



March 7, 2024

The Honorable Mike McGuire
Senate President pro Tempore
State Capitol, Room 205
Sacramento, CA 95814

The Honorable Robert Rivas
Assembly Speaker
1021 O St, Suite 8330
Sacramento, CA 95814

The Honorable Scott Wiener
Chair, Senate Committee on Budget
and Fiscal Review
1020 N St, Suite 502
Sacramento, CA 95814

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

RE: Protect Funding for Transit, REAP 2.0 and Other Critical Housing Programs

Dear Senate pro Tem McGuire, Speaker Rivas, Chair Wiener, and Chair Gabriel:

TransForm strongly supports the Governor’s January budget proposal honoring last year’s agreement on transit funding. We are grateful for the legislature and Governor’s actions in the 2023-24 budget to give transit agencies breathing room to retool and reinvent transit service to meet residents’ current needs.

Transform works to ensure that people of all incomes thrive in a world safe from climate chaos. We envision vibrant neighborhoods, transformed by excellent, sustainable mobility options and affordable housing, where those historically impacted by racist disinvestment now have power and voice. We empower communities of color, innovate solutions, and advocate for policies and funding—all with the aim of helping people thrive and averting climate disaster.

However, we have significant concerns about the administration’s suggested cuts to the Regional Early Action Planning program (REAP 2.0) and other core housing programs at a time when housing affordability and homelessness are the top concerns in our communities – and increasing the supply of affordable homes is a cornerstone of our greenhouse gas (GHG) reduction strategy. REAP 2.0 is the only program that provides planning and development resources to regional agencies to implement our state-mandated GHG targets. These resources are targeted to accelerate infill development, reduce vehicle miles traveled and affirmatively further fair housing.

We urge you to reject any claw back of prior year appropriations for REAP 2.0 and other housing programs. Along with REAP 2.0, we are particularly concerned about a suite of complementary programs that increase the state's affordable housing supply, prevent displacement and homelessness and combat climate change:

- Multifamily Housing Program
- Infill Infrastructure Grant Program
- Foreclosure Intervention Housing Preservation Program

Regional Early Action Program 2.0 (REAP 2.0)

The Governor's January budget proposed to halve the 2021-22 appropriation for REAP 2.0 grants, from \$600 million to \$300 million. Bay Area communities would lose \$51.4 million, despite being well underway in implementing transformative projects that accelerate progress toward California's housing, transportation and climate change goals. Starting with REAP 1.0 in 2019, extensive work has already been completed to identify high-impact housing and transit strategies, develop partnerships with local agencies and community organizations, and generate pre-application proposals.

In the Bay Area, the REAP 2.0 investment strategy includes:

- Housing Preservation and Priority Sites pilot programs: \$48.6 million to fund a much wider range of developments across a much larger geography than the current financing landscape allows. Both programs also serve as "proofs of concept" for a coordinated regional housing strategy that can inspire investment in more ambitious future programs, while incrementally building capacity and expertise. We anticipate a direct increase of up to 1,600 permanently affordable homes that will benefit approximately 14,500 households over the life of the deed restrictions.
- Regional technical assistance and local grants: \$16 million to support cities and counties in affirmatively furthering fair housing and meeting the higher standards of the 6th cycle housing element.
- Transit improvement pilots: \$25 million focused on high-priority transit improvement pilots essential to bring back riders and improve the customer experience.
- Equity Priority Communities: \$8 million for transportation projects and programs directly identified by underserved communities as priorities.


We understand it's a tight budget year, but combating climate change and having an affordable place to live are foundational to our lives and should be among the highest priorities for the state's existing resources. Cutting REAP 2.0 will diminish our ability to achieve the state's greenhouse gas reduction goals and improve housing affordability and mobility options.

Multifamily Housing Program, Infill Infrastructure Grant Program and Foreclosure Intervention Housing Preservation Program

These three programs are complementary, addressing different urgent housing needs throughout our region. The Governor's proposed cuts threaten progress on increasing the Bay Area's housing supply at a time when our residents are grappling with widespread housing instability and an urgent need to solve homelessness. We urge you to reject the cuts.

Thank you for considering our perspective on the Governor's January budget proposals. Please contact Zack Deutsch-Gross, TransForm Policy Director (zackdg@transformca.org), or Jeanie Ward-Waller, lobbyist for TransForm (Jeanie@fearlessadvocacy.com), with any questions.

Sincerely,


Zack Deutsch-Gross
Policy Director, Transform