

STAFF REPORT



MEETING DATE:	October 27, 2022
SUBJECT:	Receive Update on Regional Early Action Planning (REAP) 2.0 Program
AGENDA ITEM:	9
STAFF CONTACT:	Mehdi Moeinaddini, Associate Transportation Planner

SUMMARY:

The Shasta Region has the opportunity to apply for up to \$2,243,909 in Regional Early Action Planning (REAP) 2.0 funds that will help further housing development opportunities in the region that connect people closer to jobs and essential services, and mobility options such as public transit and active transportation. SRTA issued a call for projects on October ##, 2022 from eligible agencies, organizations, and private developers to identify projects for possible funding. SRTA will review project submittals, submit a list of recommended projects for the board directors consideration at the December meeting, and must submit approved projects by December 31, 2022.

STAFF RECOMMENDATION:

It is recommended that the board of directors receive an update on the REAP 2.0 Program.

DISCUSSION:

Background – In July 2022, the California Department of Housing and Community Development (HCD) issued a Notice of Funding Availability (NOFA) for approximately \$510 million in Regional Early Action Planning Grant Program of 2021 (REAP 2.0) funds. Eighty-five percent of the funds are being directly allocated to the state's metropolitan planning organizations (MPOs). The Shasta Region has the opportunity to apply for up to \$2,243,909.

REAP 2.0 builds on efforts from California's 2019 REAP program (REAP 1.0). REAP 1.0 provided an initial round of \$125 million in flexible planning funds to regional governments in urban regions and counties in rural regions to accelerate housing production consistent with regional housing goals. REAP 2.0 expands the focus by integrating housing and climate goals, and allowing for broader planning and implementation investments, including infrastructure investments that support future housing development.

Program Objectives and Focus – REAP 2.0 is focused on multiple objectives such as infill development, housing for all incomes, vehicle miles traveled (VMT) reduction, and Affirmatively Furthering Fair Housing (AFFH) to meet state and regional goals. Per the program guidelines, REAP 2.0 is specifically designed to provide MPOs with the tools and resources to further the Sustainable Communities Strategies adopted as part of their Regional Transportation Plans.

Eligible Applicants – Eligible applicants are limited to MPOs and Councils of Governments (COGs). SRTA is tasked with administering the program on behalf of the Shasta Region. Eligible partners include: cities or counties, housing authorities, school districts, special districts, transit agencies, community-based organizations, tribal entities, or any duly constituted governing body of an Indian Reservation or Rancheria.

Eligible Uses – Examples of eligible uses may include (but are not limited to): accelerating infill development that facilitates housing supply, choice, and affordability through various planning programs, services, or capital expenditures; 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.

Outreach Activities and Next Steps – SRTA has performed an outreach campaign starting on September 28, 2022, and issued a call for projects on October ##, 2022. Staff will present a list of recommended projects for approval at the December board of directors meeting. A final package of approved projects must be submitted by SRTA to HCD by December 31, 2022. Funds must be encumbered by June 30, 2024, and spent by March 31, 2026.

ALTERNATIVES:

The board may review projects recommended for funding at the December board of directors meeting.

OTHER AGENCY INVOLVEMENT:

REAP 2.0 is 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). Depending on the proposals received, SRTA anticipates partnering with one or more local agencies or eligible applicants.

FISCAL IMPACT:

A total of \$2,243,909 in REAP 2.0 program grant funds has been allocated to the Shasta Region, which will be administered by SRTA. SRTA may use up to 5% of the funds (\$112,195) for administration of the program. A new work element may be added to our Overall Work Program or to the comprehensive budget for the administration of the program.

Sean Tiedgen, AICP, Executive Director

Attachments:

- A:** SRTA Call for REAP 2.0 Projects – *Not available for TAC*
- B:** Notice of Funding Availability and Final Guidelines – Metropolitan Planning Organization Allocation Regional Early Action Planning Grant (REAP 2.0)

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500, 95833
P. O. Box 952054
Sacramento, CA 94252-2054
(916) 263-2771 / FAX (916) 263-2763
www.hcd.ca.gov



July 26, 2022

MEMORANDUM FOR: All Metropolitan Planning Organizations

FROM: Megan Kirkeby, Deputy Director Division of Housing Policy Development

SUBJECT: **Notice of Funding Availability and Final Guidelines – Metropolitan Planning Organization Allocation Regional Early Action Planning Grant (REAP 2.0)**

The California Department of Housing and Community Development (HCD), in collaboration with the Office of Planning and Research (OPR), the Strategic Growth Council (SGC), and the State Air Resources Board (CARB), is pleased to release this Notice of Funding Availability (NOFA) for approximately \$510,000,000 for the Regional Early Action Planning Grant Program of 2021 (REAP 2.0). The principal goal of REAP 2.0 is to make funding available to Metropolitan Planning Organizations (MPOs) and other regional entities for Transformative Planning and Implementation Activities that meet Housing and equity goals, reduce Vehicle Miles Traveled (VMT) Per Capita, and advance implementation of the region's Sustainable Communities Strategy (SCS) or Alternative Planning Strategy, as applicable.

REAP 2.0 funding will be released in three separate allocations: (1) MPO Direct Allocation, (2) Tribal and Rural Allocation and (3) Higher Impact Transformative Allocation. This Notice of Funding Availability (NOFA) of approximately \$510,000,000 addresses the (1) MPO Direct Allocation and is released concurrently with the (2) Tribal and Rural Allocation NOFA. The (3) Higher Impact Transformative Allocation NOFA is anticipated at a later time in 2022. The following Guidelines address allocations for the MPO Direct Allocation and are made available as a portion of the Local Government Planning Support Grants Program pursuant to Chapter 3.15 of Health and Safety Code (Sections 50515.06 to 50515.10) (Chapter 111, Statutes of 2021).

In order to be eligible for grant funding, the applicant must submit a copy by email to: REAP2021@hcd.ca.gov. For the (1) MPO Direct Allocations, applications will be accepted on an Over-the-Counter (OTC) basis as of the date of this NOFA through December 31, 2022. The Department encourages early applications.

REAP 2.0 applications, forms, and instructions are available on the Department's website on the [REAP webpage](#). If you have questions regarding this NOFA, please email the Department at REAP2021@hcd.ca.gov. For future notifications, please use the Department's email notification sign up at [Subscribe \(ca.gov\)](#).

Regional Early Action Planning Grants of 2021 (REAP 2.0)

Final Guidelines for Metropolitan Planning Organizations

State of California
Governor Gavin Newsom



CALIFORNIA
STRATEGIC
GROWTH
COUNCIL



July 2022

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

Email: REAP2021@hcd.ca.gov

Table of Contents

Section 100: Introduction.....	4
Section 101: REAP 2.0 Program Background	4
Section 102: Scope and Authority.....	4
Section 200: REAP 2.0 Goals, Objectives, Threshold Requirements and Eligible Uses..	6
Section 201: REAP 2.0 Goals.....	6
Section 202: REAP 2.0 Objectives.....	6
Section 203: Threshold Requirements	8
Section 204: Eligible Uses	10
Section 205: Ineligible Uses.....	12
Section 300: Applicant and Application Provisions	13
Section 301: Application Requirements and Contents	13
Section 302: Application Submittal.....	14
Section 400: Metropolitan Planning Organization Allocation.....	14
Section 401: Eligible Applicants.....	14
Section 402: Award Amounts	15
Section 403: Advance Allocation	15
Section 404: Application Review.....	16
Section 405: Evaluation of Applications.....	16
Section 406: Suballocation	19
Section 500: Administration	20
Section 501: Grant Execution and Term.....	20
Section 502: Accounting and Records	20
Section 503: Invoicing	21
Section 504: Audits.....	21
Section 505: Remedies of Non-performance	22
Section 506: Reporting.....	23
Section 600: Right to Modify or Suspend Guidelines and Final Decision Making	24
Attachment 1: Statute.....	25
Attachment 2: Definitions	36
Attachment 3: Award Amounts by Eligible Applicant	41
Attachment 4: Applying Units of Measurement	42

Section 100: Introduction

The REAP 2.0 Program is funded in the amount of \$600 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) (Department), in collaboration with the Governor's Office of Planning and Research (OPR), the Strategic Growth Council (SGC), and the California Air Resources Board (CARB). (Referred hereafter collectively as "State Collaborative Partners".)

A majority of the funds (85 percent) will be allocated directly to the state's Metropolitan Planning Organizations (MPOs). The remaining funds are split into a set aside for non-MPO regions for smaller counties and Tribal Entities, as well as a Higher Impact Transformative Allocation for all Eligible Entities.

Section 101: REAP 2.0 Program Background

California is committed to a future where we all have the option to live closer to our jobs, services, and daily destinations. We can achieve this future through more Housing options and affordability in nearby neighborhoods, which includes transportation options so we can walk our kids to school, ride our bikes to work, or take transit. REAP 2.0 is a key part of the state's 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 investments that support future Housing development. 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 (AFFH) in ways that lead to transformative Policy Outcomes and accelerate the implementation of regional and local plans to achieve these goals.

REAP 2.0 provides funds to regional governments to accelerate Housing production and facilitate compliance with the 6th cycle of the Housing Element, including Regional Housing Needs Assessment. In addition, REAP 2.0 is specifically designed to provide MPOs and other Eligible Entities with tools and resources to help implement and advance plans, primarily by furthering the Sustainable Communities Strategies (SCS) adopted as part of Regional Transportation Plans to pursue greenhouse gas emission reduction targets through land use and transportation strategies.

Section 102: Scope and Authority

These Guidelines are authorized pursuant to Chapter 3.15 of Health and Safety Code sections 50515.06 to 50515.10 and implements, interprets, and makes statute specific for purposes of implementing REAP 2.0. These Guidelines establish terms, conditions, forms, procedures, and other mechanisms as the Department deems necessary to exercise the powers and perform the duties conferred by Chapter 3.15.

The matters set forth herein are regulatory mandates, and are adopted in accordance with the authorities set forth below:

Quasi-legislative regulations ... have the dignity of statutes ... [and]... delegation of legislative authority includes the power to elaborate the meaning of key statutory terms...

