

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2002 (Solache) – As Introduced February 17, 2026

Policy Committee: Housing and Community Development Vote: 11 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill creates the Regional Early Action Planning (REAP) Fund to provide councils of governments (COGs), regional entities, and jurisdictions with one-time funding, including grants for planning and other activities, to help those entities meet the seventh and subsequent cycles of the regional housing needs assessment (RHNA). The bill relies on a General Fund appropriation to fund the program.

Additionally, this bill:

- 1) Establishes the REAP Fund in the State Treasury and requires the Department of Housing and Community Development (HCD) to allocate funds, upon appropriation by the Legislature, from the REAP Fund to each COG or regional entity responsible for allocating regional housing need.
- 2) Specifies application requirements, HCD fund distribution requirements, and allowable fund uses, which include, among others, activities that support the development, improvement, or implementation of the methodology for the seventh and subsequent RHNA cycles; suballocating moneys as planning grants directly and equitably to jurisdictions for specified purposes; technical assistance to local jurisdictions; and administrative costs, which may be up to 5% of an entity's total award.
- 3) Provides if HCD fails to review a submitted application within 30 days, the application is deemed approved.
- 4) Requires a COG or regional entity receiving funds to submit annual reports to HCD that include information on expenditures and suballocations to jurisdictions and to submit a final report to HCD upon expenditure of all funds that includes information on outcomes achieved, including the corresponding impact on housing within the region.
- 5) Authorizes HCD to publish a summary of information received regarding funds expenditures on its website and to monitor expenditures and activities of an applicant, as it deems necessary, to ensure compliance with program requirements.

FISCAL EFFECT:

- 1) Estimated ongoing General Fund cost pressures of an unknown amount, but likely in the low hundreds of thousands of dollars over multiple years to fund the grants to regional entities.

The program is contingent on an appropriation by the Legislature. Actual costs will depend on the amount of funding provided.

- 2) HCD estimates General Fund costs of \$1.7 million annually for the duration of the program for eight staff positions to establish and administer the grant program, including developing guidelines, issuing Notices of Funding Availability, developing application and technical assistance materials, processing applications, providing technical assistance, and monitoring awardees' use of REAP Fund allocations. This estimate is based on previous REAP funding programs. Past bills have allowed HCD to set aside up to 5% of the amount appropriated for program administration, which, if allowed under this bill, would cover HCD's administrative costs.

The author has submitted a state budget request for \$125 million over multiple years in support of this bill.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:

- 1) **Purpose.** According to the author:

The [original] REAP program was initially established as a one-time investment to help regional governments and local jurisdictions implement the RHNA process. [This bill] seeks to build off REAP's proven success by codifying the program and creating permanent support infrastructure to ensure regional governments, cities, and counties have the technical assistance needed to get their housing elements done right and on time.

- 2) **Background.** The 2019 Budget Act included \$250 million to support the Local Government Planning Support Grants Program, administered by HCD, which provided COGs, regions, cities, and counties with one-time planning grants to help local governments prepare for their 6th RHNA cycle. The funding was split between the Regional Early Action Planning Grant Program (REAP) and Local Early Action Planning Grant Program (LEAP).

Through REAP, \$125 million went to COGs and regional entities for planning activities that would accelerate local housing production and facilitate compliance in implementing the sixth RHNA cycle. The remaining \$125 million went to LEAP for one-time grants to cities and counties for housing-related planning activities, such as updating planning documents and revamping local planning processes to speed up housing production.

The 2021 Budget Act provided over \$500 million for the REAP Grants Program of 2021. This expanded program integrated housing and climate goals and allowed for broader planning and implementation investments, including infill housing.

This bill establishes a program for the seventh RHNA cycle similar to the 2109 REAP but with several modernizing changes, including adding local housing trust fund activities as an eligible use of funds for COGs, automatic approval if HCD fails to review an application within 30 days, and staggering allocations so that COGs become eligible for funding once

they begin their RHNA process. This bill does not require the multiagency working groups required under the 2019 REAP and notably, and unlike both prior REAP programs, this bill does not contain a 5% set aside for HCD program administration.

- 3) **Support and Opposition.** This bill is sponsored by the California Association of Councils of Government (CalGOG) and is supported by numerous regional agencies and local jurisdictions. They assert the next RHNA cycle will be the most expensive and complex in California history due to numerous recent statutory changes. They believe these changes may improve outcomes but will significantly increase costs for both regional agencies and local jurisdictions trying to meet statutory RHNA requirements.

The California Building Industry Association (CBIA) is opposed unless the bill is amended to ensure REAP funds are “directed toward planning for and permitting housing, rather than toward regional regulatory frameworks that layer new requirements on top of the state housing accountability system that the Legislature has built over the past decade.”

- 4) **Prior Legislation.** AB 140 (Committee on Budget) Chapter 111, Statutes of 2021, a housing budget trailer bill, established the expanded REAP Grants Program of 2021.

AB 101 (Committee on Budget), Chapter 159, Statutes of 2019, a housing budget trailer bill, established the Local Government Planning Support Grants Program, which included the original REAP and LEAP grant programs.

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