

Draft Regional Early Action Planning Framework - \$4,928,380

Guiding Principle

This framework outlines how SACOG proposes to utilize the remaining \$4,928,380 funds from the Regional Early Action Planning (REAP) program. The proposal includes two grant programs: one competitive and one non-competitive. Both programs include technical assistance to participants through an accelerated “mini” Civic Lab series focused on planning and policy tools local agencies can use to support increased housing production.

SACOG’s guiding principle for the REAP funds is to ensure that funded activities support the implementation of the 2020 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS), which is directly linked to the Regional Housing Needs Plan. Specifically, REAP funds should be used to plan and accelerate more infill housing, more housing product choices, and to better leverage future funding opportunities, such as Green Means Go. This guiding principle and proposed framework draw from Policies 1 and 2 of the 2020 MTP/SCS:

Policy 1: Provide incentives, information, tools, technical assistance, and encouragement to support implementation of the Sacramento region’s Sustainable Communities Strategy through:

- Development in communities where services, amenities, and transportation infrastructure already exist;
- The economic viability of rural lands and conservation of open space and agricultural resources;
- Revitalization of urban, suburban, and rural centers and corridors;
- Coordinated and phased greenfield growth that prioritizes walking and bicycling in scale and design while incorporating new urbanist design principles;
- Higher density housing options such as small-lot or attached single-family products, accessory dwelling units, and multi-family housing options where appropriate;
- A diversity of housing to provide options for all residents;
- Complete communities that include a balance of homes, jobs, services, amenities, and diverse transportation options;
- Transit-oriented development including more housing and jobs in high frequency transit areas;
- Complete streets that provide safe, comfortable, and equitable facilities for people of all ages and abilities to walk, bike, and ride transit.

Policy 2: Pursue funding opportunities that support the infrastructure improvements needed to support new housing and employment opportunities in existing urban, suburban, and rural communities.

Progress Tracking

The MTP/SCS describes performance indicators that SACOG will monitor to better track implementation of the plan. The following indicators from the MTP/SCS are directly applicable to REAP and will be useful in monitoring the effectiveness of this program:

- Number of local housing policy and/or ordinance changes that result from planning work funded by Senate Bill 2 or other state funding programs (such as REAP), the Regional Housing Needs Plan, the Housing Policy Toolkit, and locally led efforts.
- New housing starts in small lot and attached products.
- Increased production of housing in existing communities, centers, and commercial corridors.
- Local plans and projects consistent with the Blueprint and/or SCS.
- Local land use changes such as infill development, increased density, and jobs/housing balance, that are intended to be outcomes of transportation investment programs or projects.

Proposed REAP Activities

1) Civic Lab: Housing Series – up to \$130,000

SACOG will organize a series of four housing related workshops targeted at local agencies. This Civic Lab Series is intended to complement and support the non-competitive and competitive grants outlined in sections 2 and 3. This series will provide an opportunity for local agencies to learn from experts in housing related fields about topics and strategies they might consider when deciding how REAP funds could be used to best incentivize increased housing production in their communities. SACOG will organize these sessions to be accessible through online meetings, workshops, and/or webinars. Each of the four sessions will include a technical assistance component designed to help participants take greater advantage of specific strategies that may be of interest to their jurisdictions. SACOG staff will try to coordinate with the Sacramento Valley Section of the American Planning Association to offer AICP credits for this series. The estimated \$130,000 to support this activity includes the cost of each session along with technical assistance available to participants. Any unused funds will add to the competitive grant program outlined below.

Applicants for the competitive REAP program will be required to attend at least two of the four sessions in order to participate in the competitive grant program. However, attendance at all four sessions is strongly encouraged and would still benefit jurisdictions that choose not to pursue competitive funds.

SACOG will solicit the input of local jurisdictions this summer on the topics to cover at these four sessions. Some examples are included below to illustrate potential topics and related technical assistance that could be provided as part of the series.

Example Workshop Sessions

| Topic | Online Workshop | Technical Assistance Provided |
|---------------------------------|---|---|
| Accessory Dwelling Units (ADUs) | How to utilize pre-approved plans for ADUs to allow over-the-counter expedited processing | Pre-approved ADU plans that jurisdictions can tailor to their design and code standards |
| Fees | Changing fee structure from per unit to per square foot | Examples of different fee structures |
| Zoning | How parking and setbacks requirements can impact housing feasibility | Economic analysis and illustrative case studies showing how these factors impact the economics of a housing project |

| | | |
|----------------------------|---|--|
| Missing Middle | Missing middle and typical zoning code barriers | Example zoning code changes needed to allow missing middle product types |
| Virtual Outreach | Best practices for outreach, focused on online engagement | Online engagement resources and vendor procurement process |
| Development Review Process | Considerations and benefits of a streamlined development review process | Best practice research and case studies |

The Civic Lab: Housing Series would aim to start between October and December 2020 and conclude no later than February 2021. The exact schedule is dependent on the timing of HCD's approval of SACOG's REAP program and will be adjusted in the fall once more definitive information is available.

