

Regional Early Action Planning Grants of 2021 (REAP 2.0)

Framework Paper and Survey

State of California
Governor Gavin Newsom



CALIFORNIA
STRATEGIC
GROWTH
COUNCIL



November 2021

Website: <https://www.hcd.ca.gov/grants-funding/active-funding/reap2.shtml>

Email: REAP2021@hcd.ca.gov

Introduction

California is committed to a future where we all have the option to live closer to our jobs, services, and daily destinations. More housing options and affordability in nearby neighborhoods. More transportation options so we can walk our kids to school, ride our bikes to work, or take transit. The Regional Early Action Planning Grants of 2021 (REAP 2.0) are a key part of strategic investments toward this more sustainable, resilient, and inclusive future for people in all areas of the state. REAP 2.0 builds on the success of 2019's REAP program but expands the focus by integrating housing and climate goals and allowing for broader planning and implementation investments, including infrastructure. REAP 2.0 is explicitly intended to meet multiple objectives – infill development, housing for all incomes, Vehicle Miles Traveled (VMT) reduction, and affirmatively furthering fair housing in ways that accelerate the implementation of adopted regional and local plans to achieve these goals.

Background

REAP 2.0 seeks to accelerate progress towards our state housing goals and climate commitments through a strengthened partnership between the state, its regions, and local entities to collectively accelerate infill development, housing, and VMT reductions in ways that advance equity.

REAP 2.0 is a \$600 million state and federal investment to advance implementation of adopted regional plans by funding planning and implementation activities that accelerate infill housing and reductions in per capita VMT. This investment builds on the success of the 2019 Regional Early Action Planning Grant program (REAP 1.0) which provided an initial round of \$125 million in flexible planning funds to regional governments to accelerate housing production and facilitate compliance with the 6th cycle of the housing element, including regional housing need allocations.

REAP 2.0 is also specifically designed to provide Metropolitan Planning Organizations (MPO) and other eligible applicants with tools and resources to help implement and advance plans, primarily including sustainable communities strategies (SCS) as part of Regional Transportation Plans (RTP). AN SCS identifies strategies a region intends to pursue towards achieving and maintaining greenhouse gas (GHG) per capita reduction targets through changes to land use and transportation.

REAP 2.0 is also intended to help the state meet its climate commitments and housing production and affordability goals. REAP 2.0 responds to the recognition that California is not currently on track to meet the state's climate and housing commitments, for example, evident by continued dependence on vehicular travel and forecasted VMT growth. Statewide VMT reduction combined with affordable infill development provides many co-benefits and is essential to helping achieve public health, equity, land conservation, and economic goals.

The REAP 2.0 program is funded through \$500 million from the Coronavirus Fiscal Recovery Fund of 2021 and \$100 million from the State General Fund. The Regional Early Action Planning Grants of 2021 will be administered by the California Department of Housing and Community Development (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). A majority of the funds (85 percent) will flow directly to the state's 18 Metropolitan Planning Organizations (MPOs), with an expectation the MPOs will subgrant a portion of the funds to eligible entities (cities, counties, transit/transportation agencies) in their metropolitan region. The remaining funds are split into a set aside for non-MPO regions for smaller counties and tribal entities, as well as for a special innovation set aside for all eligible entities.

Purpose

The purpose of REAP 2.0 is supporting transformative planning and implementation activities that include, but are not limited to, accelerating infill and affordable development; supporting residents through realizing multimodal communities; shifting travel behavior through reducing driving; and increasing transit ridership, walking, and biking as primary modes of transportation.

Through collaboration between CARB, HCD, OPR and SGC, this paper has been created to initiate key concepts and survey interested agencies, departments, stakeholders, and other interested organizations about how to best implement the REAP 2.0 program.

The intent of this paper is to gather early feedback on broad concepts and approaches as well as key areas of the program to inform several subsequent processes, including the development of draft guidelines. The paper will also represent the initial thinking by the administration on the broader goals of REAP 2.0 and therefore should also be reviewed by anyone interested in the implementation of regional plans and the acceleration of infill development in ways that preserves, protects, and produces affordable housing, reduces VMT, and affirmatively furthers fair housing (AFFH).

The purpose of this paper is to gather input on broad concepts and approaches to implement REAP 2.0 rather than technical or grammatical edits. Please request additional clarification if anything is unclear. Generally, the state collaborative partners (CARB, HCD, OPR and SGC) are seeking input in the following areas:

- Program Principles
- Outreach and Priority Setting
- Eligible Uses (and Ineligible Uses)
- Eligible Applicants
- How to demonstrate a Nexus to Program Goals and Objectives
- Thresholds, Scoring Criteria and Geographic Equity Considerations for Competitive Allocations
- Expenditure and Program Administration Efficiencies
- Reporting
- Technical Assistance, Best Practices and Long-term Coordination
- Timing

This paper presents each of the above areas to set initial concepts for input and is accompanied by a survey to gather additional feedback (See Attachment 1).

The survey can be accessed at <https://www.surveymonkey.com/r/DC6H8GM>. This document, along with the survey, can also be emailed back to HCD at REAP2021@hcd.ca.gov. Stakeholders can also submit written comments or reach HCD to set up a meeting or other method for input.

