



Project Summary

Regional Early Action Planning (REAP) Work Program
SCAG Subregional Partnership Program

REAP Work Program

Gateway Cities Council of Governments

What is REAP?

The state's Regional Early Action Planning (REAP) Grant funds support regional agencies in their effort to accelerate housing production and to facilitate local government implementation of the sixth cycle of the Regional Housing Needs Allocation (RHNA). They are meant to complement the funds that have been awarded to local jurisdictions from Senate Bill (SB) 2 Planning Grants and the Local Early Action Program (LEAP) and will be disbursed from May 2021 to June 2023. The Gateway Cities COG will receive over \$1.3 million as part of the REAP program, and will lead the following five work program elements:

- Housing Elements Development and Implementation Support
- Formation of a Gateway Affordable Housing Trust Fund
- Subregional Inclusionary Housing Strategy/Ordinance Template
- Innovative Housing Finance Strategies
- Subregional ADU Encouragement Strategies

Innovative Housing Finance Strategies

PROJECT GOALS

This project will assess the budgetary conditions in the Gateway Cities, their sources of revenue, and the impact that the development of housing has on their finances and budgets. The study will provide data that will build on the work already done by economic development staff in the subregion considering legislative fixes and funding strategies to facilitate housing development. The study will be modeled on a SPUR and California Forward policy brief from September 2020 that explored whether cities that receive a low share of the state property tax would have an incentive to produce more housing if their share of the property tax was increased. Like the SPUR report, recommendations from the Gateway study can offer policy options for increasing the fiscal incentives for jurisdictions to promote residential zoning and housing development in the subregion.

Key Activities

The COG will work in partnership with California Forward (CA FWD) to recreate their Bay Area study, for our Gateway cities, and undertake other studies. CA FWD will analyze the Gateway Cities' reliance on property tax vs sales tax, examine the implications of sales tax loss in commercial zones identified for infill housing, and test whether cities with a low share of property tax would have an incentive to produce more housing if their share of the property tax was increased. CA FWD will also develop policy options for fiscal incentives for jurisdictions to zone for housing, particularly commercially zoned land.