2) Non-competitive grants to cities and counties – up to \$2,825,000

Provide grant funds to each jurisdiction for housing planning that has a nexus to increased housing production. Grant award amounts are based on the jurisdiction's share of units in the Regional Housing Needs Plan and are proposed as follows:

| Percent of Regional RHNA | Grant Amount |
|--------------------------|--------------|
| 1.0% or less | \$40,000 |
| 1.01% - 3.0% | \$65,000 |
| 3.01% - 5.0% | \$90,000 |
| 5.01% - 7.0% | \$140,000 |
| 7.01% - 10.0% | \$200,000 |
| 10.01% -20.0% | \$300,000 |
| 20.01% or greater | \$600,000 |

The final page of this framework provides jurisdiction specific grant amounts. This attachment also includes the amounts awarded in the first suballocation that was approved by the board in March.

Non-competitive grant award timing and process

Jurisdictions will be required to submit a simple concept proposal letter to SACOG in order to receive funds. The purpose of this letter is to provide SACOG with enough information to determine whether a project meets the requirements of the program. The letter must either be accompanied by a board or council resolution, or be signed by a city manager, county executive, city councilmember, or county supervisor. SACOG will review and respond to concept proposal letters within 30 days of receipt.

The grant application period is tentatively targeted to begin on a rolling basis in October 2020 and would run through February 2021. SACOG expects funding to be available as early as January 2021. These dates are subject to change depending on when SACOG receives its REAP award from HCD. Any funds that are not awarded by the end of the application period will be added to the competitive grant funding program outlined below.

To help facilitate timely use of funds, SACOG will pre-qualify a bench of vendors that can perform the eligible activities listed below. Jurisdictions can choose to utilize consultants from this pre-qualified

bench to streamline their own procurement and contracting processes, but this will not be a requirement of funding awards.

Grant program requirements and considerations

- Activities must:
 - Demonstrate a nexus to increasing housing and accelerating housing production. Reporting requirements for monitoring success are to be determined at a later date.
 - Support MTP/SCS implementation.
 - Include an implementation commitment, such as adoption by the local governing body.
 - Include equity and anti-displacement considerations. This will vary based on the proposed activity.
- Applicants are strongly encouraged to:
 - Use these funds towards activities that achieve a “prohousing” status from the state.
 - Align activities with designated Green Zones where possible.
 - Participate in the Civic Lab Housing Series to help develop local proposals for these funds.
- These non-competitive grants must be used for one or more of the following eligible activities:
 - Expediting or streamlining the housing permit process, including process redesign
 - Infrastructure planning in a Center/Corridor or Established Community, including sewers, water systems, transit, roads, or other public facilities necessary to support increased housing capacity, new housing and new residents
 - Pre-approved designs and plans for ADUs or missing middle products, such as four-plexes
 - Performing feasibility studies, in infill areas, to determine the most efficient locations to site housing consistent with Government Code sections 65040.1 (State Planning Priorities) and 65080 (regional transportation plans)
 - Performing nexus studies to facilitate the lowering of fees in infill areas
 - Changes to fee structures that result in lowering fees in infill areas
 - Updating zoning to: address impediments based on parking requirements, setbacks, lot coverage requirements; increase density; allow by right housing
 - Corridor, community, or transit station area specific plans that support new housing and residents
 - Other planning or outreach actions to accelerate housing production
- Ineligible activities:
 - General Plan Updates
 - Housing Element Updates (a separate suballocation from REAP funds has already been allocated to helping pay for Housing Elements)
 - Studies or plans that do not directly increase housing or accelerating housing production

3) Competitive place-based pilot grant program - \$1,727,000+

To complement the Civic Lab: Housing Series and further support SACOG’s Green Means Go effort, a portion of REAP funds would be used for a pilot competitive, place-based grant program. This place-

based funding program would be incorporated into SACOG’s Regional 2020 Funding Round. Among the issues for board consideration for the 2020 Regional Funding Round Framework is whether to combine the REAP housing funds discussed here with a small portion of the transportation funds supporting the larger funding round to create a leveraged pilot program. A leveraged program could expand the pilot’s impact, though a standalone pilot supported solely by REAP funds remains a viable and effective program. The purpose of a pilot supported with both REAP and transportation funds would be to advance a program of transportation and housing projects aligned with the MTP/SCS and within Green Zones that underly the region’s Green Means Go effort. SACOG is targeting early 2021 to launch this program, in alignment with the designation of Green Zones, which are currently scheduled to be adopted by the end of 2020.

The final fund estimate for this pilot grant program and all other application and eligibility details will be worked out through SACOG’s 2020 Funding Program framework over the next several months.