Program Principles

In developing and implementing the REAP 2.0 program, the following principles will be considered:

- *Equal Weight and Integrated Approach*: Meeting housing production and preservation goals, advancing the implementation of the VMT-reducing elements of the SCS or APS (where applicable), infill development, and affirmatively furthering fair housing (AFFH) are mutual goals and will be jointly pursued in the proposed uses as well as overall implementation of the program.
- *Simple and Flexible with Accountability*: Keep the program design, guidelines, mechanics (e.g., applications, documentation, reporting) and implementation simple and flexible and avoid overly prescriptive standards (pre-approved options or safe harbors will be considered) while maximizing consultations, feedback and accountability toward the program goals and requirements.
- *Innovative, Impactful and Transformative*: Program expectations are that applicants will strive for innovative and impactful approaches that produce transformative and visible results on the ground. The program will seek activities that are demonstrably exemplary, and applicants can demonstrate the funds will lead to visible changes that meet program goals (e.g., housing production, VMT reduction, AFFH, Advancing SCS).
- *Consistency and Timeliness in Spending*: Ensure that all spending meets federal requirements and timelines.
- *Collaboration, Technical Assistance and Long-term Partnerships*: Collaborate across governmental and non-governmental entities in the design and long-term implementation of the program, including leveraging other federal and state resources and strategies (e.g., transportation and infrastructure investments, funding for various regional economic development and climate resilience programs and strategies).
- *Transparency*: Make information available to the public including application materials and supporting documentation, awarded applications, and reporting of status and outcomes.
- *Replicability*: As appropriate, identify investments or programs with the potential to be replicated in other regions of the state.

Outreach and Priority Setting

Eligible entities must conduct outreach as part of the development of their application for funds.

Eligible entities should also use the outreach to set priorities and develop proposed uses and amounts and various other program components such as the amount retained by the eligible entity versus suballocations, and the blend of planning and implementation uses. Outreach should proactively employ a variety of methods and must make specific efforts to reach disadvantaged and historically underserved communities. Eligible entities are encouraged to provide responses to stakeholder and public input to provide for transparency and demonstrate how input was incorporated into planning and implementation activities. Examples of concepts to guide program development and implementation include:

- *Employing a Variety of Outreach Methods:* Eligible entities should use a variety of methods to reach individuals and organizations representing pertinent interests such as housing, transportation, infrastructure, climate change, infill development and equity. Methods to consider include surveys, interviews, focus groups, community meetings, public and quasi-public meetings, committees with representatives of pertinent special interests and neighborhoods, and making draft approaches available to the public with sufficient time to comment. Methods should consider language access and other potential barriers to providing input and should utilize more than one method.
- *When to Begin Outreach:* Eligible entities should conduct outreach well before developing proposed uses and approaches, in the early stages of program development, throughout program development, and through implementation. Eligible entities can utilize advance payment to cover the costs of outreach, and the program will consider reimbursement back to July 1, 2021.
- *Unique Approach:* Eligible entities must employ outreach that is unique for the program. Eligible entities may utilize past related outreach efforts but should not solely rely on those past efforts
- *Targeting and Considering Outreach to Disadvantaged and Historically Underserved Communities:* As stated in AB 140, eligible entities must include in their application for funds “an explanation of the targeted outreach the MPO has conducted to disadvantaged and historically underserved communities and how that outreach was incorporated into the proposed uses.” Eligible entities shall prioritize funding, consistent with eligible uses, for disadvantaged and historically underserved communities and households. Using a variety of outreach methods, eligible entities must make targeted efforts to reach disadvantaged and historically underserved communities that include concentrated areas of poverty and areas of low to moderate resources (e.g., [TCAC/HCD Opportunity Area Maps](#)), communities of concern identified as disadvantaged or low-income (e.g., [disadvantaged communities](#) and [priority populations](#)), areas of high housing cost burdens, areas with high vulnerability of displacement and other areas experiencing disproportionate impacts of California’s housing and climate crisis. The collaborative partners (CARB, HCD, OPR, and SGC) may establish criteria to help define disadvantaged and historically underserved communities for purposes of the program. Efforts must target individuals and organizations representing disadvantaged and historically underserved communities, and should clearly incorporate input into priority setting, proposed uses and amounts, and geographic equity.

- *Other Outreach Considerations:* In addition to specific efforts to target disadvantaged and historically underserved communities, eligible entities should gather input to facilitate determining the appropriate use of funds and suballocations in a manner that appropriately addresses its unique housing, land use, transportation, climate change, equity, and other planning priorities. Appropriate use of funds includes the blends of planning and implementation activities and eligible uses (e.g., technical assistance and other activities, accelerating infill development).
- *Inter- and Intra-regional Coordination:* Outreach could also include coordination with other adjacent eligible entities to consider the potential for joint activities and coordination of housing and transportation planning across regions.
- *Priority Setting:* Utilizing outreach, and in consultation with state collaborative partners (CARB, HCD, OPR and SGC), eligible entities should establish priorities for transformative planning and implementation activities. Priorities must reflect all the following:
 - State planning priorities
 - Affirmatively furthering fair housing, including ensuring benefits to disadvantaged and historically underserved communities, while avoiding or mitigating the risk of displacing lower and moderate-income residents
 - Facilitating compliance with and implementation of the housing element, including appropriately planning for and working to facilitate the regional housing need allocation
 - Advancing the implementation of the sustainable communities strategy or alternative planning strategy as applicable

Priorities should also address inter- and intra-regional coordination, geographic equity, appropriate blends of planning and implementation activities, amount retained by the eligible entity versus suballocations, eligible uses (e.g., technical assistance and other activities, accelerating infill development) and the goals of suballocations in a manner that addresses the unique needs of the region related to housing, land use, transportation, climate change, equity and other planning priorities.

