

STAFF REPORT



MEETING DATE:	August 31, 2023
SUBJECT:	Receive Update on Regional Early Action Planning (REAP) 2.0 Program and Authorize Executive Director to Execute Agreements with Project Applicants
AGENDA ITEM:	7-4
STAFF CONTACT:	Mehdi Moeinaddini, Associate Transportation Planner

SUMMARY:

The California Department of Housing and Community Development (HCD) approved SRTA's Regional Early Action Planning (REAP) 2.0 program application, providing funding support for infill housing projects selected by the SRTA Board of Directors. To proceed, SRTA must execute standard agreements with the project awardees, and it is recommended to request up to 50% of grant funds in advance.

STAFF RECOMMENDATION:

It is recommended that the board of directors:

1. Authorize the executive director to prepare and execute sub-recipient agreements with the REAP 2.0 project applicants, Emergent 3D, city of Redding, and city of Shasta Lake, and to make any necessary minor administrative amendments as appropriate based on input from the California Department of Housing and Community Development; and
2. Authorize the executive director to set up a bank account to receive REAP 2.0 funds in advance and to make payments to awardees for eligible expenditures.

DISCUSSION:

The HCD approved SRTA's REAP 2.0 program application totaling \$2,243,909.07 on June 2, 2023. This will provide capital support for housing projects that were selected for funding by the SRTA Board of Directors at the December 2022 meeting (https://www.sрта.ca.gov/DocumentCenter/View/6094/12_REAP).

To move forward, SRTA must execute standard agreements, including HCD conditions, with the project awardees. Staff has been developing a draft agreement that meets HCD's approval and are still working out several details related to HCD guidance (e.g., disadvantaged business enterprise language, to-be-determined new clauses, etc.,) in order to provide a draft contract that can be reviewed by awardees. SRTA's legal counsel will review the standard agreements before final execution, following SRTA's policy. HCD will also allow SRTA to request a portion of REAP 2.0 funds in advance to hold in an account and make payments to project awardees on a reimbursement basis for eligible expenses. Staff may initially request up to 50% of grant funds in advance.

OTHER AGENCY INVOLVEMENT:

REAP 2.0 is administered by HCD in collaboration with the Governor's Office of Planning and Research (OPR), the Strategic Growth Council (SGC), and the California Air Resources Board (CARB). The Technical Advisory Committee (TAC) concurs with the staff recommendations.

FISCAL AND POLICY COMMITTEE:

The Fiscal and Policy Committee met on August 22, 2023, to discuss the status of the REAP 2.0 funds.

ALTERNATIVES:

The board of directors may request changes to the draft agreement, consistent with SRTA policies and HCD requirements, or may request additional information and direct staff to continue this item to a future meeting. Extending this item to the October meeting may create delays in awardees starting projects. The board of directors may decline to set up a separate account for REAP funds. Staff would instead deposit funds into SRTA's general operating account and need to track funds internally through the agency's accounting software.

FISCAL IMPACT:

The Shasta Region will receive \$2,243,909.07 in REAP 2.0 program grant funds, of which SRTA will reserve five percent (\$112,195.45) for program administration with the remaining suballocated to Emergent 3D (\$431,713.62), city of Redding (\$750,000) and city of Shasta Lake (\$950,000). Grant funds received in advance from HCD are proposed to be held in a separate SRTA bank account for the purpose of easier tracking and auditing of funds, to make payment to awardees for eligible expenses, and to administer in accordance with REAP 2.0 and SRTA policies on advances. There is no additional cost to SRTA to add separate bank accounts for different fund sources.



Sean Tiedgen, AICP, Executive Director