999	\$300,000	Mountain View	Santa Clara	81,992
Medium	Population 60,000-99,999	\$300,000	Napa	Napa	79,490
Medium	Population 60,000-99,999	\$300,000	Pleasanton	Alameda	80,492
Medium	Population 60,000-99,999	\$300,000	Alameda	Alameda	79,316
Medium	Population 60,000-99,999	\$300,000	Milpitas	Santa Clara	76,231
Medium	Population 60,000-99,999	\$300,000	Union City	Alameda	74,916
Medium	Population 60,000-99,999	\$300,000	Pittsburg	Contra Costa	72,541
Medium	Population 60,000-99,999	\$300,000	Walnut Creek	Contra Costa	70,121
Medium	Population 60,000-99,999	\$300,000	Palo Alto	Santa Clara	69,397
Medium	Population 60,000-99,999	\$300,000	Marin County	Marin	69,343
Medium	Population 60,000-99,999	\$300,000	South San Francisco	San Mateo	67,078
Medium	Population 60,000-99,999	\$300,000	San Mateo County	San Mateo	66,027
Medium	Population 60,000-99,999	\$300,000	Dublin	Alameda	64,577
Medium	Population 60,000-99,999	\$300,000	Brentwood	Contra Costa	63,662
Medium	Population 60,000-99,999	\$300,000	Petaluma	Sonoma	62,247
Medium	Population 60,000-99,999	\$300,000	San Rafael	Marin	60,046
Small	Population 20,000-59,999	\$150,000	Cupertino	Santa Clara	59,879
Small	Population 20,000-59,999	\$150,000	Gilroy	Santa Clara	55,928
Small	Population 20,000-59,999	\$150,000	Novato	Marin	54,115
Small	Population 20,000-59,999	\$150,000	Newark	Alameda	48,712
Small	Population 20,000-59,999	\$150,000	San Bruno	San Mateo	45,257
Small	Population 20,000-59,999	\$150,000	Morgan Hill	Santa Clara	45,742
Small	Population 20,000-59,999	\$150,000	Danville	Contra Costa	45,270
Small	Population 20,000-59,999	\$150,000	Rohnert Park	Sonoma	43,339
Small	Population 20,000-59,999	\$150,000	Campbell	Santa Clara	43,250
Small	Population 20,000-59,999	\$150,000	Oakley	Contra Costa	41,759
Small	Population 20,000-59,999	\$150,000	Pacifica	San Mateo	38,674

Attachment C: Local Government Planning Support Grants Program- Direct Funding to Bay Area Jurisdictions