Eligible and Ineligible Uses

The program is designed to be flexible and cover a range of eligible uses while constituting high impact and innovative projects and actions. Eligible uses must be transformative planning and implementation activities and generally include:

- technical assistance, planning, staffing, consultant needs for planning documents, and other actions that accelerate infill housing production,
- administration costs,
- staffing or consultant needs,
- accelerating infill development through various planning and investment,
- realizing multimodal communities through programs, plans and implementation actions,

- shifting travel behavior by reducing driving through programs, ordinances, funds, and other mechanisms, and
- increasing transit ridership through funding, implementation actions and planning.

Activities that achieve these outcomes are broad based across planning and implementation. Examples of concepts to guide program development and implementation include:

- *Transformative Planning and Implementation Activities:* Eligible uses should be impactful and result in a change in behavior or a significant improvement to the existing land use pattern or other dynamics that results in both accelerating infill housing production and reducing VMT. Transformative actions are integrated and achieve multiple planning objectives including accelerating infill development, advancing the VMT-reducing elements of the adopted sustainable communities strategy or alternative planning strategy, providing more transportation options, and AFFH. Specifically, by

“Affirmatively furthering fair housing” means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all of a public agency’s activities and programs relating to housing and community development. - (Gov. Code, § 8899.50, subd. (a)(1).

- by statute, transformative planning and implementation activities means “...housing, planning, infrastructure investments supporting infill housing, and other actions that enable meeting housing goals that also result in per capita vehicle miles traveled reductions, including accelerating infill development, supporting residents through realizing multimodal communities, shifting travel behavior through reducing driving, and increasing transit ridership.” Transformative planning and implementation activities shall further the state planning priorities (Government Code section 65041.1), affirmatively further fair housing (Government Code section 8899.50), facilitate housing element compliance and advance the VMT-reducing elements of the sustainable community or alternative planning strategy.
- *Planning AND Implementation:* Applications for the REAP 2.0 program must include proposals for both planning and implementation components. The REAP 2.0 program will not prescribe the specific allocation between planning and implementation but will offer criteria that will be considered in consultation with applicants. Criteria will include the extent to which there remain planning needs not completed in the region during REAP 1.0. In addition, other criteria include, but are not limited to, housing and infrastructure needs of the communities and overall region, consideration of outreach, including to disadvantaged communities, overall impact of proposed projects on housing production and VMT reduction, advancing the implementation of VMT-reducing priorities set in the sustainable communities strategies or alternative planning strategy, and affirmatively furthering fair housing.

- *Flexibility and Accountability*: Program design and implementation, including guidelines, will give special consideration for flexibility in the program to give eligible entities the best opportunity to address their unique needs and achieve high impact for the program goals. However, the program will reinforce accountability to the broader parameters of the program such as ensuring consistency with state planning priorities, affirmatively furthering fair housing, promoting infill development and advancing the VMT-reducing elements of the sustainable communities strategies.
- *Accelerating Infill Development Eligible Activities*: Eligible activities under accelerating infill development must demonstrate a clear and strong nexus to significantly accelerating infill housing production and reducing VMT.
- *Affirmatively Furthering Fair Housing (AFFH) Eligible Activities*: Eligible activities under AFFH must demonstrate a nexus to the provision of affordable housing and VMT reduction. Generally, eligible activities under AFFH will include activities in four areas: 1) enhancing housing mobility strategies, 2) encouraging new development of affordable housing in high-resource areas, 3) place-based strategies to encourage community revitalization and preservation of existing affordable housing, and 4) protecting existing residents from displacement. Examples of eligible activities could include, but are not limited to, rezoning in transit-oriented locations coupled with affordability and tenant stability strategies, multimodal infrastructure investments in disadvantaged communities that increase access to opportunity, and transit investments with displacement mitigation strategies.
- *Technical Assistance Eligible Activities*: Eligible activities under technical assistance will be kept broad but must demonstrate a clear and strong nexus to significantly accelerating infill housing production and reducing VMT.
- *Scope of Proposed Activities*: Proposed activities, as a whole, must have a significant geographic or region-wide benefit and, unless a proposed activity demonstrates a geographic or region-wide benefit, are not intended to fund or back fill existing projects that are parcel based or relatively small in scope.
- *Suballocation Requirements*: Suballocations shall consider geographic equity, including rural and urban communities, transformative and collaborative approaches to planning and implementation, and the degree to which the suballocation furthers the program objectives (i.e., accelerating infill housing, reducing VMT, advancing the sustainable communities or alternative planning strategies and affirmatively furthering fair housing). Eligible entities may consider additional criteria tailored to its unique conditions and circumstances as well as planning priorities for the area. All and any additional criteria must demonstrably promote program goals and objectives and developed in consultation with the state collaborative partners (CARB, HCD, OPR and SGC).
- *Advance Payments*: Specified eligible entities (formula set aside) may request advance payment. These funds may be used for regional engagement, education or outreach, and additional uses for advance payments may include administrative costs or other activities determined consistent with program goals and objectives in consultation with the state collaborative partners (CARB, HCD, OPR and SGC).

