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## STAFF REPORT

Date: September 21, 2022

To: Local Government and Housing Committee

From: TRPA Staff

Subject: “Tahoe Housing Catalyst” proposed evaluation metrics for the California Regional Early Action Planning (REAP) 2.0 Program

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### Summary and Staff Recommendation:

The REAP 2.0 grant program, administered by the California Department of Housing and Community Development (HCD), seeks to accelerate progress toward state housing goals and climate commitments through regional actions. Eligible applicants for REAP 2.0 funds are metropolitan planning organizations (MPOs) and councils of governments. As the MPO for the Tahoe region, the Tahoe Regional Planning Agency/Tahoe Metropolitan Planning Organization is eligible to apply for a \$604,134.15 non-discretionary allocation of funds by December 31, 2022. In accordance with the grant requirements, TRPA has developed evaluation metrics prior to project selection.

TRPA staff requests feedback and guidance from the Local Government and Housing Committee on the proposed evaluation metrics in Attachment A.

### Background/Discussion:

In preparation for application submittal to the REAP funding program, TRPA has issued two memos to stakeholders to seek input on use of the funds and has also conducted multiple one-on-one conversations with stakeholders. While the REAP funding is not a competitive program, but rather a direct allocation to MPOs based on population, HCD requires a robust public outreach process and demonstration of compliance with program requirements as part of the application process. The program as a whole must show:

- A nexus to all REAP 2.0 objectives, utilizing numeric metrics
- A significant beneficial impact
- Benefit disadvantaged and historically underserved communities
- Include targeted outreach to disadvantaged and historically underserved communities, including Tribal Entities, particularly “Impacted Households” and “Disproportionately Impacted Households”
- Geographic equity
- Region-wide impact benefiting impacted households
- Focus implementation in areas that satisfy infill development
- Provide an appropriate mix of implementation and planning activities

In response to TRPA's July 11 memo to stakeholders (Attachment B), TRPA received input from eight different partners, including representatives of disadvantaged and historically underserved communities. Partners provided input on possible evaluation metrics and initial project concepts. Based on that input, TRPA developed proposed evaluation metrics, and released these metrics to the same stakeholders for input on September 6, requesting comments be submitted by September 27.

At the Local Government and Housing Committee meeting TRPA will report on any feedback received on these draft evaluation metrics.

Next Steps:

After receiving Local Government and Housing Committee feedback on the metrics, TRPA will set a deadline for final submittal of projects. TRPA will then evaluate and select projects, then request approval of the full program of projects from the TMPO Governing Board prior to submitting an application to HCD.

Contact Information:

For questions regarding this agenda item, please contact Karen Fink at (775) 589-5258 or [kfink@trpa.gov](mailto:kfink@trpa.gov).

Attachments:

- A. "Tahoe Housing Catalyst" proposed evaluation metrics (September 6, 2022 Memo), with edits since release shown in "track changes"
- B. Link to "Tahoe Housing Catalyst" program overview (July 11, 2022 Memo)

Attachment A

“Tahoe Housing Catalyst” proposed evaluation metrics (September 6, 2022 Memo), with edits since release shown in “track changes”



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MEMO

Date: September 6, 2022

To: Local Jurisdiction Community Development, Housing and Transportation Staff  
Tahoe Living Housing and Community Revitalization Working Group  
Washoe Tribe of Nevada and California

From: Karen Fink, Tahoe Regional Planning Agency

Re: "Tahoe Housing Catalyst" proposed evaluation metrics for the California Regional Early Action Planning (REAP) 2.0 Program

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Summary

This memo identifies metrics for evaluating Tahoe Housing Catalyst projects for inclusion in an application to the State of California's Regional Early Action Planning (REAP) 2.0 Program. TRPA will bring the evaluation metrics to the TRPA's Local Government and Housing Committee on September 28, 2022 for review and feedback. See the timeline section below for additional milestones. TRPA requests input on the proposed evaluation metrics by September 27, 2022.

REAP 2.0 Program Background

The California Department of Housing and Community Development (HCD), in collaboration with the Office of Planning and Research (OPR), the Strategic Growth Council (SGC), and the State Air Resources Board (CARB), has released the [Notice of Funding Availability \(NOFA\) and Final Guidelines – Metropolitan Planning Organization Allocation Regional Early Action Planning Grant \(REAP 2.0\)](#) (Attachment A). The principal goal of REAP 2.0 is to make funding available to Metropolitan Planning Organizations (MPOs) and other regional entities for Transformative Planning and Implementation Activities that meet housing and equity goals, reduce vehicle miles traveled (VMT) per capita, and advance implementation of the region's Sustainable Communities Strategy (SCS).

