



April 3, 2024

The Honorable Mike McGuire
Senate President Pro Tempore
1021 O Street, Suite 8518
Sacramento, CA 95814

The Honorable Robert Rivas
Speaker California State Assembly
1021 O Street, Suite 8330
Sacramento, CA 95814

The Honorable Scott Wiener
Chair, Senate Committee on Budget and Fiscal Review
1021 O Street, Suite 8630
Sacramento, CA 95814

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

RE: Protect Regional Early Action Planning (REAP) 2.0 Program

Dear President Pro Tempore McGuire, Speaker Rivas, and Budget Chairs Wiener and Gabriel:

As you continue to set your priorities for the FY 2024-25 State Budget, we urge you to maintain your strong support for the Regional Early Action Planning Grants (REAP) program, which provides funding for innovative projects that address the state’s climate, housing, and mobility needs.

In the 2022 “Progress Report” on the State’s Sustainable Communities and Climate Protection Act implementation, the California Air Resources Board (CARB) found that Californians are driving more than ever despite State efforts to encourage better linkages between transportation and land-use decisions. Among the reasons attributed to this disparity is the lack of sustained investments in housing, transit, and walking and biking infrastructure. While we recognize the incredible budget challenge the Legislature now faces, climate and housing programs must be protected if the State is to meet its ambitious policy goals.

One such investment is REAP 2.0, a \$600 million program intended to bridge the gap between planning and climate action by funding projects that accelerate progress towards California's housing and greenhouse gas (GHG) reduction goals. REAP 2.0 is the only program specifically and exclusively designed to implement the region's Sustainable Communities Strategies (SCS), as required by SB 375 (2008).

In July 2023, the Southern California Association of Government's (SCAG) full REAP 2.0 application was approved by the Department of Housing and Community Development (HCD), formally committing \$246 million to SCAG. With this commitment, SCAG developed their REAP 2.0 program through an inclusive outreach program focused on the engagement with disadvantaged and underserved communities, by understanding key priorities and refining the program and funding allocation. Since then, SCAG has sub-allocated \$192 million primarily through competitive programs to more than 100 transformative, local projects that implement the region's Regional Housing Needs Determination and the dozens of GHG-reducing strategies contained within Connect SoCal, the Regional Transportation Plan/ Sustainable Communities Strategy (RTP/ SCS) for the Southern California region.

Innovative projects awarded to date through the REAP 2.0 program include the following:

- \$15 million for the "North Hollywood Transit Center," which will result in improvements to multi-modal transportation options for San Fernando Valley residents and riders to the third busiest station in the LA Metro transit system. The result will accommodate an increase in transit demand from future bus rapid transit services and a planned mixed-use development project that will accommodate 1,500 units, a quarter of which will be rent restricted.
- \$6.1 million for the "Stormwater Drainage Project" to help the Soboba Band of Luiseño Indians construct a storm water collection system to collect runoff resulting from rain flow from the foothills of the Soboba Indian Reservation. Catastrophic flood events have impacted existing homes and stopped future home development from continuing in the area. Developing the property would create housing security for 96 Soboba Tribal Member families with a current need for housing and an additional 107 families who will have a Reservation housing need over the next five years. In total, the project would support a mixture of 203 townhome, single-family, duplexes, and multi-use apartment complexes.
- \$5 million for the "Ventura County Housing Trust Fund Revolving Long-Term Loan Program" which would support 656 affordable units in infill locations in Ventura County.
- \$5 million for the establishment of the "San Bernardino Regional Housing Trust" to help create an initial loan program providing gap funding for affordable housing projects, which

would support two initial pilot projects (located in the cities of Ontario and Twentynine Palms) offering a combined 250 affordable units.

- \$4 million for the “Affordable ADU Loan Program” in the County of Orange to help expand an existing loan program that provides low-to-no interest, partially forgivable, loans to homeowners to construct an Accessory Dwelling Unit (ADU) in exchange for a 10-year affordability term. The anticipated outcomes from expanding the program include 34 ADUs initially and, over the next 20 years as loans are repaid, an additional 240 ADUs.
- \$3.7 million for “Project Powerhouse” in the City of Los Angeles to help eliminate costs for routing power and expedite needs determinations and Los Angeles Department of Water and Power approvals for 100 percent affordable or supportive housing projects by building out public right-of-way utility infrastructure needed to provide reliable electricity to these facilities.
- \$2.5 million for the “Water Supply Well City 3A for Regional Housing Project” in the City of Rialto to help equip an existing unused water well with a treatment system to provide an additional local water source. When completed, the system will pump treated water into an existing water distribution pipeline and provide water to the entire Rialto Water Service Area, including 4,994 newly zoned housing units identified in Rialto’s 6th Cycle Housing Element.
- \$1.5 million for the “City of Calipatria Delta Street Pump Station” in the City of Calipatria to help design and construct necessary repairs to the Delta Street Pump Station to promote existing and future affordable residential development in the Calipatria Eastside Specific Plan, which can accommodate up to 736 units. Improvements include the installation of an updated electrical control system, a new blower system to remove corrosive gases, upgraded centrifugal pumps and rehabilitation of the wet well concrete and steel support members.
- \$500,000 for the “Ventura County Farmworkers Housing Study and Action Plan” that will develop an action plan to build more farmworker housing in Ventura County.
- \$250,000 for the City of Long Beach to expand the city’s existing “Inclusionary Housing Program” boundary to high resource areas meeting the REAP 2.0 definition for infill, which could potentially expand the program to a significant portion of the city.

Reducing or delaying funding will compromise the program’s integrity and have severe, negative impacts on cities, counties, and tribal governments across Southern California and the entire state. We respectfully ask the Legislature to protect this vital program to ensure climate, housing and mobility goals are met.