Examples of eligible uses as listed in the statute include:

Accelerating infill development:

- Rezoning and encouraging development by updating planning documents and zoning ordinances, including general plans, community plans, specific plans, sustainable communities strategies, and local coastal programs.
- Revamping local planning processes to accelerate infill housing production and other infill development.
- Completing environmental clearance to eliminate the need for project-specific review for infill development.
- Establishing and funding an affordable housing catalyst fund, trust fund, or revolving loan fund for location efficient projects.
- Performing infrastructure planning and investing in upgrading infrastructure, including for sewers, water systems, transit, roads, or other public facilities necessary to enable reduction in per capita VMT, including accelerating infill housing production.

Realizing multimodal communities:

- Establishing and implementing a vision-zero policy and program, a safety plan, and a slow streets program.
- Developing bicycle and pedestrian infrastructure plans and other multimodal plans or policies.
- Investing in infrastructure projects and other programs to expand active transportation and implement bicycle or pedestrian plans.
- Producing multimodal corridor studies associated with developing specific planning documents or implementation actions.

Shifting travel behavior through reducing driving:

- Studying and implementing road pricing.
- Funding the establishment of a local VMT impact fee or catalyzing a regional VMT mitigation bank (seed funding for mitigation is considered ineligible).
- Funding and implementing parking and transportation demand management programs or ordinances.
- Accelerating infill housing production near jobs, transit, and resources.

Increasing transit ridership:

- Funding and implementing actions to establish more seamless regional transit systems between and across communities, including establishing common fares, schedules, service design, and wayfinding.
- Developing and implementing multimodal access plans to and from transit facilities.
- Planning for additional housing near transit.

Examples of Ineligible Uses:

The following is a non-exhaustive list of examples of ineligible uses:

- Roadway or highway capacity increases
- Advocacy work (direct lobbying for specific bills or local propositions)
- Bonus payments of any kind
- Ceremonial expenses
- Commission fees
- Real estate brokerage fees or expenses
- Services, materials, or equipment obtained under any other state program
- Stewardship of legal defense funds
- General meetings that do not specifically discuss or advance implementation of awarded REAP 2.0 funds
- Using funds for mitigation activities already mandated by local or state governing bodies or agencies
- On-going expenses (e.g., routine maintenance or operations of transportation infrastructure associated with transit service expansion)
- Costs associated with automobile or motorcycle parking (excluding EV charging infrastructure)
- Costs associated with infrastructure related to fossil fuels, including connections to natural gas infrastructure
- Costs associated with on-going provisions of internet service
- In lieu fees for local inclusionary housing programs
- Updates to the RTP
- Organizational membership fees
- Other items unrelated to the REAP 2.0 program or application

Eligible Applicants

Eligible entities are any recipients of funds under direct allocations and/or suballocations.

Direct allocations include:

1. *Formula Allocations for MPOs and COGs*: Of the total available funding, 85 percent will be available utilizing a statutory formula. The maximum amount will be determined based on aggregate 2030 projected population per each eligible applicant as a percentage of projected 2030 statewide population. See Attachment 2 for draft allocations. Eligible entities will include the MPOs and COGs listed in Health and Safety Code section 50515.08, subdivision (a), paragraphs (1) to (6). These include the Metropolitan Transportation Commission, the Sacramento Area Council of Governments, the San Diego Association of Governments, the Southern California

Association of Governments, the Association of Monterey Bay Area Governments, the San Luis Obispo Council of Governments, the Santa Barbara County Association of Governments, the Fresno Council of Governments, the Kern Council of Governments, the Kings County Association of Governments, the Madera County Transportation Commission, the Merced County Association of Governments, the San Joaquin Council of Governments, the Stanislaus Council of Governments, the Tulare County Association of Governments, the Butte County Association of Governments, Shasta County Regional Transportation Agency, and the Tahoe Regional Planning Agency.

2. *Competitive Set Aside for Non-MPO regions and Tribal Entities*: Of the total available funding, 5 percent will be made available on a competitive basis to eligible entities listed in Health and Safety Code section 50515.08, subdivision (a), paragraph (7). These include eligible entities in the Counties of Alpine, Amador, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Sierra, Siskiyou, Tehama, Tuolumne, and Trinity. Eligible entities within the counties listed or tribal entities may apply directly to HCD for funds pursuant to the program. HCD may approve a fiscal agent to receive funds on behalf of a consortium of entities listed.
3. *Competitive Innovative and Integrated Set Aside*: Of the total available funding, 5 percent will be made available on a competitive basis and will be open to all eligible entities. This set aside will be only available for activities that demonstrably achieve interregional benefits while exceeding the requirements of the program and further multiple policy objectives. Scoring criteria for this competitive set aside will include, but are not limited to, the extent of acceleration of infill housing production and reduction of per capita VMT. Eligible entities will include a metropolitan planning organization (MPO), a single or multicounty council of governments (COG), a regional transportation planning agency (RTPA), a county, a city, a city and county, a transit agency or district, a county transportation agency, or a tribal entity.

