



San Diego Association of Governments (SANDAG)

REAP 2.0 Program Framework



October 2022

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Introduction and Purpose

Building on the momentum from the bold new vision of the 2021 Regional Plan and 6th Cycle Regional Housing Needs Assessment (RHNA) Plan, the San Diego Association of Governments (SANDAG) is poised to lead the San Diego region into a new era for collaborative regional planning for housing that prioritizes affordability, equity, mobility, and sustainability. With funding from the Regional Early Action Planning (REAP) 2.0 program, SANDAG can make significant progress on these efforts. This framework outlines the state’s REAP 2.0 objectives, as well as SANDAG’s REAP 2.0 Program Priorities and Proposed Uses, informed by recent and ongoing community engagement efforts. The purpose of this framework document is to help inform SANDAG’s subsequent REAP 2.0 application that is due to the California Department of Housing and Community Development (HCD) by December 2022. SANDAG’s REAP 2.0 priorities focus on working collaboratively with local jurisdictions and community partners to plan and implement policies, programs, and projects that accelerate housing development. These priorities will also help the region realize multimodal communities by investing in the housing supportive infrastructure that connects San Diegans more equitably and sustainably to the resources that they need to grow and thrive.

REAP 2.0 Background

HCD, in collaboration with the Office of Planning and Research (OPR), the Strategic Growth Council (SGC), and the California Air Resources Board (CARB), released its Notice of Funding Availability (NOFA) of \$510,000,000 for REAP 2.0 Metropolitan Planning Organizations (MPOs) allocation on July 26, 2022¹. The principal goal of REAP 2.0 is to make funding available to MPO’s, such as SANDAG, and other regional entities for transformative planning and implementation activities that meet housing and equity goals, reduce Vehicle Miles Traveled (VMT), and advance implementation of the Regional Plan/Sustainable Communities Strategy (SCS).

REAP 2.0 builds on the success of the REAP 1.0 program by expanding the focus on long term sustainability by integrating housing with climate goals and allowing for broader planning and implementation investments such as infrastructure investments that support future housing development. REAP 2.0 focuses on the crucial intersection between accelerating infill housing development for all incomes, reducing VMT, and affirmatively furthering fair housing. By providing a funding source that explicitly addresses these multiple objectives, the state is accelerating the implementation of regional and local plans to achieve these goals.

¹ Department of HCD. Memo for all Metropolitan Planning Organizations. Notice of Funding Availability and Final Guidelines – Metropolitan Planning Organization Allocation Regional Early Action Planning Grant (REAP 2.0). <https://www.hcd.ca.gov/docs/grants-and-funding/MPO-REAP-2-0-Final-Guidelines.pdf>

Most of the REAP 2.0 program's funding (85 percent, or \$510 million) will flow directly to the state's 18 MPOs which may suballocate a portion of the funds to eligible entities (cities, counties, transit/transportation agencies) in their metropolitan region. Based on a population formula, SANDAG is eligible for a maximum allocation amount of \$43,037,322 and has already received 10 percent (or approximately \$4.3 million) in advance of a full request for funding. This initial \$4.3 million is being used for program development, education, and outreach activities to inform SANDAG's full application to the program, planning studies identified in the 2021 Regional Plan with a focus on housing, and continued development and expansion of the Housing Acceleration Program (HAP) as a mechanism for suballocating funds.

SANDAG's deadline to submit a REAP 2.0 application is December 31, 2022, and REAP 2.0 funds must be expended by June 2026.

REAP 2.0 Objectives

The goal of REAP 2.0 is to invest in housing, planning, and infill housing-supportive infrastructure across the entire state in a manner that reduces VMT, increases housing affordability, and advances equity. In support of this goal, REAP 2.0 has three objectives:

- Accelerating infill development that facilitates housing supply, choice, and affordability (e.g., housing choice and affordability at infill sites).
- Affirmatively Furthering Fair Housing (AFFH) (e.g., helping to overcome patterns of segregation and fostering equitable and inclusive communities).
- Reducing VMT (e.g., investments to support housing planning and production in infill areas that reduce VMT)

SANDAG's Role as a Housing Leader

As an implementation item of the 2021 Regional Plan, SANDAG has developed its Housing Acceleration Program (HAP), which is guided by the HAP Strategy. The HAP Strategy describes the housing crisis in the San Diego region and introduces the five key policy goals, known as the 5Ps (Figure 1), to address the root causes of the housing crisis.