Small	Population 20,000-59,999	\$150,000	Martinez	Contra Costa	38,490
Small	Population 20,000-59,999	\$150,000	Menlo Park	San Mateo	35,790
Small	Population 20,000-59,999	\$150,000	Pleasant Hill	Contra Costa	35,055
Small	Population 20,000-59,999	\$150,000	Foster City	San Mateo	33,693
Small	Population 20,000-59,999	\$150,000	San Pablo	Contra Costa	31,817
Small	Population 20,000-59,999	\$150,000	Saratoga	Santa Clara	31,407
Small	Population 20,000-59,999	\$150,000	Los Altos	Santa Clara	31,190
Small	Population 20,000-59,999	\$150,000	East Palo Alto	San Mateo	30,499
Small	Population 20,000-59,999	\$150,000	Los Gatos	Santa Clara	30,988
Small	Population 20,000-59,999	\$150,000	Burlingame	San Mateo	30,317
Small	Population 20,000-59,999	\$150,000	San Carlos	San Mateo	29,864
Small	Population 20,000-59,999	\$150,000	Suisun City	Solano	29,447
Small	Population 20,000-59,999	\$150,000	Windsor	Sonoma	28,565
Small	Population 20,000-59,999	\$150,000	Benicia	Solano	27,570
Small	Population 20,000-59,999	\$150,000	Belmont	San Mateo	27,174
Small	Population 20,000-59,999	\$150,000	Hercules	Contra Costa	26,224
Small	Population 20,000-59,999	\$150,000	Lafayette	Contra Costa	26,327
Small	Population 20,000-59,999	\$150,000	Napa County	Napa	26,158
Small	Population 20,000-59,999	\$150,000	El Cerrito	Contra Costa	25,459
Small	Population 20,000-59,999	\$150,000	Millbrae	San Mateo	23,154
Small	Population 20,000-59,999	\$150,000	American Canyon	Napa	20,629
Very Small	Population <20,000	\$65,000	Dixon	Solano	19,794
Very Small	Population <20,000	\$65,000	Solano County	Solano	19,580
Very Small	Population <20,000	\$65,000	Pinole	Contra Costa	19,498
Very Small	Population <20,000	\$65,000	Orinda	Contra Costa	19,475
Very Small	Population <20,000	\$65,000	Albany	Alameda	19,393
Very Small	Population <20,000	\$65,000	Moraga	Contra Costa	16,939
Very Small	Population <20,000	\$65,000	Mill Valley	Marin	14,675
Very Small	Population <20,000	\$65,000	San Anselmo	Marin	12,902
Very Small	Population <20,000	\$65,000	Half Moon Bay	San Mateo	12,631
Very Small	Population <20,000	\$65,000	Larkspur	Marin	12,578
Very Small	Population <20,000	\$65,000	Healdsburg	Sonoma	12,501
Very Small	Population <20,000	\$65,000	Emeryville	Alameda	11,885
Very Small	Population <20,000	\$65,000	Hillsborough	San Mateo	11,769
Very Small	Population <20,000	\$65,000	Clayton	Contra Costa	11,653
Very Small	Population <20,000	\$65,000	Sonoma	Sonoma	11,556
Very Small	Population <20,000	\$65,000	Piedmont	Alameda	11,420
Very Small	Population <20,000	\$65,000	Corte Madera	Marin	10,047
Very Small	Population <20,000	\$65,000	Tiburon	Marin	9,362
Very Small	Population <20,000	\$65,000	Rio Vista	Solano	9,416
Very Small	Population <20,000	\$65,000	Cloverdale	Sonoma	9,257
Very Small	Population <20,000	\$65,000	Los Altos Hills	Santa Clara	8,785
Very Small	Population <20,000	\$65,000	Sebastopol	Sonoma	7,885
Very Small	Population <20,000	\$65,000	Cotati	Sonoma	7,919
Very Small	Population <20,000	\$65,000	Fairfax	Marin	7,721
Very Small	Population <20,000	\$65,000	Sausalito	Marin	7,416
Very Small	Population <20,000	\$65,000	Atherton	San Mateo	7,070
Very Small	Population <20,000	\$65,000	Saint Helena	Napa	6,133
Very Small	Population <20,000	\$65,000	Woodside	San Mateo	5,615
Very Small	Population <20,000	\$65,000	Calistoga	Napa	5,453
Very Small	Population <20,000	\$65,000	Portola Valley	San Mateo	4,659
Very Small	Population <20,000	\$65,000	Brisbane	San Mateo	4,691
Very Small	Population <20,000	\$65,000	Monte Sereno	Santa Clara	3,787

Attachment C: Local Government Planning Support Grants Program- Direct Funding to Bay Area Jurisdictions

Very Small	Population <20,000	\$65,000	Yountville	Napa	2,916
Very Small	Population <20,000	\$65,000	Ross	Marin	2,526
Very Small	Population <20,000	\$65,000	Belvedere	Marin	2,148
Very Small	Population <20,000	\$65,000	Colma	San Mateo	1,512
		\$25,490,000			

B. BUDGET

(1) At least forty-five (45) days prior to the annual meeting of the General Assembly the Executive Director shall submit to the Executive Board, for the next fiscal year of the Association, a proposed general budget and summary work program. The proposed general budget shall include annual membership fee and assessment schedules and a summary of revenue and expenditures, actual or projected, for the preceding, current, and next fiscal years.

(2) The Executive Board shall review the proposed general budget and summary work program, amend them as necessary, and submit them to the General Assembly for review and adoption at the annual meeting of the Assembly.

(3) The General Assembly shall adopt a summary work plan and general budget, including yearly membership assessment and annual membership fee.

(4) The Executive Board shall adopt a detailed budget and work program on or before July 1 of each year, and thereafter monitor their execution and amend them as necessary. The work program shall give effect to any priorities set forth in the general budget and summary work program, unless financially infeasible.

(5) The Executive Director shall manage all expenditures, subject to control of the Executive Board. The Executive Board shall have power to transfer funds within the total detailed budget to meet unanticipated needs or changed situations. Such action shall be reported to the General Assembly at its next meeting.