



February 14, 2024

The Honorable Mike McGuires
Senate President Pro Tempore
1021 O Street, 8518
Sacramento, CA 95814

The Honorable Robert Rivas
Speaker California State Assembly
1021 O Street, Suite 8330
Sacramento, CA 95814

The Honorable Scott Wiener
Chair, Senate Committee on Budget and Fiscal Review
State Capitol, Room 8620
Sacramento, CA 95814

The Honorable Jesse Gabriel
Chair, Assembly Committee on Budget
1021 O Street, Suite 8230
Sacramento, CA 95814

RE: Protect Dedicated Regional Early Action Planning Grants (REAP2.0) Program Funding

Dear President Pro Tempore McGuires, Speaker Rivas, and Budget Chairs Wiener and Gabriel:

On behalf of the City of Palm Desert, I urge the Legislature to protect investments made to the Regional Early Action Planning Grants (REAP 2.0) program as you deliberate on the FY 2024-25 State Budget. While we recognize the incredible budget challenge the Legislature now faces, REAP 2.0 must be protected if we are to meet our ambitious climate, housing, and mobility goals.

REAP 2.0 is a \$600 million program intended to accelerate progress toward California's climate and housing through strengthened partnerships between regional, local, county, and tribal governments. REAP 2.0 is the only program specifically and exclusively designed to implement the region's Sustainable Communities Strategies (SCS), as required by SB 375 (2008). For this reason, regions were empowered to develop programs that accelerate infill housing, support efforts for Affirmatively Furthering Fair Housing (AFFH), and reduce vehicle miles traveled (VMT).

The Governor proposed a \$300 million reversion of REAP 2.0 funds in his January budget. This proposal would be devastating to Palm Desert, as well as numerous other SCAG-region cities, counties, transportation agencies, and tribal governments.

In July 2023, the California Department of Housing and Community Development (HCD) approved SCAG's full REAP 2.0 application, formally committing \$246 million to SCAG. Since that time, SCAG has sub-allocated \$192 million primarily through competitive programs to 118 transformative, local projects in the SCAG region that implement the Regional Housing Needs Allocation (RHNA) plan and the greenhouse gas (GHG) reducing strategies contained within Connect SoCal, the Regional Transportation Plan/ Sustainable Communities Strategy (RTP/SCS) for the SCAG region.

In the City of Palm Desert, REAP would provide \$8 million to expand the city's utility capacity to mitigate future severe flooding impacts, directly affecting future and existing housing developments in an area that has experienced recent flood damage. The project will support the development of 3,386 units currently approved and 1,663 units under review.

The project in Palm Desert is representative of the many innovative projects awarded through the REAP 2.0 program including a project by LA Metro to support as many as 10,000 new housing units on surplus LA Metro transit lands, more than 1,150 affordable housing units in the Coachella Valley, a low-to-zero-interest loan program to expedite accessory dwelling units in Orange County, infrastructure improvements to support nearly 5,000 newly-zoned housing units in Rialto, and a long-term loan program to promote hundreds of infill homes in Ventura County, among others.

These projects play a critical role in increasing housing supply in the near term while also piloting innovative solutions that can be scaled across the region. REAP 2.0 was designed to remove the systemic barriers for developers to build units where needed and planned. Reducing or delaying funding will compromise the program's integrity and have severe, negative impacts on Palm Desert and the rest of the cities and counties across Southern California. We ask that you reject the Governor's proposal to halve REAP 2.0 and protect this crucial program.

Thank you for considering the City of Palm Desert's perspective on the REAP 2.0.

Sincerely,



Karina Quintanilla
Mayor, Palm Desert