Ramirez v. Yosemite Water Co., 20 Cal. 4th 785, 800 (1999).

Further, the Department and State Collaborative Partners may implement REAP 2.0 through the issuance of forms, guidelines, and one or more NOFAs, as the Department deems necessary, to exercise the powers and perform the duties conferred on it by this Chapter 3.15 of Health and Safety Code. Any forms, guidelines, and NOFAs adopted pursuant to this section 50515.10 are specifically exempted from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with section 11340) of Part 1 of Division 3 of Title 2 of the Gov. Code). (Health and Safety Code section 50515.10, (h).)

The Department reserves the right, at its sole discretion, to suspend or amend the provisions of these Guidelines in collaboration with the State Collaborative Partners, including, but not limited to, grant award amounts.

Section 200: REAP 2.0 Goals, Objectives, Threshold Requirements and Eligible Uses

Section 201: REAP 2.0 Goals

REAP 2.0 goals include:

- (A) Invest in Housing, planning, and Infill Housing-supportive infrastructure across the entire state in a manner that reduces VMT, increases Housing affordability, and advances equity, consistent with all of the following:
 - 1. Advancing the State Planning Priorities, as described in Section 65041.1 of the Government Code;
 - 2. Affirmatively Furthering Fair Housing pursuant to Section 8899.50 of the Government Code;
 - 3. Facilitating Housing Element compliance and progress for the sixth 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,
 - 4. Advancing and implementing the region's SCS, 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 to achieve climate goals.

Section 202: REAP 2.0 Objectives

REAP 2.0 Objectives include:

- (A) Accelerating Infill Development that Facilitates Housing Supply, Choice, and Affordability
- (B) Affirmatively Furthering Fair Housing
- (C) Reducing Vehicle Miles Traveled

- (A) Accelerating Infill Development that Facilitates Housing Supply, Choice, and Affordability
 - 1. Accelerating Infill development near jobs and other key destinations to support increasing Housing choices and affordability that effectively reduce VMT and greenhouse gas emissions.
 - 2. Eligible Entities must describe how Proposed Uses prioritize development that increases Housing choice and affordability at Infill sites. Proposed Uses must have Housing affordability components that serve Low- and Moderate-income Households.
 - 3. Affordable Housing development programs – which may involve predevelopment costs (e.g., studies, land acquisition, entitlements), large expenditures and capital investments – are eligible uses if the programs accelerate the supply of long-term Affordable Housing for Lower and moderate-

income Households and commit to development within a reasonable time frame (e.g., within 5 years of the expenditure deadline).

(B) Affirmatively Furthering Fair Housing (AFFH)

1. Proposed Uses must combat discrimination, overcome patterns of segregation, and foster equitable and inclusive communities.
2. Proposed Uses must include 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, and transforming racially and ethnically concentrated areas of poverty into areas of opportunity pursuant to Government Code section 8899.50.
3. Proposed Uses must support regional and local efforts that work towards ensuring all people have full and equal access to opportunities enabling them to lead healthy lives.
4. Actions to Affirmatively Further Fair Housing may include, but are not limited to:
 - i. Enhancing Housing mobility strategies that remove barriers to Housing, Housing-supportive infrastructure, and transportation in areas of opportunity.
 - ii. Encouraging development of new Affordable Housing in high resource areas by promoting Housing, infrastructure, increased transportation options, and affordability in areas of high opportunity and outside of areas of concentrated poverty.
 - iii. Improving place-based strategies to encourage community revitalization. This includes preservation of existing Affordable Housing that involves approaches focused on conserving and improving assets in areas of lower-opportunity and concentrated poverty, such as: targeting investments in neighborhood revitalization, preserving or rehabilitating existing Affordable Housing, improving infrastructure, schools, employment, parks, transportation, and other community amenities.
 - iv. Protecting existing residents from displacement and preserving Housing choices and affordability in areas of lower- or moderate-opportunity and concentrated poverty.
5. Eligible Entities are required to consider AFFH principles and equity in all Proposed Uses. Any Proposed Uses that may have a negative impact on AFFH objectives must have appropriate mitigation efforts. Recipients shall take no action that is materially inconsistent with AFFH.
6. Eligible Entities are required to pursue geographic equity in how the application(s) disburse funding across the region.
7. Eligible Entities shall target funding to benefit Disadvantaged and Historically Underserved Communities.
8. Suballocations must address local, unique equity priorities.

(C) Reducing Vehicle Miles Traveled

1. The REAP 2.0 Program provides for investments to support Housing planning and production in Infill areas that reduce VMT towards helping the state meet multiple goals. Eligible Entities must explain how each Proposed Use promotes development and aligns Housing production in Infill locations consistent with the state's climate targets and goals discussed in the [California Climate Change Scoping Plan](#).
2. Proposed Uses shall focus on the VMT-reducing elements of the SCS, as

applicable, to achieve and maintain the region's greenhouse gas emission reduction targets by supporting or implementing action-oriented plans, policies, and investment strategies broadly described as:

- i. Land Use Planning, Policies, and Investment Strategies: Encourage Infill development that facilitates Housing supply, choice, and affordability and is serviced by existing and planned expansions of a multimodal transportation system.
 - ii. Transportation Planning, Policies, and Investment Strategies: Increase travel options to homes, jobs, services, and other key destinations that provide, support, or enhance Multimodal Communities and reduce the number or length of vehicle trips.
3. Eligible Entities are encouraged to pursue uses that support new Housing development and shift travel away from driving by implementing or supporting pedestrian, bicycle, transit, and other alternative transportation programs.

Section 203: Threshold Requirements

(A) Significant Beneficial Impact

1. Applicants must demonstrate that each Proposed Use advances all REAP 2.0 Program goals and objectives, meets the definition of a Transformative Planning and Implementation Activity, and provides a significant beneficial impact.
2. Significant beneficial impacts must lead to substantial changes in land use patterns and travel behaviors. In demonstrating significant beneficial impacts, applicants may consider rates of change (e.g., percent increase over a baseline), the magnitude of impact relative to variables or targets, the proportion of need achieved, and the impact relative to past trends, policies, and practices. Variables or targets may include but are not limited to benefitting households by income group; Regional Housing Needs Assessment; Housing units (new construction, preservation/conservation, and rehabilitation); density; infrastructure; infrastructure capacity and accessibility; public space; community amenities; investments; Vehicle Miles Traveled reduction goals or targets; regional or local equity policies and programs included in an adopted RTP/SCS; and GHG reduction goals or targets.
3. Applicants must explain how each Proposed Use demonstrates a nexus to all REAP 2.0 objectives through Policy Outcomes, provide a reasonable and verifiable methodology, and utilize forms in a manner prescribed by the Department and State Collaborative Partners.
4. Proposed Uses may combine eligible uses. Combined eligible uses must demonstrate a reasonable relationship to each other, including timing and completion.
5. Proposed Uses may combine eligible uses with other non-REAP 2.0 efforts including planning and implementation (e.g., other funding sources). Proposed Uses that combine eligible uses with non-REAP 2.0 efforts must demonstrate a reasonable relationship to each other, including timing and completion.

6. Where instructed, applicants must provide clear evidence that demonstrates a nexus between each Proposed Use and REAP 2.0 objectives, utilizing numeric metrics, targets, outputs, or other units of measurement that can be measured and evaluated as described by these Guidelines (See Attachment 4: Examples of Units of Measurement). Applicants may propose other units of measurement in consultation with the Department and State Collaborative Partners; such other measurements may be subject to a greater level of scrutiny.

(B) Equitable Targeted Outreach

1. Eligible Entities must conduct community and stakeholder outreach as part of the development of their application for funds.
2. Eligible Entities must use outreach to develop priorities, Proposed Uses, funding amounts, the appropriate blend of planning and implementation, the amount retained by the Eligible Entity versus suballocations, and various other program components.
3. Outreach must proactively employ a variety of methods. Eligible Entities must conduct, and must document, targeted outreach to Disadvantaged and Historically Underserved Communities, including Tribal Entities.
4. Eligible Entities shall explain how outreach was incorporated into the application and explain how the Proposed Uses reflect the input received. 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.
5. Eligible Entities must 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 may consider community-based surveys and participatory research, advisory or shared decision-making bodies, interviews, focus groups, community and stakeholder meetings, public and quasi-public meetings, community benefit agreements, and committees with representatives of pertinent special interests and neighborhoods.
6. Eligible Entities must make drafts of proposed approaches available to the public with sufficient time (e.g., at least 21 days) to comment.
7. Eligible Entities must conduct outreach throughout the program development and implementation process. This includes outreach in advance of developing Proposed Uses and approaches, in the early stages of program development, throughout program development, and during program implementation.
8. Eligible Entities must employ outreach that is unique to the REAP 2.0 Program. Eligible Entities may utilize closely related outreach efforts but must not solely rely on those efforts.
9. Outreach methods must consider language access and other potential barriers to providing input.
10. Outreach may include coordination with Eligible Entities (including Tribal Entities) within the same region or in other regions. Eligible Entities may wish to consider the potential for joint activities and the coordination of Housing and transportation planning across regions.

11. Outreach must include effective and meaningful methods to gather and consider input and partnership with Tribal Entities. Methods must demonstrate a diligent effort to consult with Tribal Entities. Examples include acknowledgement of outreach, demonstration of consultation and incorporation of Tribal interest in priority setting and Proposed Uses.

Section 204: Eligible Uses

(A) Activities generally may include:

1. Technical assistance, planning, staffing, consultant needs (program-related),
2. Administration costs (see 204(J)),
3. Outreach and engagement activities (see 204(I)),
4. Eligible uses described in 204(E) that meet one or more of the following categories of allowable uses:
 - i. Accelerating Infill Development that facilitates Housing supply, choice, and affordability through various planning programs, services, or Capital Expenditures
 - ii. Realizing Multimodal Communities through programs, plans, and implementation actions
 - iii. Shifting travel behavior by reducing driving through programs, ordinances, funds, and other mechanisms, and
 - iv. Increasing transit ridership through funding, implementation actions, and planning

(B) In consultation with the Department and the State Collaborative Partners, applicants may determine the blend of planning and implementation activities, but there should generally be a greater emphasis on implementation activities. The blend of planning and implementation may consider the extent to which planning needs remain in the region after other local, state, and federal planning investments including but not limited to REAP 1.0, SB 2 Planning Grants, LEAP, SB 1 Sustainable Communities Grants and Homeless Housing, Assistance and Prevention (HHAP) Local Homelessness Actions plans. The blend of planning and implementation may also consider Housing and infrastructure needs of the communities and overall region, consideration of outreach and priority setting, including to disadvantaged communities, overall impact of proposed projects on Housing production and VMT reduction, advancing the implementation of VMT-reducing elements of the SCS or Alternative Planning Strategy, and AFFH. Applicants that dedicate at least 70% of funding to implementation activities are generally not subject to consultation with the Department and State Collaborative Partners regarding the blend of planning and implementation activities.