The REAP 2.0 grant program seeks to accelerate progress towards state housing goals and climate commitments through regional actions. The state program goals are to accelerate infill housing development, reduce vehicle miles traveled (VMT), increase housing supply at all affordability levels, affirmatively further fair housing, and facilitate the implementation of adopted regional and local plans to achieve these goals.

Eligible applicants for REAP 2.0 funds are MPOs and Councils of Governments. The TRPA fulfills the role of the Tahoe Metropolitan Planning Organization (TMPO) and has been identified in the guidelines as being eligible for \$604,134.15 of formula REAP 2.0 funding. Funds must be encumbered no later than June 30, 2024 and expended no later than June 30, 2026. MPOs may suballocate funding to other forms of governments or entities per the requirements in Section 401 and Section 406 of the guidelines.

REAP 2.0 Objectives include:

- (A) Accelerating Infill Development that Facilitates Housing Supply, Choice, and Affordability
- (B) Affirmatively Furthering Fair Housing
- (C) Reducing Vehicle Miles Traveled

Based on the REAP 2.0 Threshold Requirements (Section 203), the program as a whole must show:

- A nexus to all REAP 2.0 objectives
- A significant beneficial impact, including substantial changes in land use patterns and travel behaviors
- That it meets the definition of a Transformative Planning and Implementation Activity (see the Definitions section in Attachment A)
- That it targets funding to benefit disadvantaged and historically underserved communities
- A reasonable and verifiable methodology

#### Tahoe Housing Catalyst Program

From July 11 to August 3, 2022, TRPA requested input from housing and transportation stakeholders, the Washoe Tribe, representatives of disadvantaged and historically underserved communities, and other partners on evaluation metrics and proposed uses for the Tahoe Housing Catalyst Program. Based on this input, TRPA has drafted recommended evaluation metrics to be used in selecting a program of projects.

#### *Stakeholder Input*

Nearly all stakeholders providing input on the program emphasized that increasing the number of new housing units is the number one need. While community organizations expressed the need for cash or rental assistance directly to struggling families, or money to support capital projects such as the Sugar Pine Village affordable housing project or similar projects, they also noted that planning efforts that would make it easier and less costly for future projects to be built are critical as well. While rental assistance and project subsidies satisfy a near-term need, for the amount of money spent they are less likely to contribute to solving the longer-term housing shortage.

The City of South Lake Tahoe strongly advocated for using all of the REAP 2.0 funding to advance necessary environmental and threshold analysis associated with the medium-term priority actions identified by the Tahoe Living Housing and Community Revitalization Working Group. The City noted that there are other funding sources for the planning and construction of actual housing projects such as Sugar Pine Village, and that the relatively small size of the REAP grant, compared to other housing funding sources, makes it a “right fit” to use for a focused planning effort. The Tahoe Living Working Group’s medium-term priority actions are focused on zoning and code changes that would address hurdles that currently prevent or slow the construction of lower-cost housing options.

The draft program looks to direct as many funds as possible to tangible outcomes, while minimizing expenditure of resources on administration.

*Draft Evaluation Metrics*

The proposed evaluation metrics below incorporate input from stakeholders and REAP 2.0 program requirements.

Metric	Points
Is the project expected to influence a substantial change in land use patterns and travel behaviors, particularly with respect to reducing VMT per capita? (Yes/No)	15
Is the project expected to facilitate the construction or preservation of 100 or more units of <b>low-, moderate-, achievable- or naturally affordable workforce housing</b> that would not otherwise be built? (Yes/No)	15
Is the project expected to facilitate the construction or preservation of 100 or more units of deed-restricted <b>low-, or moderate-</b> income housing that would not otherwise be built? (Yes/No)	15
Is the project expected to increase the number of new low-; moderate-; and achievable or naturally affordable workforce housing units that <b>are permitted under an expedited review process?</b> (Yes/No)	10
Will the project include a complete environmental analysis, that analyzes all <b>environmental threshold and regional plan impacts?</b> (Yes/No)	15
Is the project expected to permanently increase the overall affordable and workforce housing stock? (Yes/No)	10
Does the project target funding to benefit disadvantaged and historically underserved communities (Yes/No)	15
What is the regional level of impact of the project? (3 points for each county/jurisdiction affected)	15
Cost effectiveness – Cost per new unit anticipated	15
Total Possible Points	125

The proposed metrics support a program that will lay the groundwork for more privately funded and publicly-subsidized projects to deliver affordable-, moderate-, and workforce units region-wide. TRPA requests that stakeholders review these metrics and provide additional input for TRPA to consider.