Examples of concepts to guide program development and implementation include:

- *Collaborative Opportunities*: Eligible entities will be able to collaborate through suballocations with other entities beyond those listed in statute or can collaborate with other eligible entities. In the case of the set aside for non-MPO regions, eligible entities can consolidate efforts into one application. For example, a rural jurisdiction may consolidate efforts with a tribal entity or transportation agency.
- *Tribal Entities*: Tribal entities may collaborate, through suballocation, with eligible applicants in the formula allocations and may also independently or in partnership apply for the “Competitive Set Aside for Non-MPO Regions and Tribal Entities” and the “Competitive Innovative and Integrated Set Aside.”
- *Set Aside for Non-MPO Regions and Tribal Entities*: Broad flexibility will be given to eligible applicants under the “Competitive Set Aside for Non-MPO Regions and Tribal Entities” to consolidate efforts with other eligible entities or beyond those listed in

statute, appoint a fiscal agent to represent the consortium of entities, and other opportunities that may result in streamlining of program application and administration.

- *Competitive Innovative and Integrated Set Aside*: The “Competitive Innovative and Integrated Set Aside” will consider a list of eligible entities beyond those listed in statute, including community-based organizations, non-profit organizations, and special districts.
- *Suballocations*: Eligible entities can consider a broad range of suballocation entities including tribal entities, transportation agencies, community-based organizations, non-profit organizations, academic institutions, and special districts.

Demonstrating a Nexus to Program Goals and Objectives

Applicants must demonstrate a clear and strong nexus to program goals and objectives. Specifically, transformative planning and implementation must have a nexus that advances all of the following program goals:

- Advancing the state planning priorities, as described in Section 65041.1 of the Government Code;
- Affirmatively furthering fair housing pursuant to Section 8899.50 of the Government Code;
- Facilitating housing element compliance and progress for the 6th cycle regional housing needs assessment pursuant to Section 65302 of the Government Code prepared in accordance with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code; and
- Advancing and implementing the region’s sustainable communities strategy, as described in paragraph (2) of subdivision (b) of Section 65080 of the Government Code, or alternative planning strategy, as described in paragraph (2) of subdivision (b) of Section 65080 of the Government Code, as applicable.

In addition, applicants must demonstrate a clear and strong nexus to all of the following program objectives (please note overlap with program goals):

- Accelerating infill housing,
- Reducing VMT,
- Advancing the sustainable communities or alternative planning strategies (as applicable – tribal entities exempt) and
- Affirmatively furthering fair housing

Examples of concepts to guide program development and implementation include:

- *Integrated Activities*: Overall activities and proposed uses must be integrated and achieve the multiple program objectives of accelerating infill housing, reducing VMT, advancing the VMT-reducing elements of the sustainable communities or alternative planning strategies, and affirmatively furthering fair housing (AFFH). AFFH includes

goals to enhance mobility strategies and promote inclusion for protected classes, encourage development of new affordable housing in high-resource areas, implement place-based strategies to encourage community revitalization and preservation of existing affordable housing, and protect existing residents from displacement. For example, housing only or projects that only reduce VMT will not be eligible.

- *Numerical Nexus*: Applications will demonstrate a significant beneficial impact to all program objectives (described above) and may be requested to demonstrate a numerical nexus to those objectives. The application will list sample metrics, but applicants may propose alternative metrics in consultation with the state collaborative partners (CARB, HCD, OPR and SGC). Examples of metrics include:
 - Number of housing units (total, type, affordable, and per acre)
 - Number of housing units affordable to lower income households
 - Housing processing times
 - Housing development costs
 - Mix of land use types (multifamily, single-family, and non-residential)
 - Avoids any conversion of agricultural, natural, or working lands
 - New or enhanced active transportation capital and infrastructure
 - New or enhanced connectivity to the non-automotive transportation network
 - Improved neighborhood safety features to promote active mobility
 - Number of linkages to transit and/or pedestrian and bicycle infrastructure
 - Number of connections to the surrounding area
 - Number of land uses connected with the surrounding area
 - VMT reduction per capita
 - Number of non-automotive trips generated (total, per capita, or other)
 - Greenhouse gas reduction (total, per capita, or other)
 - Housing density in infill location surrounded by qualified urban uses
 - Infrastructure service in areas of concentrated poverty or similar areas
 - Housing units in high opportunity areas
 - Number of direct engagement opportunities with community stakeholders
 - Number of existing housing units continued to be made available and affordable
 - Number of affordable housing units available for ownership or rent
 - Located on an infill site surrounded by qualified urban uses

- *Overall Impact and Coupled Activities*: In proposing uses and demonstrating a nexus to program objectives, applicants shall consider the overall impact of proposed uses on accelerating housing production and reducing VMT, including the direct and indirect effects of the proposed uses. Not every single dollar within a proposed use or sub-activity has to demonstrate a nexus to all program objectives, however, the entirety of the application must clearly and without doubt mutually further all program goals. Further, applicants may consider activities outside of the application that are coupled with the proposed uses. For example, an infrastructure investment that directly improves mobility options may indirectly facilitate increasing the supply of housing and

consider an accompanying specific plan. Applicants may combine individual proposed uses within an application toward an overall impact. For example, an application may combine a housing only use with a separate VMT reduction only use to demonstrate the application as a whole achieves both objectives. However, applications proposing such a less unified approach will need to more fully demonstrate mutual achievement of program goals, whereas applications with unified approaches (e.g., achieving housing and VMT reduction in all activities) will be considered more favorably (e.g., less documentation and pre-approved for this particular purpose).