(C) The collection of eligible uses in the application should be integrated wherever possible and should lead to greater impact when implemented together.

(D) Eligible uses may be coupled with other verifiable and related activities being undertaken that will be completed by the applicant or in coordination with other entities as demonstrated by a formal written agreement or other documentation (e.g., resolution) to the satisfaction of the Department

(E) Eligible uses could include but are not limited to:

1. Accelerating Infill Development that facilitates Housing supply, choice, and affordability:
 - a. Affordable Housing development programs – which may involve predevelopment costs (e.g., studies, land acquisition and entitlements), large expenditures and capital investments – are eligible uses if the programs accelerate the supply of long-term Affordable Housing for Lower-Income and Moderate-Income Households in Infill areas, remove barriers to encourage development and commit to development within a reasonable time frame (e.g., within 5 years of the expenditure deadline). Affordable Housing developments can include mixed-uses (e.g., a minimum of 65 percent total floor area is residential use), and Affordable Housing units that are part of mixed income development programs.
 - b. Rezoning and guiding development by updating planning documents, development standards, and zoning ordinances, including general plans, community plans, specific plans, SCS, and local coastal programs. All uses that include the creation of planning documents must be accompanied by a commitment to adopt by the expenditure deadline.
 - c. Revamping local planning processes to accelerate Infill development that facilitates Housing supply, choice, and affordability.
 - d. Completing environmental clearance to eliminate the need for project-specific review for Infill development that facilitates Housing supply, choice, and affordability.
 - e. Establishing and funding an Affordable Housing catalyst fund, trust fund, or revolving loan fund for location efficient projects.
 - f. Performing infrastructure planning and investing in upgrading infrastructure, including for sewers, water systems, transit, active transportation, or other public facilities necessary to enable reduction in Per Capita VMT and accelerate Infill development that facilitates Housing supply, choice, and affordability.
2. Realizing Multimodal Communities:
 - a. Establishing and implementing a vision-zero policy and program, a safety plan, and a slow streets program.
 - b. Developing bicycle and pedestrian infrastructure plans and other multimodal plans or policies.
 - c. Investing in infrastructure projects and other programs to expand active transportation and implement bicycle or pedestrian plans.
 - d. Producing multimodal corridor studies associated with developing specific planning documents or implementation actions.
3. Shifting travel behavior through reducing driving:
 - a. Studying roadway pricing feasibility and implementing road pricing programs.
 - b. Funding the establishment of a local VMT impact fee or catalyzing a regional VMT mitigation bank (seed funding for mitigation is ineligible).
 - c. Funding and implementing parking and transportation demand management programs or ordinances.
 - d. Accelerating Infill Housing production near jobs, transit, and

resources.

4. Increasing transit ridership:

- a. Funding and implementing actions to establish more seamless regional transit systems between and across communities, including establishing common fares systems, sync transit routing systems and schedules, service design, and wayfinding to connect residential neighborhoods with employment centers and other key destinations.
- b. Developing and implementing multimodal access plans to and from transit facilities.
- c. Planning for additional Housing near transit. All uses that include the creation of planning documents must be accompanied by a commitment to adopt by the expenditure deadline.

(G) Eligible activities under technical assistance may be broadly construed but must demonstrate a clear and significant nexus to all REAP 2.0 objectives.

(H) Eligible activities must have a significant geographic or region-wide benefit and are not intended to fund projects that are relatively small in scope.

(I) Outreach and engagement activities are eligible as priority setting and components of other Proposed Uses. Program outreach shall not be a stand-alone Proposed Use.

(J) Recipients shall use no more than 5 percent of the allocation(s) for costs related to the administration of the activity(ies) for which the allocation(s) were made. Staff and overhead costs directly related to carrying out Proposed Uses are not administrative costs.

(K) Tribal Entities or Tribal Governments, as applicable, may propose eligible uses on all types of Tribal lands (e.g., Fee land within Reservation or Rancheria, land held in trust by the Bureau of Indian Affairs, Fee land outside Reservation or Rancheria, etc.) as long as site control is demonstrated.

(L) All Proposed Uses must AFFH.

Section 205: Ineligible Uses

(A) Ineligible uses are uses inconsistent with REAP 2.0 goals and objectives.

(B) Ineligible uses apply to suballocations.

(C) Ineligible uses include but are not limited to:

1. Roadway or highway capacity increases
2. Advocacy work (direct lobbying for specific bills or local propositions)
3. Bonus payments of any kind
4. Ceremonial expenses
5. Commission fees
6. Real estate brokerage fees or expenses
7. Services, materials, or equipment obtained under any other state program
8. Stewardship of legal defense funds
9. General meetings that do not specifically discuss or advance implementation of awarded REAP 2.0 funds
10. Using funds for mitigation activities already mandated by local or state governing bodies or agencies
11. Ongoing expenses (e.g., routine maintenance or operations of transportation infrastructure associated with transit service expansion)
12. Costs associated with automobile or motorcycle parking (excluding EV

charging infrastructure). Proposed Uses with a surface parking component are not eligible.

13. Costs associated with infrastructure related to fossil fuels, including connections to natural gas infrastructure
 14. Costs associated with ongoing provisions of internet service
 15. In lieu fees for local inclusionary Housing programs
 16. Updates to the RTP
 17. Organizational membership fees
 18. Street construction or repair to benefit vehicular traffic
- (D) Other items unrelated to the REAP 2.0 Program or application.

Section 300: Applicant and Application Provisions

Section 301: Application Requirements and Contents

- (A) Until December 31, 2022, or as otherwise prescribed, an Eligible Entity may request an allocation of funds by submitting an application, in the form and manner prescribed by the Department, and developed with the Department and State Collaborative Partners, that includes all of the following information:
1. An identification of priorities set by outreach that reflects REAP 2.0 goals and objectives and considers all of the following:
 - i. Inter- and intra-regional coordination,
 - ii. Geographic equity,
 - iii. Appropriate blends of planning and implementation activities,
 - iv. Amount retained by the Eligible Entity versus suballocations,
 - v. Eligible uses (e.g., technical assistance and other activities, Accelerating Infill Development that facilitates Housing supply, choice, and affordability), and
 - vi. 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.
 2. An allocation budget for the funds;
 3. The amounts retained by the Eligible Entity and any suballocations;
 4. An explanation of how the Proposed Uses will meet the definition of Transformative Planning and Implementation Activities and, as applicable, constitute high-impact and innovative projects;
 5. An explanation of how the Proposed Uses will implement and achieve Housing goals that also result in Per Capita VMT reductions in furtherance of the region's SCS or Alternative Planning Strategy, as applicable;
 6. Sufficient evidence that demonstrates a nexus between a Proposed Use and meeting all REAP 2.0 goals and objectives.
 7. An explanation of how each Proposed Use has a significant geographic or region-wide benefit for Disadvantaged and Historically Underserved Communities.
 8. An explanation of how each Proposed Use focuses implementation in areas that satisfy an applicable definition of Infill development (See Attachment 2: Definitions).
 9. The application shall reference one or more of the following categories of allowable uses of the funds:

- i. Accelerating Infill Development that facilitates Housing supply, choice, and affordability.
 - ii. Supporting residents through realizing Multimodal Communities.
 - iii. Reducing driving through shifting travel behavior.
 - iv. Increasing transit ridership.
- 10. 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; and
- 11. An explanation of how Proposed Uses will advance equity by benefiting Disadvantaged and Historically Underserved Communities.
- 12. The link to the applicant's webpage where land use maps and Vehicle Miles Traveled generation maps, produced in the development of its adopted SCS are publicly available.
- (B) The Department and State Collaborative Partners may request additional information and documentation as appropriate.
- (C) The Department and State Collaborative Partners may consult with and gather relevant information from any individual, entity, or public agency.

Section 302: Application Submittal

- (A) An applicant must submit a complete and signed application under the penalty of perjury by email to REAP2021@hcd.ca.gov.
- (B) Applications must be on Department forms and cannot be altered or modified by the applicant. REAP 2.0 applications and forms are available on the [Department's website](#).
- (C) The Department and State Collaborative Partners encourage early applications and will accept applications up to the date noted in this Notice of Funding Availability.

Section 400: Metropolitan Planning Organization Allocation

Section 401: Eligible Applicants

- (A) Eligible applicants are limited to MPOs and Councils of Governments (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 Regional Transportation Agency, and the Tahoe Regional Planning Agency.
- (B) Eligible applicants that are COGs may include a single or multicounty Council of

Governments.

- (C) Eligible applicants may partner through legally binding agreements with other forms of governments or entities where the proposal will have a direct effect on land-use, transportation, or development within areas of influence of the eligible applicant. This includes, but is not limited to, partnerships with other localities, regional governments, Housing authorities, school districts, special districts, community-based organizations, Tribal Entities or any duly constituted governing body of an Indian Reservation or Rancheria. Applicants forming partnerships must submit separate, completed, and signed application packages, including resolutions and a copy of the signed agreement between partners. Applicant partners may not submit an application on behalf of the eligible applicant.

Section 402: Award Amounts

- (A) The maximum amount that an eligible applicant may receive shall be based on the most recent Department of Finance P-2A County Population Projections as of July 1, 2021.
- (B) Amounts shall be calculated based on aggregate 2030 projected population per each eligible applicant as a percentage of projected 2030 statewide population. See Attachment 3.
- (C) Of the funds available, the amounts for each applicant will be determined according to population-based proportions as described under 402(B).