Figure 1: The 5Ps to Address the Root Causes of the Housing Crisis

The HAP Strategy describes SANDAG’s role as a regional housing leader and the three core strategies to develop regional housing programs and policies. These core strategies were developed through a regional needs assessment by SANDAG that included interviews with local jurisdictions, best-practice research, and regional stakeholder focus groups to learn more about planning efforts and challenges affecting housing production across the region and what assistance is needed to overcome these challenges. The three core strategies include:

- **Local jurisdiction support:** Includes programs and policies that directly help local jurisdictions plan for and build housing units to meet their local RHNA allocation and promote pro-housing principles. This support can include grants, technical assistance, and education and outreach.
- **Data analysis and policy resources:** Includes development of the Housing Policy and Planning tool and to improve access to data to inform planning and development decisions, provide transparency as the region monitors progress toward housing goals, and facilitate collaboration on best practices.
- **Regional initiatives:** Includes opportunities for SANDAG to conduct studies, implement innovative regional programs, and serve as a regional convener. Regional Initiatives include housing finance and revenue opportunities, studies related to anti-displacement and development pipeline, and regional convenings, such as the Housing Policy Leadership Academy and developer coordination.

Education and Outreach

SANDAG held focus groups, interviews, and meetings and with local jurisdiction staff, elected officials, and community-based organizations to solicit input on priorities, concerns, and ideas to develop the REAP 2.0 program. Special efforts are being made to solicit information and feedback from under-resourced and underserved communities, communities of concern, environmental justice and disadvantaged communities, and tribal communities, as well as establishing partnership opportunities with individuals, groups, and organizations that work with these groups. Some of the common themes from the stakeholder meetings include:

- Ensure that public involvement is meaningful,
- Prioritize projects that lead to long-term affordability and benefits for communities,
- Streamline grant applications to ease jurisdictions' capacity limitations,
- Consider projects in the pipeline as well as those that go beyond housing but support overall communities, and
- Implement the 2021 Regional Plan and local plans.

Outreach and engagement activities directly influenced the REAP 2.0 Program Priorities and the Proposed Uses. SANDAG will continue to deploy its education and outreach strategy through June 2026 by employing a variety of methods to reach a wide range of stakeholders.

SANDAG Program Priorities

- Implement the 2021 Regional Plan, and its SCS, and SANDAG's Commitment to Equity by advancing mobility hubs and prioritizing investments in historically marginalized communities
- Provide grants and technical assistance to local governments to accelerate equitable infill development, implement projects that bring mobility options to communities, and advance planning and policy actions to implement housing elements
- Partner with developers and public agencies to build transformative affordable housing projects, improve the region's competitiveness for state grants, and explore long-term funding for housing
- Connect transit with communities through transit-oriented development and projects that improve access to transit
- Collaborate with tribal nations, cross-border communities, and regional neighbors to advance shared goals around housing, land use, transportation climate change, and equity through grant opportunities, sharing of data and best practices, and educational events

SANDAG Proposed Uses

REAP 2.0 is a significant investment that brings \$43 million to the San Diego region to support strategies focused on infill and affordable housing, affirmatively furthering fair housing, and reducing VMT. As mentioned previously, innovative and transformative solutions are needed to rethink how we plan our communities to produce 171,685 housing units by 2029, of which roughly 60 percent are allocated to low- and moderate-income households. Additionally, bold action is needed to meet the region’s mandated Senate Bill 375 per capita greenhouse gas (GHG) emissions reduction target of 19 percent from 2005 levels by 2035. Furthermore, REAP 2.0 places a special focus on equity throughout the outreach process, the selection of projects, and implementation of the funds.

Figure 2 provides an overview of each proposed use, its funding amount, and its percent share of all REAP 2.0 application activities. Figure 2 represents SANDAG’s full allocation, including the funds awarded in the initial 10 percent advance application, which covered program development, initial priority setting, targeted education and outreach, intra/inter-regional and tribal entity coordination, and administration. In alignment with REAP 2.0 guidelines, SANDAG intends to use the majority of funds (70%) for implementation activities and leverage suballocations and partnerships to distribute the majority of funds directly to local jurisdictions and developers.

