

**Metropolitan Transportation Commission
Programming and Allocations Committee**

July 10, 2024

Agenda Item 2h-24-0896

MTC Resolution No. 4650, Revised

Subject:

Revisions to the Regional Early Action Planning Grant (REAP 2) program, including programming \$1 million to MTC for development and implementation of the Community Action Resource and Empowerment (CARE) program and \$200,000 to MTC for legal services to support Regional Housing Technical Assistance (RHTA) activities, and to reflect other programming actions approved to-date.

Background:

The Regional Early Action Planning Grant (REAP 2) Program is a \$600 million state investment to advance implementation of adopted regional plans by funding transformative planning and implementation activities that accelerate infill housing development, reduce per capita vehicle miles traveled (VMT), and affirmatively further fair housing. Initially launched in 2019 as a part of Governor Newsom’s “Comeback California Plan” (AB 140), the program is administered by 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). MTC was allocated \$102.8 million in REAP 2, formula funds for projects and subgrantees throughout the region.

MTC’s REAP 2 expenditure plan (MTC Resolution No. 4650, Revised), adopted in November 2022, focuses REAP 2 funds into three program areas that align with both State and regional objectives: (1) accelerating the implementation of the *Plan Bay Area 2050* (PBA 2050) Growth Framework, (2) delivering near-term priorities from the Transit Transformation Action Plan, and (3) augmenting the Community Action Resource & Empowerment (CARE) program to invest in additional local projects and programs prioritized by residents of Equity Priority Communities (EPCs).

This month, staff recommend the following revisions to the REAP 2 expenditure plan, including documenting specific funding commitments made to date.

- **Community Action Resource and Empowerment (CARE) Program:** Refine the investment levels within the CARE program. Of the \$8 million identified within the REAP 2 expenditure plan, direct \$5 million for Participatory Budgeting Project Implementation, \$1 million for Community-Based Transportation Plan (CBTP) Project

Implementation, and \$2 million for Community Power Building and Engagement (CPBE). Within the CPBE category, this month’s action programs \$1 million to MTC for capacity building and technical assistance as informed by the CARE program’s Community Advisory Working Group (CAWG). The expenditure plan, this month’s proposed programming action, and the remaining balances within the CARE program are provided in the table below.

CARE Program Activities	REAP 2 Expenditure Plan	Proposed Programming Action (this month)	Remaining Balance
Participatory Budgeting Project Implementation	\$5 million	-	\$5 million
Community-Based Transportation Project Implementation	\$1 million	-	\$1 million
Community Power Building and Engagement (CBPE)	\$2 million	\$1 million	\$1 million
Total:	\$8 million	\$1 million	\$7 million

- **Regional Housing Technical Assistance (RHTA):** Update to reflect the following programming actions:
 - Reflect the \$1 million in REAP 2 funds awarded by ABAG to continue the subregional Planning Collaboratives. Consistent with the REAP 2 expenditure plan, MTC programmed \$8 million to ABAG to continue the Planning Collaboratives and other RHTA program activities. In November 2023, ABAG programmed the first \$4 million to continue the subregional Planning Collaboratives. However, with REAP 2 funding uncertainties introduced with the draft State budget earlier this year, ABAG has proceeded with contracts for only \$1 million to Planning Collaboratives to date. These awards continue the Planning Collaboratives with as little of a gap in service as possible, while also recognizing the budget uncertainty.

Jurisdiction	Awarded
Alameda County	\$123,250
Contra Costa County	\$164,250
Marin County	\$122,500
Napa/Sonoma Collaborative	\$131,500
San Francisco	\$32,000
San Mateo County	\$172,500
Santa Clara County	\$131,500
Solano County	\$122,500
Total:	\$1,000,000

- Reflect the \$250,000 programmed to MTC for Accessory Dwelling Unit (ADU) technical assistance. Consistent with the REAP 2 expenditure plan, \$8 million is programmed to MTC for RHTA activities. In January 2024, MTC approved a contract for the first \$250,000 to support the increased production of ADUs, particularly affordable ADUs and implementation of ADU programs identified in local jurisdictions’ Housing Elements.
- Program \$200,000 to MTC for legal services to support the development of model ordinances, housing policy, and annual housing law webinars.
- **Priority Sites Predevelopment Pilot:** Reflect BAHFA programming actions to-date. In May 2024, BAHFA awarded \$28 million in REAP 2 funds to various projects across the region. As detailed in the action, the awards are phased and conditioned upon REAP 2 funding availability.

Issues:

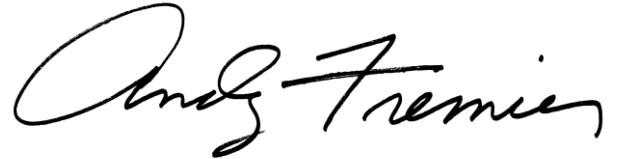
On June 22, the Governor and California legislature announced the 2024 State budget agreement. Fortunately, the final budget restores all but \$30 million (5%) of the \$600 million REAP 2 program, a significantly more limited cut than the \$300 million cut proposed in the January draft State budget. MTC staff anticipate this will result in a cut of \$6 to \$7 million MTC’s original REAP 2 formula program award. Staff will return to the Commission this fall to recommend revisions to MTC’s REAP 2 expenditure plan to reflect our region’s updated REAP 2 award amount.

Recommendations:

Refer MTC Resolution No. 4650, Revised to the Commission for approval.

Attachments:

- MTC Resolution No. 4650, Revised
 - Attachment A

A handwritten signature in black ink, reading "Andrew B. Fremier". The signature is written in a cursive, flowing style.

Andrew B. Fremier