Section 403: Advance Allocation

- (A) On or after January 1, 2022, an Eligible Entity may request up to 10 percent of funding available in advance of their full application.
- (B) Any proposed activity for the advanced funding must be used to develop and accelerate implementation of the full application. While funding to accelerate implementation of the full application may be requested, requests to begin program implementation will be subject to scrutiny of full application review standards and require consultation with the Department and State Collaborative Partners.
- (C) Advanced funding allocations must be used to assist in the evaluation of priorities and potential uses in compliance with REAP 2.0 goals and objectives.
- (D) Advanced funding requests for outreach must target efforts in Disadvantaged and Historically Underserved Communities.
- (E) A funding request may include, but is not limited to, administration (5 percent cap), program development, initial priority setting, targeted outreach to Disadvantaged and Historically Underserved Communities, education and outreach and inter-regional engagement in the development of the full application.
- (F) The Department shall award requested funds in an expeditious manner after receiving the request.
- (G) To receive an advance allocation, applicants must submit an application, resolution, and invoice.
- (H) Applicants may submit a request for an advance under this section at any time during the application period ending December 31, 2022, prior to a full application. However, a full application must be received by December 31, 2022.
- (I) Applicants who received an advance allocation may be required to demonstrate

progress in carrying out advance activities according to an agreed upon timetable prior to being awarded the full application amount. While this progress must be demonstrated prior to an award for the balance of funds, the advanced funds do not need to be completely expended prior to applying for and being awarded the remainder of the REAP 2.0 funds.

Section 404: Application Review

- (A) The MPO Direct Allocation will not utilize a competitive process to award funds.
- (B) Funds will be available to eligible applicants on a rolling OTC basis beginning on the date of this NOFA and ending December 31, 2022.
- (C) An application form will be available upon release of the NOFA and will include forms to demonstrate eligibility requirements are met such as, among other forms, a resolution, a proposed budget, a proposed timeline table, and self-certified attachments demonstrating compliance with threshold requirements.
- (D) The Department and State Collaborative Partners shall review each application in an expeditious manner.
- (E) Applications will first be reviewed for, among other things, completeness, accuracy and threshold and eligibility requirements.
- (F) An application must contain requested information and supporting documentation where appropriate.
- (G) All applications must meet the threshold and eligible use requirements as specified in these Guidelines.
- (H) If the application is ineligible, it will not be considered for funding, but may be amended and resubmitted.
- (I) The Department may request additional information to complete and approve the application for funding.
- (J) Applications recommended for funding are subject to conditions specified by the Department and State Collaborative Partners.
- (K) All applicants not meeting the eligibility requirements will be informed in an expeditious manner.
- (L) Successful applicants will receive an award letter from the Department and will be awarded funds. Applicants will enter into a Standard Agreement for distribution of funds. The Standard Agreement process will specify, among other things, the amount of funds granted, suballocation amounts, timeline for expenditure of funds, and the approved uses of funds by suballocation.

Section 405: Evaluation of Applications

- (A) The Department and State Collaborative Partners review applications to determine whether Proposed Uses and suballocations are distributed in a manner that satisfies all REAP 2.0 requirements, as applicable, and appropriately address an applicant's unique Housing, land use, transportation, climate change, equity, and other planning priorities consistent with REAP 2.0 goals and objectives.
- (B) The Department's and State Collaborative Partners' review of an application includes analyzing how each Proposed Use conforms with the REAP 2.0 and relevant funding source requirements.
- (C) The Department and State Collaborative Partners will review applicants' explanations of how each Proposed Use will meet the definition of Transformative Planning and Implementation Activity and how each Proposed Use will implement

- and achieve Housing goals that also result in a reduction of VMT in furtherance of the region's SCS or Alternative Planning Strategy, as applicable. In addition, the Department and State Collaborative Partners will review any application's explanation of how each Proposed Use has a geographic or region-wide benefit for Disadvantaged and Historically Underserved Communities, and focuses implementation in areas that satisfy an applicable definition of Infill development.
- (D) The Department and State Collaborative Partners require that applicants provide sufficient evidence that demonstrates a nexus between a Proposed Use and meeting all REAP 2.0 goals and objectives.
- (E) Applications must explain how Proposed Uses meet all Program Objectives. Each Proposed Use should be discussed in terms that enable the Department and State Collaborative Partners to assess how the Proposed Use, when implemented, furthers the following (See Attachments 4 for supplemental guidance and materials):
1. Infill Development that Facilitates Housing Supply, Choice, and Affordability: Applicants should discuss the following:
 - i. The Proposed Use's impact on Housing supply, choice, and affordability
 - ii. The Proposed Use located or implemented within Infill areas.
 - iii. The Proposed Use can be measured by, but is not limited to:
 - a. Number of Housing units (total, type, affordable, and per acre),
 - b. Capital investments to support Housing development,
 - c. Mix of Housing unit types or sizes,
 - d. Increasing land use intensities,
 - e. Count of sites developable for future Housing, and/or
 - f. Number of new Housing units supported or provided by the Proposed Use
 - iv. Some examples of a Proposed Use include, but are not limited to:
 - a. Affordable Housing development programs
 - b. Planning activities that lead to increased residential and/or mixed-use zoned capacity in areas identified as infill
 - c. Program-level environmental clearance
 - d. Upgrading infrastructure for sewer, water, and dry utility systems
 2. Affirmatively Furthering Fair Housing (AFFH): Applicants should discuss the following:
 - i. The Proposed Use will be located or implemented within:
 - a. Higher Resource communities or Areas (See, Attachment 2: Definitions), or
 - b. Disadvantaged and Historically Underserved Communities
 - ii. The Proposed Use can be measured by, but is not limited to:
 - a. Number of proposed Affordable Housing units,
 - b. Number of existing housing units continued to be made available and affordable,
 - c. Zoning, Streamlined Housing Production (including permit streamlining), fees, incentives, and other approaches to increase housing choices and affordability,
 - d. Increase accessible number of units above state law,
 - e. For Higher Resource Communities or Areas:
 - i. Increase in rate of Housing Choice Voucher usage in high opportunity census tracts,
 - f. For Disadvantaged and Historically Underserved Communities:

- I. New or enhanced public services and community assets such as parks, social service programs, active transportation, infrastructure, and other community amenities,
 - II. Increased access to public services, and
 - III. Housing-supportive infrastructure service in areas of concentrated poverty or similar areas
 - g. Other metrics found in the [Department's AFFH Guidance Memo](#)
- iii. Some examples of a Proposed Use include, but are not limited to:
 - a. For Higher or Moderate Resource Communities or Areas, and/or areas of lower resource coupled with measures to promote equitable quality of life and access to Higher Resource Communities or Areas:
 - I. Housing mobility strategies,
 - II. Affordable Housing unit production,
 - III. Reductions to barriers to higher density Housing, buildings with four or more units, and accessibility, and/or
 - IV. Outreach strategies to address local opposition to Proposed Use
 - b. For Disadvantaged and Historically Underserved Communities:
 - I. Affordable Housing unit production or preservation,
 - II. Anti-displacement protections,
 - III. Expanded Housing options, and/or
 - IV. Housing-supportive infrastructure
- 3. Reducing Vehicle Miles Traveled: Applicants should discuss the following (See, Attachment 4, Applying Units of Measurement for supplemental materials that describe land use and transportation planning, policies, and investment strategies):
 - i. The Proposed Used located or implemented within Infill areas.
 - ii. The Proposed Use, dependent upon what funding source(s) are utilized, can be measured by, but is not limited to:
 - a. Estimate for VMT reduced Per Capita,
 - b. Number of distinct land uses within and around the site,
 - c. Number of internal and surrounding connections to the active transportation and transit networks,
 - d. Mix of Housing unit types or sizes,
 - e. New or enhanced transit services and frequencies,
 - f. Demonstrated transit route optimization,
 - g. Number of new pedestrian and bicycle pathways, or
 - h. Limited number of off-street parking
 - iii. Some examples of a Proposed Use include, but are not limited to:
 - a. Activities that develop, support, or implement land use planning, policies, or investment strategies that result in substantial changes to travel behavior from increasing:
 - I. Population and employment densities,
 - II. Land use mix,
 - III. Street network connectivity,
 - IV. Linkages and pathways with active transportation infrastructure,
 - V. Accessibility between destinations, and/or
 - VI. Contiguousness of land uses and transportation networks
 - b. Activities, subject to applicable program funding requirements, that would develop, support, or implement transportation planning,

policies, and investment strategies that support Infill development that facilitates housing supply, choice, and affordability by:

- I. Increased transit services and access,
- II. Building at walkable community scales,
- III. Enhanced pedestrian and bicycling safety measures,
- IV. Protected pedestrian and bicycling amenities, and/or
- V. Multimodal infrastructure connections with multimodal-mobility transportation systems.

Section 406: Suballocation

- (A) Eligible Entities may suballocate funds to Eligible Entities in the form of grants.
- (B) Eligible Entities for the purposes of suballocations may be broadly construed and include, but are not limited to, a county, a city, a city and county, a transit agency or district, a county transportation agency, Tribal Entity, community-based organization, Public Housing Authority, academic institution, developers of Affordable Housing, or regional Housing Trust Fund.
- (C) Proposed evaluation criteria for any suballocation uses are subject to review and approval by the Department and State Collaborative Partners during the application process, and must align with REAP 2.0 Program goals, objectives, and definitions. Evaluation criteria must be approved by the Department and State Collaborative Partners by March 31, 2023, unless an extension is granted by the Department.
- (D) The amount of funds distributed through suballocations must be based on the applicants' unique Housing, land use, transportation, climate change, equity, and other planning priorities. Additional factors include, but are not limited to, outreach and priority setting, maximization of Policy Outcomes consistent with REAP 2.0 Program goals and objectives, and timeliness of expenditures.
- (E) Suballocations must 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 REAP 2.0 objectives (i.e., Accelerating Infill Development that facilitates Housing supply, choice, and affordability, reducing VMT, advancing the SCS or Alternative Planning Strategies, and AFFH).
- (F) Eligible Entities may consider additional criteria tailored to its unique conditions and circumstances as well as planning priorities for the area. All additional criteria must demonstrably promote REAP 2.0 goals and objectives and be developed in consultation with the Department and the State Collaborative Partners.
- (G) Suballocations must comply with REAP 2.0 Program requirements including but not limited to REAP 2.0 objectives (Section 202).
- (H) Eligible Entities must award suballocation within 60 days of a complete application received from an applicant for a suballocation. An award is defined by an official notice (e.g., letter) to the grantee and does not include encumbrance or an executed Standard Agreement.
- (I) Eligible Entities may propose suballocations as part of the application for the REAP 2.0 Program.
- (J) Eligible Entities shall expeditiously act to execute the Standard Agreement and

ensure expenditure deadlines are met throughout the implementation of the REAP 2.0 Program.