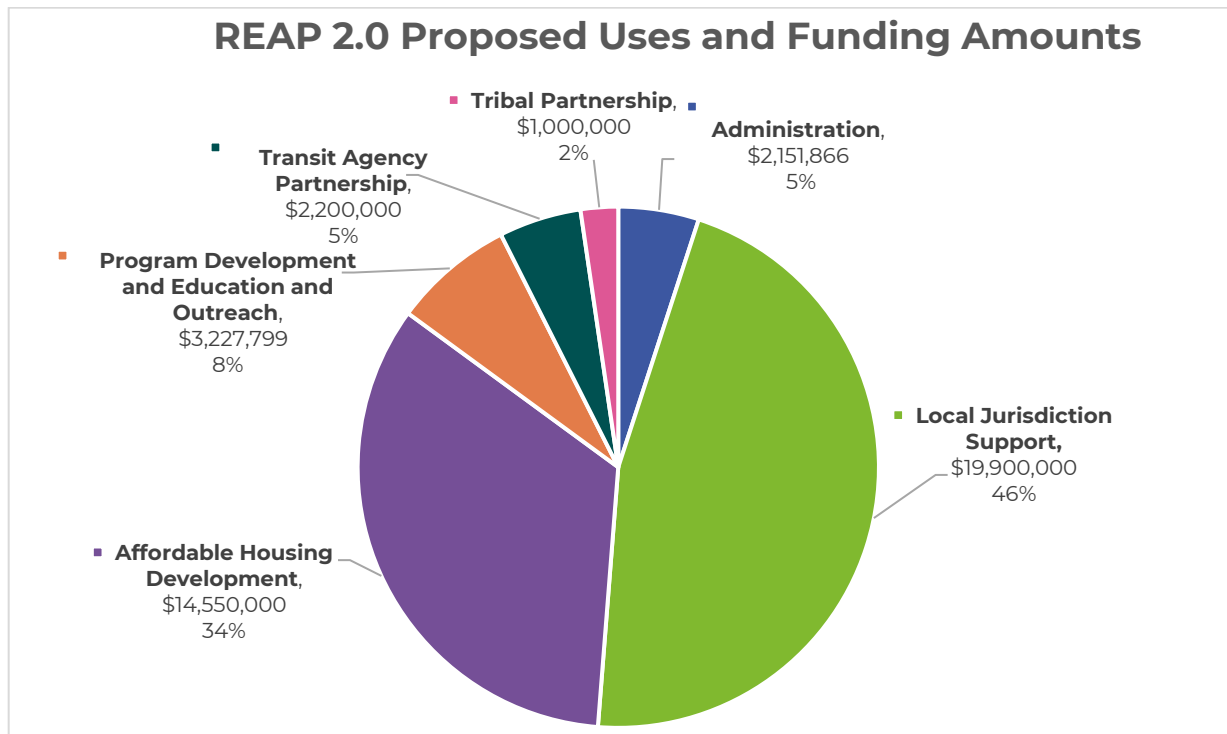


Figure 2: SANDAG’s REAP 2.0 Proposed Uses and Funding Amounts

Proposed Uses Descriptions

Local Jurisdiction Support:

The Local Jurisdiction Support proposed use would provide grants and technical assistance for efforts to implement local housing elements and accelerate the development of affordable housing. A primary activity is the HAP Grants Call for Projects Cycle 2 for local jurisdictions to support planning and capital activities. The Planning category will offer up to \$4 million for projects such as updating planning documents, conducting infrastructure studies, or preparing multimodal plans or programs. The capital category will offer up to \$12 million, which aims to fund infrastructure investments that help unlock an area for increasing residential development and will result in transformative outcomes at neighborhood and regional levels. To complement the HAP grants, additional activities include technical assistance, policy forums, and data and planning tools. This proposed use will achieve REAP 2.0 objectives by encouraging housing construction and supporting best management practices and policies that help to lower VMT and reduce barriers to building affordable housing.

Affordable Housing Development:

The Affordable Housing Development proposed use would develop and contribute \$13 million to a regional housing trust fund. The contribution from REAP 2.0 would be leveraged with funding from partners across the region to directly support affordable housing development. Additional complementary activities include coordination on regional grant applications to statewide funding opportunities, such as the Affordable Housing and Sustainable Communities (AHSC) Program, analysis of housing finance models, and evaluating opportunities for development on public lands. This proposed use will achieve REAP 2.0 objectives by promoting strategies to increase the supply of housing that is accessible for all residents of the region.

Transit Agency Partnership:

The Transit Agency Partnership would support activities that advance housing, particularly workforce housing, on land directly adjacent to major transit stations in the San Diego region. Funding would advance transit-oriented development on land owned by Metropolitan Transit System (MTS) and North County Transit District (NCTD). This proposed use will achieve REAP 2.0 objectives by focusing affordable housing in mobility hubs where high concentrations of people, destinations, and travel options converge.



Tribal Partnership:

The San Diego region is home to 17 federally recognized tribes across 18 reservations. The Tribal Partnership proposed use would be a complementary program and support each Tribe's unique housing needs. This will achieve REAP 2.0 objectives by prioritizing housing solutions for historically underserved communities.

Submitting comments on SANDAG's Framework Document

SANDAG is seeking input on the REAP 2.0 framework. Members of the public and stakeholders are encouraged to take the public survey linked below and/or submit feedback on this REAP 2.0 Framework as presented. Comments will be considered in SANDAG's final REAP 2.0 application to HCD.

The 21-day public comment period for the REAP 2.0 Framework closes at 5 p.m. on Monday, October 31, 2022. All written comments should be sent via email to housing@sandag.org.

REAP 2.0 Public Survey: surveymonkey.com/r/SANDAGhousing.