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April 15, 2022

Gustavo Velasquez, Director
California Department of Housing & Community Development
2020 West El Camino Avenue
Sacramento, CA 95833

RE: Draft Regional Early Action Planning Grants of 2021 (REAP 2.0) Guidelines for Metropolitan Planning Organizations

Dear Mr. Gustavo:

The Madera County Transportation Commission (MCTC) offers the following comments on the Draft Regional Early Action Planning Grants of 2021 (REAP 2.0) Guidelines for Metropolitan Planning Organizations.

Recent changes to the Regional Early Action Plan Program of 2021 (REAP) program adversely effects important project eligibility of transportation projects. The REAP grants were to provide the first discretionary funds to Metropolitan Planning Organizations (MPOs) specifically in support of SB 375 implementation. AB 140 listed a multitude of eligible project types that increased infill housing and reduced vehicle miles travelled. The idea was to give each MPO funding to implement a flexible program that met the needs of that region. However, the draft guidelines do not appear to follow the intent of the enabling legislation.

The problem is in the type of funds that the state is now using for the program. The \$600 million program is funded by \$100 million from the state general fund and \$500 million in funding from the specifically the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) from the American Rescue Plan Act (ARPA). As AB 140 was being drafted, the indication was that the \$500 million in ARPA funds would come the “revenue lost” portion, which was the only “pot” of SLFRF funds that was flexible enough to fund transportation projects like transit, pricing, and most VMT reduction projects.

Instead, the \$500 million is now coming from the “pandemic economic impacts” source of SLFRF funding. These funds are much more limited to specific types of housing projects and related project infrastructure. As a result, there is a significant mismatch between AB 140’s goals of supporting infill housing and VMT reduction and the more limited uses allowed by “pandemic economic impacts” funding program. Although the REAP program still retains a \$100 million of more flexible general fund revenues, it will not be enough to bridge to the objectives of the program.

Transportation related uses are listed as ineligible, and the housing related uses seem narrower than what REAP 2.0 intends. Due to the proposed funding sources, funding for affordable housing and the infrastructure to support affordable housing is an issue that needs to be resolved in REAP 2.0.

MCTC supports the need for a program like REAP 2.0 but feel that draft guidelines will hinder the ability to successfully achieve the program goals with the current funding sources. AB 140 set very ambitious goals, requiring projects to achieve multiple housing, equity, and VMT reduction goals. The expectation that MPOs can now achieve these goals with this category of SLFRF and eligible uses is worrisome.

This program could be a critical turning point in MCTC's ability to implement their SCS and for the state to achieve its climate, housing, and equity goals. However, without a change to the funding source, MPOs ability to meet the expectations outlined in AB 140 will be severely constrained. Additional questions and comments are attached.

Thank you for your consideration.

Sincerely,



Patricia Taylor, Executive Director
Madera County Transportation Commission

Attachment

Additional MCTC Comments and Questions

Section 203: Thresholds.

- (A) 2. Applicants must explain how each Proposed Use demonstrates a nexus to all REAP 2.0 objectives, provide a reasonable and verifiable methodology, and utilize form in a manner prescribed by the Department and State Collaborative Partners. Proposed Use may be at a program level, combine eligible uses, and may be combined with planning and implementation efforts not proposed in the REAP 2.0 application to demonstrate a nexus to all REAP 2.0 objectives if those efforts are demonstrated to have a reasonable relationship, including timing and completion, to REAP 2.0 Proposed Uses.

Comment: Will every proposed project have to demonstrate a nexus to **all** REAP 2.0 objectives? Some of our historically disadvantaged communities have specific needs that might not apparently advance some of these goals.

- (B) 8. Eligible Entities must employ outreach that is unique to the REAP 2.0 program. Eligible Entities may utilize closely related outreach efforts but should not solely rely on those efforts.

Comment: We have received feedback from the community about outreach fatigue, with repeated requests to implement the ideas and projects already stated in our current plans.

Section 204. Eligible Uses

- (E) 1 F. Performing infrastructure planning and investing in upgrading infrastructure specifically for housing development, including for sewers, water systems, or other public facilities necessary to accelerate infill development that facilitates housing supply, choice, and affordability.

Comment: Are broadband infrastructure improvements an eligible use?

- (I) Eligible activities must have a significant geographic or region-wide benefit for impacted households and, unless a proposed activity demonstrates a geographic or region-wide benefit for impacted households, are not intended to fund individual project that are relatively small in scope.

Comment: Elaborate how region-wide benefit for impacted households will have to be demonstrated and how small will be determined for projects.

Section 205. Ineligible Uses

B.14 Costs associated with ongoing provisions of internet service.

Comment: Please clarify what “ongoing provisions” mean.

B.18 Street construction or repair to benefit vehicular traffic, as applicable with the SLFRF Final Rule.

Comment: Would Street repair to accommodate ped/bike infrastructure be ineligible?