Section 500: Administration

Section 501: Grant Execution and Term

- (A) The Department will notify the grantee if they have been selected for a grant award.
- (B) After the Standard Agreement has been sent electronically, the grantee will be provided instructions for signing all required documents. The grantee must submit all supporting materials and a signed Standard Agreement within the timeline provided in the instructions or risk forfeiting the grant award.
- (C) The grant term begins on the day the Department and the grantee have fully executed the Standard Agreement. The Department will notify the grantee and partners when work may proceed under the agreement. However, eligible activities that are approved by the Department may be retroactively reimbursed to July 1, 2021.
- (D) Each recipient of funds under REAP must encumber those funds no later than June 30, 2024, and expend those funds no later than June 30, 2026. Final invoices must be submitted to the Department three months prior to the expenditure deadline.

Section 502: Accounting and Records

- (A) The grantee, its staff, contractors, and subcontractors shall establish and maintain an accounting system and reports that properly accumulate incurred project costs by line. The accounting system shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for payment vouchers and invoices. Grantees may establish and maintain an accounting system and reports, as described above, on behalf of contractors and subcontractors.
- (B) The grantee must establish a separate ledger account for receipts and expenditures of grant funds and maintain expenditure details in accordance with the budget and timeline. Separate bank accounts are not required. As appropriate, grantees must establish separate ledgers for State General funds and other funds associated with proposed uses not provided by the REAP 2.0 Program.
- (C) The grantee shall maintain documentation of its normal procurement policy and competitive bid process (including the use of sole source purchasing), and financial records of expenditures incurred during the course of the project in accordance with GAAP.
- (D) The grantee agrees that the Department or designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of the Standard Agreement.
- (E) The grantee agrees to maintain such records for possible audit after the final payment for at least five years after all funds have been expended or returned to the State unless a longer period of records retention is stipulated. Wherever practicable, such records should be collected, transmitted, and stored in open and machine-readable formats.
- (F) Subcontractors employed by the grantee and paid with moneys under the terms of

this Standard Agreement shall be responsible for maintaining accounting records as specified above.

Section 503: Invoicing

- (A) Grant funds cannot be disbursed until the Standard Agreement has been fully executed.
- (B) The grantee will be responsible for compiling and submitting all invoices and reporting documents.
- (C) The grantee must bill the Department based on clear deliverables outlined in the Standard Agreement or budget timeline. Generally, approved and eligible costs incurred for work after execution of the Standard Agreement and completed during the grant term will be reimbursable. However, eligible activities conducted prior to award will be reimbursable to July 1, 2021. Approved and eligible costs incurred prior to July 1, 2021, are ineligible.
- (D) Grantees who received advance funds shall expend all such funds or show substantial progress prior to requesting additional advanced funding by submitting an updated project timeline and budget for their eligible projects from the application and any supporting documentation.
- (E) Project invoices may be submitted to the Department by the grantee on a quarterly basis or upon completion of a deliverable, subject to the Department's approval.
- (F) The Department may consider advance payments or alternative arrangements to reimbursement and payment methods based on demonstrated need. The Department may consider factors such as available funds for eligible activities. Suballocations to Jurisdictions must request funds in increments or a schedule for advance payments, and report progress according to an implementation and expenditure timetable.
- (G) Supporting documentation may include, but is not limited to, purchase orders, receipts, progress payments, subcontractor invoices, timecards, reports, or any other documentation as deemed necessary by the Department to support the reimbursement to the grantee for expenditures incurred.
- (H) Invoices must be accompanied by supporting documentation where appropriate. Invoices without supporting documentation will not be paid. The Department may withhold up to 10 percent of the grant until grant terms have been fulfilled, including all required reporting.

Section 504: Audits

- (A) At any time during the term of the Standard Agreement, the Department may perform or cause to be performed a financial audit of any and all phases of the award. At the Department's request, the grantee shall provide, at its own expense, a financial audit prepared by a certified public accountant. The State of California has the right to review project documents and conduct audits during project implementation and over the project life.
- (B) The grantee agrees that the Department or the Department's designee shall have the right to review, obtain, and copy all records and supporting documentation pertaining to performance of this Agreement.
- (C) The grantee agrees to provide the Department, or the Department's designee, with any relevant information requested.
- (D) The grantee agrees to permit the Department or the Department's designee access

- to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees who might reasonably have information related to such records and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with statutes, REAP 2.0 Guidelines, and the Standard Agreement.
- (E) The Department may request additional information, as needed, to meet other applicable audit requirements.
 - (F) The Department may monitor expenditures and activities of a grantee, as the Department deems necessary, to ensure compliance with REAP requirements.
 - (G) Grantees using federal or state transportation planning funds administered through the Overall Work Program (OWP) shall clearly identify the source of funds.
 - (H) If there are audit findings, the grantee must submit a detailed response acceptable to the Department for each audit finding within 90 days from the date of the audit finding report.
 - (I) The grantee agrees to maintain such records for possible audit after the final payment for at least five years after all funds have been expended or returned to the State unless a longer period of records retention is stipulated. Wherever practicable, such records should be collected, transmitted, and stored in open and machine-readable formats.
 - (J) If any litigation, claim, negotiation, audit, monitoring, inspection, or other action has been started before the expiration of the required record retention period, all records must be retained by the grantee, contractors, and sub-contractors until completion of the action and resolution of all issues which arise from it. In any contract that it enters into in an amount exceeding \$10,000, the grantee shall include the Department's right to audit the contractor's records and interview their employees.
 - (K) The grantee shall comply with the caveats and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in California Public Contracts Code Section 10115.10.

Section 505: Remedies of Non-performance

- (A) In the event that it is determined, at the sole discretion of the Department, that the grantee is not meeting the terms and conditions of the Standard Agreement, immediately upon receiving a written notice from the Department to stop work, the grantee shall cease all work under the Standard Agreement. The Department has the sole discretion to determine that the grantee meets the terms and conditions after a stop work order, and to deliver a written notice to the grantee to resume work under the Standard Agreement.
- (B) The Department has the right to terminate the Standard Agreement at any time upon 30 days written notice. The notice shall specify the reason for early termination and may permit the grantee or the Department to rectify any deficiency(ies) prior to the early termination date. The grantee will submit any requested documents to the Department within 30 days of the early termination notice.
- (C) The applicant must demonstrate a clear and significant nexus to REAP 2.0 Program goals and objectives, including, but not limited to, completion of activities toward Policy Outcomes and implementation of eligible use activities funded through a suballocation process. Any action inconsistent with REAP 2.0 Program

- goals and objectives may result in review and could be subject to repayment of the grant.
- (D) At any time, if the Department finds the grantee falsely proposed information in the application or as part of the application review, the Department may require the repayment of funds.
 - (E) Grantees are responsible for suballocations meeting all REAP 2.0 requirements.
 - (F) The Department may, as it deems appropriate or necessary, require the repayment of funds from a grantee, or pursue any other remedies available to it by law for failure to comply with all REAP 2.0 Program requirements.

Section 506: Reporting

- (A) At any time during the term of the Standard Agreement, the Department may request a performance report that demonstrates satisfaction of all requirements identified in the Standard Agreement with emphasis on eligible activities, eligible uses, and expenditures according to timelines and budgets referenced in the Standard Agreement.
- (B) Grantees shall submit a report, in the form and manner prescribed by the Department, to be made publicly available on its website, by April 1 of the year following the receipt of those funds, and annually thereafter until those funds are expended, that contains the following information:
 - 1. The status of the Proposed Uses and expenditures listed in the Eligible Entity's application for funding and the corresponding impact, including, but not limited to:
 - i. Housing units accelerated,
 - ii. Reductions in Vehicle Miles Traveled Per Capita,
 - iii. Location of investment,
 - iv. Socioeconomic statistics about the impacted geography, and
 - v. Regional impact explanation
 - 2. All status and impact reports shall be categorized based on the eligible uses specified in Section 50515.08.
- (C) Grantees shall post, make available, and update, as appropriate on its internet website, land use maps and Vehicle Miles Traveled generation maps produced in the development of its adopted SCS.
- (D) Grantees shall collaborate and share progress, templates, and best practices with the Department and fellow recipients in implementation of funds. To the greatest extent practicable, adjacent Eligible Entities shall coordinate in the development of applications, consider potential for joint activities, and seek to coordinate Housing and transportation planning across regions.
- (E) Upon completion of all deliverables within the Standard Agreement, the grantee shall submit a close out report in a manner and form prescribed by the Department.
 - 1. Grantee may include a line item for advance payment or reimbursement, as part of its administrative costs, for its final report that is due by June 30, 2026. Funding requests for final reports must be submitted no later than March 31, 2026.

Section 600: Right to Modify or Suspend Guidelines and Final Decision Making

- (A) The Department reserves the right, at their sole discretion, to suspend, amend, or modify the provisions of these Guidelines at any time, including, without limitation, the amount of funds available hereunder. If such an action occurs, the Department will notify all interested parties and will post the revisions to the Department's website. You may subscribe to the [Department email listserv](#).
- (B) The Department's decision to approve or deny an application or request for funding pursuant to REAP 2.0, and its determination of the amount of funding to be provided or requested for repayment, or other remedies for failure to comply with REAP 2.0 requirements, shall be final.

Attachment 1: Statute

SEC. 15.

Chapter 3.15 (commencing with Section 50515.06) is added to Part 2 of Division 31 of the Health and Safety Code, to read:

CHAPTER 3.15. Regional Early Action Planning Grants Program of 2021 50515.06.