*Initial Input on Proposed Uses*

As part of the initial input collected on the Tahoe Housing Catalyst Program, TRPA requested high-level project ideas from stakeholders. The following is a preliminary list of proposed uses developed for possible inclusion in the program based on discussion with and input from stakeholders. After receiving feedback from the Local Government and Housing Committee on the evaluation metrics, TRPA will set a deadline for final submittal of projects. TRPA will then evaluate and select projects, then request approval of the full program of projects from the TMPO Governing Board prior to submitting an application to HCD. After accounting for outreach and program administration, there will be approximately \$550,000 remaining to fund proposed uses.

Project Name/Description
<b>Update Development Standards</b> to facilitate affordable-, moderate-, and workforce multi-family development and accessory dwelling units (ADUs) (Tahoe Living Priority Action Phase 2A and 2B). Draft conceptual policy changes to coverage, density, height, development rights, and parking and conduct environmental analysis.
<b>Update Permitting Requirements for Multi-Family Housing.</b> Analyze whether hearing requirements should be different for multi-family and single-family housing and update permitting requirements where appropriate (Tahoe Living Long-Term Priority Action).
<b>Update TRPA Mitigation Fees.</b> Analyze and update, where appropriate, TRPA mitigation fees, taking into consideration that affordable-, moderate-, and workforce housing may have different impacts than other homes.
<b>Mitigation of Lost Housing.</b> Strengthen TRPA requirements for mitigating impacts of new development on available workforce housing.
<b>Public Lands</b> – funding for TRPA and local jurisdictions to undertake plan updates to rezone certain publicly owned properties to allow multi-family.
<b>Banking and Transferring Potential Residential Units of Use</b> for ADUs from unbuildable publicly-owned lots.
<b>Pre-Development Project Funding</b> for specific affordable housing projects
<b>Rental Assistance</b> for households through social service organizations
<b>Advertising/Marketing funding</b> for rental and for-sale incentive programs sponsored by local jurisdictions
<b>Expand Education</b> about housing opportunities, such as new housing that becomes available, or ownership opportunities. Raise awareness among visitors, second homeowners of the costs local workers are facing.
<b>Direct Sub-allocation</b> of funding to local jurisdictions based on population for a portion of the funds for implementation of RHNA Cycle 6 Housing Elements.

Schedule

**July 2022**

- Solicited input from stakeholders on:
  - Overall Tahoe Housing Catalyst Program
  - Initial project and program concepts (due August 3, 2022)
  - Evaluation metrics
- Posted process on webpage

Gathered input through an online request form and one-on-one follow-up with local jurisdictions and representatives from underserved communities.

*Complete*

**August 2022**

- Developed preliminary evaluation metrics and project/program list, based on input received in July

*Complete*

**September 2022**

- Release draft evaluation metrics
- Local Government and Housing Committee feedback on evaluation metrics

**October 2022**

- TRPA staff prepare recommended project/program list, using approved metrics

**November 2022**

- TMPO Governing Board endorsement of final proposed list and authorization to submit REAP 2.0 application

**December 2022**

- Submit final application to California Department of Housing and Community Development

**June 30, 2024**

- Encumbrance Deadline. All funds must be awarded and encumbered.

**June 30, 2026**

- Expenditure and Close-out Report

**April - June of every year\***

- Annual Reports. Recipients must submit an annual report every year.

Next Steps

TRPA requests input on the draft evaluation metrics by September 27, 2022 in writing or at the Local Government and Housing Committee Meeting on September 28, 2022.

Contact

For more information or questions contact Karen Fink at [kfink@trpa.org](mailto:kfink@trpa.org) or 775-589-5258.

Attachments

Attachment A: [Notice of Funding Availability and Final Guidelines – Metropolitan Planning Organization Allocation Regional Early Action Planning Grant \(REAP 2.0\)](#)

Attachment B

[“Tahoe Housing Catalyst” program overview \(July 11, 2022 Memo\)](#)