- **Targeting Benefits:** The program will seek to dedicate funding for eligible uses that benefit disadvantaged or historically underserved communities and households. The collaborating agencies (CARB, HCD, OPR, and SGC) may consider establishing criteria, specifying a minimum percentage of an allocation or suballocation, or a formula-based approach that allows for more localized targeting.
- **Pre-approved Approaches:** The program will seek to provide pre-approved approaches to proposed uses where applicants will not be required to include a numerical nexus to program goals.

Thresholds, Scoring Criteria and Geographic Equity Considerations for Competitive Allocations

The program will contain two competitive allocations: (1) “Competitive Set Aside for Non-MPO Regions and Tribal Entities” and (2) “Competitive Innovative and Integrated Set Aside”. Examples of concepts to guide program development and implementation in these competitive allocations include:

- **Thresholds:** Eligible entities will not be eligible for program funds unless they meet specified threshold requirements (tribal entities will be exempt from some of these thresholds as applicable). Threshold requirements under consideration include:
 - Housing element compliance
 - Annual progress reports on implementation of the general plan, including, but not limited to, the housing element pursuant to Government Code section 65400
 - Integrated activities that achieve multiple objectives
 - Inter- and intra-regional collaboration and coordination
 - Consistency with state planning priorities
 - Implementation of relevant general plan policies and objectives including, but not limited to, the land use, circulation, housing, and environmental justice elements
 - Maximum grant amounts
 - Supports implementation of the preferred land use scenario in the sustainable communities or alternative planning strategies
 - Consistency with the RTP spending priorities and investments in the transit and active transportation networks
 - Reflected in the RTP’s forecasted changes to the transportation network

- Incorporation of applicable land use strategies in the sustainable communities or alternative planning strategies
- “Competitive Set Aside for Non-MPO Regions and Tribal Entities” *Scoring Criteria*: Scoring criteria will generally include program objectives (i.e., accelerating infill housing, reducing VMT, advancing the sustainable communities and alternative planning strategies and affirmatively furthering fair housing). Other factors that might be considered include building long term capacity and expertise, degree of housing and infrastructure needs, disaster recovery and mitigation.
- “Competitive Innovative and Integrated Set Aside” Scoring Criteria: Scoring criteria will generally include program objectives (i.e., accelerating infill housing, advancing the VMT-reducing elements of the SCS and affirmatively furthering fair housing). Scoring criteria will reflect the need to demonstrate exceeding the requirements of the overall program, including the extent of acceleration of infill housing production and reduction of per capita vehicle miles traveled. Additional scoring criteria will consider the extent the proposal furthers multiple planning objectives, including planning objectives beyond program requirements such as climate adaptation, improving job and housing relationships, conservation and open space preservation and other criteria inter and intra-regional coordination, collaboration with other entities within the region, relative level of impact compared to needs, mitigating displacement risk, and environmental justice.
- *Geographic Equity*: Both the “Competitive Set Aside for Non-MPO Regions and Tribal Entities” and “Competitive Innovative and Integrated Set Aside” will have evaluation criteria for geographic equity. Geographic equity will target minimal allotments by broad areas of the state. Minimal allotments will total less than 100 percent to provide flexibility and will be based on needs indicators such as future population estimates.

Expenditure and Program Administration Efficiencies

Program components such as the application, Standard Agreements (e.g., re-scoping), reimbursement forms and level of documentation and reporting will be developed in a manner to simplify and streamline workload for awardees and for state agencies. Examples of concepts to guide program development and implementation include:

- *Application Flexibility*: The REAP of 2021 program has three funding streams (i.e., “Formula Allocations for MPOs and COGs,” “Competitive Set Aside for Non-MPO Regions and Tribal Entities,” and the “Competitive Innovative and Integrated Set Aside”) and some eligible entities may apply in more than one funding stream. The state will target the NOFA and guidelines for the “Formula Allocations for MPOs and COGs” and “Competitive Set Aside for Non-MPO Regions and Tribal Entities” funding streams to be prepared at the same time and consider the “Competitive Innovative and Integrated Set Aside” at a later date (e.g., early summer). All NOFAs will be open through the end of the year to allow flexibility for applicants.