For purposes of this chapter:

- (a) "Department" means the Department of Housing and Community Development.
- (b) "Program" means the Regional Early Action Planning Grants of 2021 established pursuant to this chapter.
- (c) "Regional housing need assessment" means the existing and projected need for housing for each region, as determined by the department pursuant to Section 65584.01 of the Government Code.
- (d) "Sustainable Communities Strategies" refers to the plan prepared by each metropolitan planning organization pursuant to paragraph (2) of subdivision (b) of Section 65080 of the Government Code.
- (e) "Alternative Planning Strategy" refers to the document, if any, prepared by a metropolitan planning organization pursuant to paragraph (1) of subdivision (b) of Section 65080 of the Government Code.
- (f)
 - (1) "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.
 - (2) Transformative planning and implementation activities shall be in furtherance of all of the following:
 - (A) State planning priorities, as described in Section 65041.1 of the Government Code.
 - (B) Affirmatively furthering fair housing pursuant to Section 8899.50 of the Government Code.
 - (C) Facilitating housing element compliance for the sixth 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.
 - (D) A region's sustainable community 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.
- (g) "Eligible Entity" means any recipient of these funds either through direct allocation from the department or through a suballocation from a recipient. For the purposes of this chapter, an Eligible Entity can 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.
- (h) "Tribal Entity" means an entity formed by the duly constituted governing body of a California

Native American Tribe in Chapter 905 of the Statutes of 2004, as described in Section 21073 of the Public Resources Code.

50515.07.

(a)

(1) The Regional Early Action Planning Grants Program of 2021 is hereby established for the purpose of providing regions with funding, including grants, for transformative planning and implementation activities.

(2) Upon appropriation by the Legislature for this purpose, funds shall be distributed under the program in accordance with this chapter.

(b) The department, in collaboration with the Office of Planning and Research, the Strategic Growth Council, and the State Air Resources Board, shall develop and administer the program and, consistent with the requirements of this chapter, provide grants to eligible entities for implementing planning and implementation activities. The department shall seek input from the transportation and housing coordination workgroup established through Section 50407.5.

(c) Distribution and expenditures of funds shall be made consistent with the state planning priorities, established pursuant to Section 65041.1 of the Government Code, and shall consider geographic equity among regions of the state.

(d) Of the total amount of any moneys appropriated for purposes of this chapter, the department shall set aside up to 5 percent for program administration, including state operations expenditures and technical assistance, as well as expenditures by recipients of funding pursuant to Sections 50515.08 and 50515.09.

50515.08.

(a) The funds described in paragraph (2) of subdivision (a) of Section 50515.07 shall be available only to the following entities before any suballocation:

(1) The Metropolitan Transportation Commission, representing the Counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano, and Sonoma, and the City and County of San Francisco.

(2) The Sacramento Area Council of Governments, representing the Counties of El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba.

(3) The San Diego Association of Governments, representing the County of San Diego.

(4) The Southern California Association of Governments, representing the Counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura.

(5) The Association of Monterey Bay Area Governments, representing the counties of Monterey, San Benito and Santa Cruz.

(6) 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 Government, 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 created by interstate compact and ratified by Title 7.4 (commencing with Section 66800) of the Government Code. Notwithstanding any other provision of this chapter, the eligible entities described in this paragraph may apply directly to the department for funds pursuant to the program.

(7) 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. Notwithstanding any other provision of this chapter, eligible entities within the counties listed in this paragraph or

Tribal Entities may apply directly to the department for funds pursuant to the program. The department may approve a fiscal agent to receive funds on behalf of a consortium of entities listed in this paragraph.

(b)

(1) The department shall calculate the amount of each maximum grant allocation in accordance with the methodology described in subdivision (a) of Section 50515.09.

(2) An eligible entity shall, in consultation with the department and consistent with the requirements of this chapter, determine the appropriate use of funds and suballocations within its boundaries in a manner that appropriately addresses its unique housing, land use, transportation, climate change, equity and other planning priorities.

(c)

(1) Subject to paragraph (5), until December 31, 2022, an eligible entity described in subdivision (a) may request an allocation of funds pursuant to this section by submitting an application, in the form and manner prescribed by the department, developed in collaboration with the Office of Planning and Research, the Strategic Growth Council, and the State Air Resources Board, that includes all of the following information:

(A) An allocation budget for the funds provided pursuant to this section.

(B) The amounts retained by the eligible entity and any suballocations.

(C) An explanation of how the Proposed Uses will meet the definition of transformative planning and implementation activities and, as applicable, constitute high-impact and innovative projects and actions.

(D) An explanation of how the Proposed Uses will implement and achieve housing goals that also result in per capita vehicle miles traveled reductions in furtherance of the region's Sustainable Communities Strategies or alternative planning strategy, as applicable.

(E) The application shall reference one or more of the following categories of allowable uses of the funds:

(i) Accelerating infill development, including housing.

(ii) Supporting residents through realizing Multimodal Communities.

(iii) Shifting travel behavior through reducing driving.

(iv) Increasing transit ridership.

(F) 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.

(2) The department, in collaboration with the Office of Planning and Research, the Strategic Growth Council, and the State Air Resources Board, shall review an application submitted pursuant to this subdivision in an expeditious manner. Upon approval of an application for funds pursuant to this subdivision, the department shall award the moneys for which the eligible entity qualifies.

(3) Commencing January 1, 2022, an eligible entity described in paragraphs (1) to (5) of subdivision (a), inclusive, as applicable, may request up to 10 percent of the funding available to it under this section in advance of a full request for funding made pursuant to paragraph (1) to develop and accelerate the implementation of the requirements described in paragraph (1), including, but not limited to, regional engagement in the development of the full application and of an education and outreach strategy. The department shall award funds requested pursuant to this paragraph to the relevant eligible entity in an expeditious manner after receiving that request.

(4) The department may develop a streamlined application procedure that accounts for the limited resources generally among the regional entities listed in paragraph (6) of subdivision (a).

(5) If an amount of funds described in paragraph (2) of subdivision (a) of Section 50515.07 remains unallocated after December 31, 2022, the department, at its discretion, may make those funds available through a subsequent notice of funding availability in which funds are offered on a competitive basis pursuant to this chapter. An eligible entity described in subdivision (a) may request an allocation of funds made available through the subsequent notice of funding availability by submitting an application, in the form and manner prescribed by the department.

(d) In consultation with the department, any entity that receives an allocation of funds pursuant to this section shall establish priorities and use those moneys for eligible transformative planning and implementation activities that include, but are not limited to, all of the following:

(1) Providing jurisdictions and other local agencies with technical assistance, planning, temporary staffing, or consultant needs associated with updating local planning and zoning documents and other actions that accelerate infill housing production.

(2) Administering any programs described in this subdivision.

(3) Covering the costs of temporary staffing or consultant needs associated with the activities described in paragraphs (1) and (2), inclusive.

(4) Accelerating infill development, including through all of the following:

(A) 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.

(B) Revamping local planning processes to accelerate infill housing production and other infill development.

(C) Completing environmental clearance to eliminate the need for project-specific review for infill development.

(D) Establishing and funding an affordable housing catalyst fund, trust fund, or revolving loan fund for location efficient projects.

(E) 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 vehicle miles traveled, including accelerating housing production.

(5) Supporting residents through realizing Multimodal Communities, including through all of the following:

(A) Establishing and implementing a vision-zero policy and program, a safety plan, and a slow streets program.

(B) Developing bicycle and pedestrian infrastructure plans and other multimodal plans or policies.

(C) Investing in infrastructure projects and other programs to expand active transportation and implement bicycle or pedestrian plans.

(D) Producing multimodal corridor studies associated with developing specific planning documents or implementation actions.

(6) Shifting travel behavior through reducing driving, including through all of the following:

(A) Studying and implementing road pricing.

(B) Funding the establishment of a local vehicle miles traveled impact fee or regional vehicle miles traveled mitigation bank.

(C) Funding and implementing parking and transportation demand management programs or ordinances.

(D) Accelerating infill housing production near jobs, transit, and resources.

(7) Increasing transit ridership, including through all of the following:

(A) Funding and implementing actions to establish more seamless regional transit systems between and across communities, including establishing common fares,

schedules, service design, and wayfinding.

(B) Developing and implementing multimodal access plans to and from transit facilities.

(C) Planning for additional housing near transit.

(f)

(1) In consultation with the department, any entity that receives an allocation of funds pursuant to this section may suballocate moneys directly to eligible entities in the form of grants. Following awards to eligible entities, eligible entities shall award suballocations within 60 days.

(2) All suballocations pursuant to this subdivision shall consider geographic equity, including the needs of rural and urban communities, transformative and collaborative approaches, including through subregions, and the degree to which the suballocation will be in furtherance of all of the requirements of transformative planning and implementation activities described in paragraph (2) of subdivision (f) of Section 50515.06.

50515.09.

(a) Of the amount described in paragraph (2) of subdivision (a) of Section 50515.07, 85 percent shall be available to the entities described in paragraphs (1) to (5), inclusive, of subdivision (a) of Section 50515.08 for transformative planning and implementation activities. The maximum amount that an entity may receive pursuant to this subdivision shall be determined as follows:

The maximum amount that an Eligible Entity may receive pursuant to this subdivision shall be based on the most recent Department of Finance P-2A County Population Projections as of July 1, 2021. Amounts shall be calculated based on aggregate 2030 projected population per each eligible applicant as a percentage of projected 2030 statewide population.

(b) Of the amount described in paragraph (2) of subdivision (a) of Section 50515.07, 5 percent shall be available to the eligible entities described in paragraph (6) of subdivision (a) of Section 50515.08 for transformative planning and implementation activities.

(c) Of the amount described in paragraph (2) of subdivision (a) of Section 50515.07, 5 percent shall be available as a competitive set aside available to all eligible entities for transformative planning and implementation activities that demonstrably exceed the requirements of this chapter 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 vehicle miles traveled.

50515.10.