4) Staff costs – up to \$246,400

SACOG staff time is needed to plan, organize, and facilitate the Civic Lab: Housing Series, including the supporting technical assistance, and the two grant programs. SACOG will also incur costs related to program administration, such as contracting, invoicing, and reporting.

Timely Use of Funds

All REAP funds, including those supporting the Civic Lab: Housing Series, non-competitive and competitive program, and administrative costs must be fully expended by August 2023. Grant funds need to be expended with final invoices to SACOG no later than July 2023.

Overall REAP Schedule – dates represent a potential range

| May | June | July | Aug | Sep | Oct | Nov | Dec | Jan 21 | Feb 21 |
|-----------------|---------------------------------|------|----------------------|-----|---|-----|---------------------------------------|--------|--------|
| Draft Framework | Board action on Final Framework | | SACOG Applies to HCD | | | | | | |
| | | | | | Civic Lab: Housing Series | | | | |
| | | | | | Concept letters due for non-competitive grant program | | | | |
| | | | | | | | Competitive place-based grant program | | |

| Jurisdiction | Total RHNA | |
|---|------------|------------|
| | RHNA | % of Total |
| Sacramento | 45,580 | 29.69% |
| Sacramento County Unincorporated | 21,272 | 13.86% |
| Roseville | 12,066 | 7.86% |
| West Sacramento | 9,471 | 6.17% |
| Rancho Cordova | 9,067 | 5.91% |
| Elk Grove | 8,263 | 5.38% |
| Placer County Unincorporated (Including Tahoe Basin) | 7,854 | 5.12% |
| Folsom | 6,363 | 4.14% |
| Rocklin | 5,661 | 3.69% |
| El Dorado County Unincorporated (Including Tahoe Basin) | 5,353 | 3.49% |
| Lincoln | 5,120 | 3.34% |
| Yuba City | 3,308 | 2.15% |
| Woodland | 3,087 | 2.01% |
| Yuba County Unincorporated | 2,887 | 1.88% |
| Davis | 2,075 | 1.35% |
| Galt | 1,926 | 1.25% |
| Sutter County Unincorporated | 729 | 0.47% |
| Citrus Heights | 697 | 0.45% |

| REAP | | |
|---------------------------|---|----------------------------|
| Proposed REAP Grant Award | First REAP Suballocation (from first 25%) | Total Dedicated REAP Funds |
| \$ 600,000 | \$ 200,000 | \$ 800,000 |
| \$ 300,000 | \$ 139,000 | \$ 439,000 |
| \$ 200,000 | \$ 79,000 | \$ 279,000 |
| \$ 140,000 | \$ 62,000 | \$ 202,000 |
| \$ 140,000 | \$ 59,000 | \$ 199,000 |
| \$ 140,000 | \$ 54,000 | \$ 194,000 |
| \$ 140,000 | \$ 51,000 | \$ 191,000 |
| \$ 90,000 | \$ 41,000 | \$ 131,000 |
| \$ 90,000 | \$ 37,000 | \$ 127,000 |
| \$ 90,000 | \$ 35,000 | \$ 125,000 |
| \$ 90,000 | \$ 33,000 | \$ 123,000 |
| \$ 65,000 | \$ 22,000 | \$ 87,000 |
| \$ 65,000 | \$ 20,000 | \$ 85,000 |
| \$ 65,000 | \$ 19,000 | \$ 84,000 |
| \$ 65,000 | \$ 14,000 | \$ 79,000 |
| \$ 65,000 | \$ 13,000 | \$ 78,000 |
| \$ 40,000 | \$ 10,000 | \$ 50,000 |
| \$ 40,000 | \$ 10,000 | \$ 50,000 |

| | | | | | |
|-------------------------------|----------------|-------|---------------------|-------------------|---------------------|
| Winters | 552 | 0.36% | \$ 40,000 | \$ 10,000 | \$ 50,000 |
| Wheatland | 499 | 0.33% | \$ 40,000 | \$ 10,000 | \$ 50,000 |
| Live Oak | 412 | 0.27% | \$ 40,000 | \$ 10,000 | \$ 50,000 |
| Loomis | 352 | 0.23% | \$ 40,000 | \$ 10,000 | \$ 50,000 |
| Auburn | 310 | 0.20% | \$ 40,000 | \$ 10,000 | \$ 50,000 |
| Placerville | 259 | 0.17% | \$ 40,000 | \$ 10,000 | \$ 50,000 |
| Marysville | 167 | 0.11% | \$ 40,000 | \$ 10,000 | \$ 50,000 |
| Colfax | 97 | 0.06% | \$ 40,000 | \$ 10,000 | \$ 50,000 |
| Yolo County Unincorporated | 57 | 0.04% | \$ 40,000 | \$ 10,000 | \$ 50,000 |
| Isleton | 28 | 0.02% | \$ 40,000 | \$ 10,000 | \$ 50,000 |
| Total | 153,512 | | \$ 2,825,000 | \$ 998,000 | \$ 3,823,000 |