- *Application Streamlining*: The application will be prepared in a simplified and streamlined manner for all applicants; avoiding unnecessary documentation and duplication.
- *Consolidated Standard Agreement*: Within the “Formula Allocations for MPOs and COGs” funding stream, specified eligible entities may request up to 10 percent of available funding in advance of a full request for funding. For these entities, a consolidated Standard Agreement will be executed to streamline administrative procedures.
- *Early Reimbursement Activities*: Eligible activities conducted prior to award will be reimbursable to July 1, 2021.
- *Suballocation Award Timing*: Upon receiving an award of program funds, eligible entities shall award suballocations within 60 days. An award is defined by an official notice (e.g., letter) to the awardee and does not include encumbrance or an executed Standard Agreement. However, eligible entities shall expeditiously act to execute the Standard Agreement and throughout implementation of the program to ensure meeting expenditure deadlines.
- *Final Invoices*: The expenditure deadline for the program is June 30, 2026. To meet this deadline, the program will require final invoicing three months prior to the expenditure deadline.

Reporting

Recipients of funds will be required to annually submit a report that will be made publicly available until all funds are expended, including a final close out report. The report will at minimum address the status of proposed uses, expenditures and corresponding impact related to accelerated housing units and VMT reductions. In addition, HCD shall publicly make available on its internet website applicant information such as the applicant’s name, number of applications and information collected as part of the recipient’s annual reports. Examples of concepts to guide program development and implementation include:

- *Recipients Reporting Components*: In addition to mandatory reporting requirements, reporting forms will consider additional information to address the overall status of activities. Additional components include:
 - Overall context
 - Outreach status and results
 - Highlights, best practices, and accomplishments
 - Key challenges and solution approaches
 - Collaboration opportunities, including inter-regional, intra-regional and state coordination opportunities
 - Additional information as appropriate
- *HCD Public Facing Information*: In addition to statutory requirements, HCD will consider posting program information, including full annual reports, through an interactive web-based tool and will incorporate other applicable information such as

reporting through REAP 1.0, progress toward the regional housing need allocation, best practices, and other information relevant to program goals.

- *Templates Early*: Templates for reporting will be prepared early in program implementation to facilitate data collection from recipients and sub-applicants.

Technical Assistance, Best Practices and Long-term Coordination

The program fund sets aside up to 5 percent for program administration, including state operations expenditures and technical assistance. As part of this set aside, the state will consider a variety of activities to assist eligible entities, promote the long-term effectiveness of the program, encourage and coordinate with other activities to best pursue the program objectives and strengthen and improve long term partnerships. Examples of concepts to guide program development and implementation include:

- *Direct Assistance*: Technical assistance to applicants will consider communications toolkits, draft MOU template for suballocations, draft Standard Agreement, assistance connecting with community groups or tribes (either through matchmaking or a statewide roster) and direct assistance with applications.
- *Ongoing Coordination and Collaboration*: Technical assistance will include regular check-ins (e.g., monthly) with the state collaboration partnership and eligible entities to discuss and share status, progress, templates, challenges, opportunities, best practices, and other relevant information to promote the effectiveness of the program.
- *Ongoing Technical Assistance Plans*: As part of the SB 2 planning grants, HCD is developing regionally tailored technical assistance plans (RTAP) to supplement the planning grant. As part of REAP 2.0, the state will seek to continue the work of the RTAPs.
- *Academic Research, Data Collection and Other Contracting Work*: Portions of the money set aside will be used to conduct research and contract various services to support the goals and ongoing success of REAP 2.0.
- *Best Practices*: State agencies will promote and broadly share best practices related to program objectives and supplement sharing with technical expertise to tailor approaches on a broad scale.
- *Long Term Coordination*: The state will continue to play a role as convener, participant, facilitator, coordinator, and partner with eligible and related entities to further the goals of the program and advance regional initiatives toward multiple planning objectives. The state will continue to collaborate across agencies and share and assist with scaling, tailoring, and creating best practices to achieve the unique needs of all regions.

Timing

Activity	Description	Timing
Collaboration Design and Kick Off	Convening of state agency collaborative, early discussion of program parameters and staffing	Summer 2021
Framework Paper	Initial concepts and survey for broad stakeholder input	November 2021
Advance Application Available (“Formula Allocations for MPOs and COGs”)	Up to 10% of program funds can be requested by eligible entities under the “Formula Allocations for MPOs and COGs”	December 2021
Final Guidelines and Program Launch	Opening of the application period with program guidelines	February 2022
Technical Assistance, Marketing, Direct Assistance to Applicants	State will conduct a variety of outreach events including statewide webinar, regional events, and will provide direct assistance and consultations to eligible entities	December 2021 through June 2024
Over-the-Counter Application Period	Initial application window closes on December 31, 2022. Depending on availability of remaining funds there may be a second competitive Innovative and Integrated Set Aside funding round if there are excess funds at the end of 2022.	February 2022 - December 31, 2022
Encumbrance Deadline	All funds must be awarded and encumbered.	June 2024
Annual Reports	Recipients submit and post annual reports and state posts annual report and other applicant information	April to June of every year*
Expenditure and Close-out Report		June 30, 2026
* Recipients shall submit a report by April 1 of the year following the receipt of those funds, and annually thereafter until those funds are expended. In turn, the state will post annual reports with supplemental information.		

Attachment 1

Input Survey

The purpose of this survey is to engage with stakeholders, other interested parties, and the public on initial concepts being developed for the REAP 2.0 program. In turn, the administering state agencies will consider that input in the design and implementation of the program, including the preparation of guidelines. Future opportunities will be available to comment on the draft guidelines.