(a)

(1) Subject to paragraph (2), an Eligible Entity that receives an allocation of program funds pursuant to Section 50515.08 shall submit a report, in the form and manner prescribed by the department, to be made publicly available on its internet website, by April 1 of the year following the receipt of those funds, and annually thereafter until those funds are expended, that includes, but is not limited to, the following information:

(A) The status of the Proposed Uses and expenditures listed in the Eligible Entity's application for funding and the corresponding impact, including, but not limited to, housing units accelerated and reductions in per capita vehicle miles traveled.

(B) All status and impact reports shall be categorized based on the Eligible uses specified in Section 50515.08.

(2) The department may request additional information, as needed, to meet other applicable reporting or audit requirements.

(b) The department shall maintain records of the following and provide that information publicly on its internet website:

- (1) The name of each applicant for program funds and the status of that entity's application.
 - (2) The number of applications for program funding received by the department.
 - (3) The information described in subdivision (a) for each recipient of program funds.
- (c) A recipient of funds under this program shall post, make available, and update, as appropriate on its internet website, land use maps and vehicle miles traveled generation maps produced in the development of its adopted Sustainable Communities Strategies.
- (d) A recipient of funds under this program shall collaborate and share progress, templates, and best practices with the department and fellow recipients in implementation of funds. To the greatest extent practicable, adjacent eligible entities shall coordinate in the development of applications, consider potential for joint activities, and seek to coordinate housing and transportation planning across regions.
- (e)
- (1) A recipient of funds under the program shall expend those funds no later than June 30, 2024.
 - (2) No later than June 30, 2025, each Eligible Entity that receives an allocation of funds pursuant to Section 50515.08 shall submit a final report on the use of those funds to the department, in the form and manner prescribed by the department. The report required by this paragraph shall include an evaluation of actions taken in support of the entity's Proposed Uses of those funds, as specified in the entity's application, including, but not limited to, housing units accelerated and per capita reductions in vehicle miles traveled.
- (f) The department may monitor expenditures and activities of an applicant, as the department deems necessary, to ensure compliance with program requirements.
- (g) The department may, as it deems appropriate or necessary, request the repayment of funds from an applicant, or pursue any other remedies available to it by law for failure to comply with program requirements.
- (h) The department, in collaboration with the Office of Planning and Research, the Strategic Growth Council, and the State Air Resources Board, may implement the program through the issuance of forms, guidelines, application materials, funding allocation methodologies, and one or more notices of funding availability, as the department deems necessary, to exercise the powers and perform the duties conferred on it by this chapter. Any forms, guidelines, application materials, funding allocation methodologies, or notices of funding availability prepared or adopted pursuant to this section are exempt from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).
- (i) The department's decision to approve or deny an application or request for funding pursuant to the program, and its determination of the amount of funding to be provided or request for repayment or other remedies for failure to comply with program requirements, shall be final.

AB 175

SEC. 8.

Section 50515.08 of the Health and Safety Code is amended to read:

50515.08.

- (a) The funds described in paragraph (2) of subdivision (a) of Section 50515.07 shall be available only to the following entities before any suballocation:
- (1) The Metropolitan Transportation Commission, representing the Counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano, and Sonoma, and the City and County of San Francisco.
 - (2) The Sacramento Area Council of Governments, representing the Counties of El

Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba.

(3) The San Diego Association of Governments, representing the County of San Diego.

(4) The Southern California Association of Governments, representing the Counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura.

(5) The Association of Monterey Bay Area Governments, representing the counties of Monterey, San Benito and Santa Cruz.

(6) 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 Government, 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 created by interstate compact and ratified by Title 7.4 (commencing with Section 66800) of the Government Code. Notwithstanding any other provision of this chapter, the eligible entities described in this paragraph may apply directly to the department for funds pursuant to the program.

(7) 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. Notwithstanding any other provision of this chapter, eligible entities within the counties listed in this paragraph or tribal entities may apply directly to the department for funds pursuant to the program. The department may approve a fiscal agent to receive funds on behalf of a consortium of entities listed in this paragraph.

(b)

(1) The department shall calculate the amount of each maximum grant allocation in accordance with the methodology described in subdivision (a) of Section 50515.09.

(2) An Eligible Entity shall, in consultation with the department and consistent with the requirements of this chapter, determine the appropriate use of funds and suballocations within its boundaries in a manner that appropriately addresses its unique housing, land use, transportation, climate change, equity and other planning priorities.

(c)

(1) Subject to paragraph (5), until December 31, 2022, an Eligible Entity described in subdivision (a) may request an allocation of funds pursuant to this section by submitting an application, in the form and manner prescribed by the department, developed in collaboration with the Office of Planning and Research, the Strategic Growth Council, and the State Air Resources Board, that includes all of the following information:

(A) An allocation budget for the funds provided pursuant to this section.

(B) The amounts retained by the Eligible Entity and any suballocations.

(C) An explanation of how the Proposed Uses will meet the definition of transformative planning and implementation activities and, as applicable, constitute high-impact and innovative projects and actions.

(D) An explanation of how the Proposed Uses will implement and achieve housing goals that also result in per capita vehicle miles traveled reductions in furtherance of the region's Sustainable Communities Strategies or alternative planning strategy, as applicable.

(E) The application shall reference one or more of the following categories of allowable uses of the funds:

(i) Accelerating infill development, including housing.

(ii) Supporting residents through realizing Multimodal Communities.

(iii) Shifting travel behavior through reducing driving.

- (iv) Increasing transit ridership.
- (F) 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.
- (G) An explanation of how Proposed Uses will advance equity by benefiting disadvantaged and historically underserved communities.
- (2) The department, in collaboration with the Office of Planning and Research, the Strategic Growth Council, and the State Air Resources Board, shall review an application submitted pursuant to this subdivision in an expeditious manner. Upon approval of an application for funds pursuant to this subdivision, the department shall award the moneys for which the Eligible Entity qualifies.
- (3) Commencing January 1, 2022, an Eligible Entity described in paragraphs (1) to ~~(5)~~ (6), inclusive, of subdivision (a), ~~inclusive~~, as applicable, may request up to 10 percent of the funding available to it under this section in advance of a full request for funding made pursuant to paragraph (1) to develop and accelerate the implementation of the requirements described in paragraph (1), including, but not limited to, regional engagement in the development of the full application and of an education and outreach strategy. The department shall award funds requested pursuant to this paragraph to the relevant Eligible Entity in an expeditious manner after receiving that request.
- (4) The department may develop a streamlined application procedure that accounts for the limited resources generally among the regional entities listed in paragraph ~~(6)~~ (7) of subdivision (a).
- (5) If an amount of funds described in paragraph (2) of subdivision (a) of Section 50515.07 remains unallocated after December 31, 2022, the department, at its discretion, may make those funds available through a subsequent notice of funding availability in which funds are offered on a competitive basis pursuant to this chapter. An Eligible Entity described in subdivision (a) may request an allocation of funds made available through the subsequent notice of funding availability by submitting an application, in the form and manner prescribed by the department.
- (d) In consultation with the department, any entity that receives an allocation of funds pursuant to this section shall establish priorities and use those moneys for eligible transformative planning and implementation activities that include, but are not limited to, all of the following:
 - (1) Providing jurisdictions and other local agencies with technical assistance, planning, temporary staffing, or consultant needs associated with updating local planning and zoning documents and other actions that accelerate infill housing production.
 - (2) Administering any programs described in this subdivision.
 - (3) Covering the costs of temporary staffing or consultant needs associated with the activities described in paragraphs (1) and (2), inclusive.
 - (4) Accelerating infill development, including through all of the following:
 - (A) 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.
 - (B) Revamping local planning processes to accelerate infill housing production and other infill development.
 - (C) Completing environmental clearance to eliminate the need for project-specific review for infill development.
 - (D) Establishing and funding an affordable housing catalyst fund, trust fund, or revolving loan fund for location efficient projects.
 - (E) 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 vehicle miles traveled, including accelerating housing production.

(5) Supporting residents through realizing Multimodal Communities, including through all of the following:

(A) Establishing and implementing a vision-zero policy and program, a safety plan, and a slow streets program.

(B) Developing bicycle and pedestrian infrastructure plans and other multimodal plans or policies.

(C) Investing in infrastructure projects and other programs to expand active transportation and implement bicycle or pedestrian plans.

(D) Producing multimodal corridor studies associated with developing specific planning documents or implementation actions.

(6) Shifting travel behavior through reducing driving, including through all of the following:

(A) Studying and implementing road pricing.

(B) Funding the establishment of a local vehicle miles traveled impact fee or regional vehicle miles traveled mitigation bank.

(C) Funding and implementing parking and transportation demand management programs or ordinances.

(D) Accelerating infill housing production near jobs, transit, and resources.

(7) Increasing transit ridership, including through all of the following:

(A) Funding and implementing actions to establish more seamless regional transit systems between and across communities, including establishing common fares, schedules, service design, and wayfinding.

(B) Developing and implementing multimodal access plans to and from transit facilities.

(C) Planning for additional housing near transit.

(f)

(1) In consultation with the department, any entity that receives an allocation of funds pursuant to this section may suballocate moneys directly to eligible entities in the form of grants. Following awards to eligible entities, eligible entities shall award suballocations within 60 days.

(2) All suballocations pursuant to this subdivision shall consider geographic equity, including the needs of rural and urban communities, transformative and collaborative approaches, including through subregions, and the degree to which the suballocation will be in furtherance of all of the requirements of transformative planning and implementation activities described in paragraph (2) of subdivision (f) of Section 50515.06.

SEC. 9.

Section 50515.09 of the Health and Safety Code is amended to read:

50515.09.

(a) Of the amount described in paragraph (2) of subdivision (a) of Section 50515.07, 85 percent shall be available to the entities described in paragraphs (1) to ~~(5)~~, (6), inclusive, of subdivision (a) of Section 50515.08 for transformative planning and implementation activities. The maximum amount that an entity may receive pursuant to this subdivision shall be determined as follows:

The maximum amount that an Eligible Entity may receive pursuant to this subdivision shall be based on the most recent Department of Finance P-2A County Population Projections as of July 1, 2021. Amounts shall be calculated based on aggregate 2030 projected population per each eligible applicant as a percentage of projected 2030 statewide population.