HCD prepared this survey in collaboration with CARB, OPR, and SGC and it is organized around the topical areas described in the program's framework paper. The survey is intended to solicit direct feedback and should take approximately 10 minutes. You are encouraged to provide relevant feedback beyond the scope of the survey, and welcome to share your name, affiliation, and email address with HCD; otherwise, your responses will remain anonymous.

Thank you for sharing your feedback with HCD. If you prefer to complete the survey online, you can access it at <https://www.surveymonkey.com/r/DC6H8GM>. If you have any questions, please contact us at REAP2021@hcd.ca.gov.

Program Principles

Question 1: Should additional program principles be considered for the program? If so, please describe and provide specific examples.

Yes

No

Describe:

Outreach and Priority Setting

Question 2: Should the program provide a fixed and specific definition of "disadvantaged" and "historically underserved communities", or should the program include flexibility, provided that the definition enables specific and targeted efforts towards appropriate areas and populations? Please describe why a specific or flexible definition is preferred.

Specific Definition

Flexible Definition

Additional Comments:

Eligible Uses

Question 3: Please suggest examples of transformative planning and implementation activities in the region or area that further housing, equity, and VMT reduction goals. Please also describe where and how examples would help implement strategies or actions in your adopted Sustainable Communities Strategy, regional housing needs plan, regional or local climate action plans, local housing elements, or other housing plans.

Describe:

Question 4: What kinds of criteria could be used in determining an appropriate blend of planning and implementation activities? Please describe the extent to which your region or community identified additional demand for planning activities from REAP 1.0 or the Local Early Action Planning Grant (LEAP) program.

Describe:

Eligible Applicants

Question 5: The program will have a Competitive Innovative and Integrated Fund constituting 5 percent of total funds. Should the program consider eligible entities beyond the minimum in statute? If so, please describe who the funding could be distributed to that furthers program goals and objectives.

Yes

No

Describe:

Demonstrating a Nexus to Program Goals and Objectives

Question 6: What metrics could be considered to demonstrate a nexus between funded activities and program goals and objectives (e.g., housing goals, VMT reduction, and equitable outcomes)? A metric may be quantitative, qualitative, or performance based.

Describe:

Question 7: What criteria should be considered to strengthen jurisdictions' actions towards Affirmatively Furthering Fair Housing (AFFH)? Please describe what strategies or actions are included in the adopted SCS, other regional plans, or local and community plans that support affordable housing production and AFFH.

Describe:

Thresholds, Scoring Criteria and Geographic Equity Considerations for Competitive Allocations

Question 8: What scoring criteria could be considered for the portion of funds reserved for areas of the state that do not have a designated MPO, as well as the portion of funds reserved for Innovative and Integrated approaches?

Describe:

Expenditure and Program Administration Efficiencies

Question 9: Please suggest any methods for improving efficiencies in program expenditure and administration, including lessons learned from administering the REAP 1.0 program.

Describe:

Reporting

Question 10: Please suggest additional information that should be considered in annual reporting documentation from funding recipients.

Describe:

Question 11: Please suggest additional information related to REAP 2.0 that should be posted to HCD's website.

Describe:

Technical Assistance, Best Practices and Long-term Coordination

Question 12: What other technical assistance and resources could the state provide eligible entities that streamline administrative processes, enhance outreach efforts, or lead to better outcomes?

Describe:

Additional Comments

Please provide any additional comments:

Contact Information

Thank you for sharing your feedback. We may have follow-up questions and would like to contact you for further information. If you would like to share your name or other identifying information, please do so here. Otherwise, your responses will remain anonymous.

Name:

Organization:

Email:

Telephone Number:

Attachment 2

Formula Based Allocations

The REAP 2.0 program makes available 85 percent of funds (\$510,000,000) to MPOs and COGs through the “Formula Allocations to MPOs and COGs” funding stream. Maximum award amounts are based on California Department of Finance 2030 Population Projections.

Applicant	Max. award amount
Metropolitan Transportation Commission	\$ 102,842,103.03
Butte County Association of Governments	\$ 2,944,762.37
Association of Monterey Bay Area Governments	\$ 10,133,742.41
Fresno Council of Governments	\$ 13,633,148.06
Kern Council of Governments	\$ 12,670,717.96
Kings County Association of Governments	\$ 2,060,590.24
Madera County Transportation Commission	\$ 2,213,724.74
Merced County Association of Governments	\$ 3,912,152.75
Sacramento Area Council of Governments	\$ 33,727,893.48
San Diego Association of Governments	\$ 43,037,322.72
Santa Barbara County Association of Governments	\$ 5,839,412.28
Southern California Association of Governments	\$ 246,024,084.00
San Joaquin Council of Governments	\$ 10,612,514.62
Shasta County Regional Transportation Agency	\$ 2,243,909.07
San Luis Obispo Council of Governments	\$ 3,539,684.58
Stanislaus Council of Governments	\$ 7,535,242.05
Tulare County Association of Governments	\$ 6,424,861.49
Tahoe Regional Planning Agency	\$ 604,134.15