(b) Of the amount described in paragraph (2) of subdivision (a) of Section 50515.07, 5 percent

shall be available to the eligible entities described in paragraph (6) (7) of subdivision (a) of Section 50515.08 for transformative planning and implementation activities.

(c) Of the amount described in paragraph (2) of subdivision (a) of Section 50515.07, 5 percent shall be available as a competitive set aside available to all eligible entities for transformative planning and implementation activities that demonstrably exceed the requirements of this chapter 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 vehicle miles traveled.

SEC. 10. Section 50515.10 of the Health and Safety Code is amended to read:

50515.10.

(a)

(1) Subject to paragraph (2), an Eligible Entity that receives an allocation of program funds pursuant to Section 50515.08 shall submit a report, in the form and manner prescribed by the department, to be made publicly available on its internet website, by April 1 of the year following the receipt of those funds, and annually thereafter until those funds are expended, that includes, but is not limited to, the following information:

(A) The status of the Proposed Uses and expenditures listed in the Eligible Entity's application for funding and the corresponding impact, including, but not limited to, housing units accelerated and reductions in per capita vehicle miles traveled.

(B) All status and impact reports shall be categorized based on the Eligible uses specified in Section 50515.08.

(2) The department may request additional information, as needed, to meet other applicable reporting or audit requirements.

(b) The department shall maintain records of the following and provide that information publicly on its internet website:

(1) The name of each applicant for program funds and the status of that entity's application.

(2) The number of applications for program funding received by the department.

(3) The information described in subdivision (a) for each recipient of program funds.

(c) A recipient of funds under this program shall post, make available, and update, as appropriate on its internet website, land use maps and vehicle miles traveled generation maps produced in the development of its adopted Sustainable Communities Strategies.

(d) A recipient of funds under this program shall collaborate and share progress, templates, and best practices with the department and fellow recipients in implementation of funds. To the greatest extent practicable, adjacent eligible entities shall coordinate in the development of applications, consider potential for joint activities, and seek to coordinate housing and transportation planning across regions.

(e)

(1) A recipient of funds under the program shall obligate those funds no later than June 30, 2024, and expend those funds no later than June 30, ~~2024~~, 2026.

(2) No later than June 30, ~~2025~~, 2026, each Eligible Entity that receives an allocation of funds pursuant to Section 50515.08 shall submit a final report on the use of those funds to the department, in the form and manner prescribed by the department. The report required by this paragraph shall include an evaluation of actions taken in support of the entity's Proposed Uses of those funds, as specified in the entity's application, including, but not limited to, housing units accelerated and per capita reductions in vehicle miles traveled.

(f) The department may monitor expenditures and activities of an applicant, as the department

deems necessary, to ensure compliance with program requirements.

(g) The department may, as it deems appropriate or necessary, request the repayment of funds from an applicant, or pursue any other remedies available to it by law for failure to comply with program requirements.

(h) The department, in collaboration with the Office of Planning and Research, the Strategic Growth Council, and the State Air Resources Board, may implement the program through the issuance of forms, guidelines, application materials, funding allocation methodologies, and one or more notices of funding availability, as the department deems necessary, to exercise the powers and perform the duties conferred on it by this chapter. Any forms, guidelines, application materials, funding allocation methodologies, or notices of funding availability prepared or adopted pursuant to this section are exempt from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(i) The department's decision to approve or deny an application or request for funding pursuant to the program, and its determination of the amount of funding to be provided or request for repayment or other remedies for failure to comply with program requirements, shall be final.

Attachment 2: Definitions

All terms not defined below shall, unless their context suggests otherwise, be interpreted in accordance with the meanings of terms described in Chapter 3.15 of Health and Safety Code sections 50515.06 to 50515.10.

1. “Accelerating Infill Housing Production” or “Accelerating Infill Development, Including Housing” means planning, infrastructure, and other investment and actions that improve the affordability, timing, cost, feasibility, approval, and amount of Housing development.
2. “Affirmatively Furthering Fair Housing”, pursuant to Government Code section 8899.50 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.
3. “Affordable Housing” means Housing that is affordable (generally 30 percent of gross income) to Lower- and Moderate-Income Households.
4. “Alternative Planning Strategy” refers to the document, if any, prepared by a metropolitan planning organization pursuant to paragraph (1) of subdivision (b) of Section 65080 of the Government Code.
5. “Areas of High Segregation and Poverty” means areas that meet consistent standards for both poverty (30 percent of the population below the federal poverty line) and racial segregation (overrepresentation of people of color relative to the county).
6. “Council of Governments” or “COG” means a single or multicounty council created by a joint powers agreement pursuant to Chapter 5 (commencing with section 6500) of Division 7 of Title 1 of the Government Code that is responsible for allocating regional Housing needs pursuant to sections 65584, 65584.04, and 65584.05 of the Government Code.
7. “Department” means the California Department of Housing and Community Development.
8. “Disadvantaged and Historically Underserved Communities” includes concentrated areas of poverty; Areas of High Segregation and Poverty and areas of low to moderate access to opportunity ([TCAC/HCD Opportunity Area Maps](#)); Communities of Concern, Disadvantaged Communities (SB 535 [Disadvantaged Communities](#) Map), and Low-Income Communities pursuant to Senate Bill 535 (De León, Chapter 830, Statutes of 2012) and Assembly Bill 1550 (Gomez, Chapter 369, Statutes of 2016); areas of high Housing cost burdens; areas with high vulnerability of displacement; areas related to Tribal Entities; and other areas experiencing disproportionate impacts of California’s

Housing and climate crisis. Applicants may propose alternative definitions to Disadvantaged and Historically Underserved Communities in consultation with the Department and the State Collaborative Partners.

9. “Eligible Entity” means any entity that is eligible to be a recipient of these funds either through direct allocation from the Department or through a suballocation from a recipient. For the purposes of this chapter, an Eligible Entity can 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.
10. “Higher Resource Communities or Areas” means those areas designated as “highest resource” and “high resource” as defined by the most recent [TCAC/HCD Opportunity Maps](#).
11. “Housing” means any development that includes a house, an apartment, a mobilehome, manufactured home, or trailer, a group of rooms, or a single room that is occupied as separate living quarters, or, if vacant, is intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live separately from any other individuals in the building, and which have a direct access from the outside of the building or through a common hall.

Note: accessory dwelling units (ADU) and junior accessory dwelling units (JADU) pursuant to Government Code sections 65852.2 and 65852.22 meet the definition above.

12. “Housing Element” means the Housing Element of a community’s General Plan, as required pursuant to subdivision (c) of section 65302 of the Government Code and prepared in accordance with Article 10.6 (commencing with section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.
13. “Housing Trust Fund” means a Local or Regional Housing Trust Fund that is required to be a public, joint public and private, or charitable nonprofit organization organized under Section 501(c)(3) of the Internal Revenue Code, which was established by legislation, ordinance, resolution (including nonprofit articles of incorporation), or a public-private partnership organized to receive specific public, or public and private, revenue to address local or regional Housing needs.
14. “Infill”, for the purposes of the REAP 2.0 Program, means areas where all the following apply: (1) the area consists of unused or underutilized lands (2) within existing development patterns (3) that is or will be accessible to destinations and daily services by transit, walking, or bicycling and located in either:
 - a. An urban center, urban corridor, or area with transit-supportive densities, or
 - b. An established community that meets all the following criteria:
 - i. The area consists or previously consisted of qualified urban uses
 - ii. The area is predominantly surrounded (approximately 75 percent of the perimeter) by parcels that are developed or previously developed with qualified urban uses. In counting this, perimeters bordering navigable bodies of water and improved parks shall not be included, and
 - iii. No parcel within or adjoining the area is classified as agricultural or natural

and working lands.

- c. Under unique circumstances, applicants may propose an alternative definition of “Infill” subject to approval by the Department and State Collaborative Partners.

15. “Jurisdiction” means:

- a. any city, including a charter city,
- b. county, including a charter county, or
- c. city and county, including a charter city and county.

16. “Lower-income Household” means individual households with either 1) household incomes at or below 80 percent of the statewide median income, or 2) household incomes at or below the threshold designated as low-income by Department of Housing and Community Development’s State Income Limits adopted pursuant to Health and Safety Code Section 50093.

17. “Moderate-income Households” means either 1) household incomes between 80 and 120 percent of the statewide median income, or 2) household incomes at or below the threshold designated as moderate-income by Department of Housing and Community Development’s State Income Limits adopted pursuant to Health and Safety Code Section 50093.

18. “Moderate Resource Communities or Areas” means those geographic areas designated as “Moderate Resource” as defined by the most recent [TCAC/HCD Opportunity Maps](#).

19. “Multimodal Communities” are those which are served by a variety of travel options that accommodate a variety of transportation modes for the public to access daily destinations. Multimodal options can include, but are not limited to, complete street improvements for active transportation, improving access to transit, and creating high-quality transit (CEQA) stops.

20. “Policy Outcomes” means measures that are a direct result of and demonstrate efficacy of the REAP 2.0 Program.

21. “Program” means the Regional Early Action Planning Grants of 2021 established pursuant to this chapter.

22. “Proposed Use” means an eligible use, combination of eligible uses, or a combination of eligible uses with non-REAP 2.0 planning or implementation efforts that demonstrate a reasonable relationship to each other. It does not mean subcomponent, task, or sub-task of an eligible use.

23. “Regional Housing Needs Assessment” means the existing and projected need for Housing for each region, as determined by the Department pursuant to Section 65584.01 of the Government Code.”

24. “State Collaborative Partners” means the California Air Resources Board (CARB), Governor’s Office of Planning and Research, and California Strategic Growth Council.

25. “State Planning Priorities” means priorities that are intended to promote Infill development and equity, protect environmental and agricultural resources, and

encourage efficient development patterns outside of Infill areas pursuant to Government Code section 65041.1.

26. “Sustainable Communities Strategies” refers to the plan prepared by each MPO pursuant to paragraph (2) of subdivision (b) of Section 65080 of the Government Code.
27. “Streamlined Housing Production” means improving the entitlement process through actions such as removing, mitigating, or minimizing local regulatory requirements, reforming the local approval process to reduce processing times, reducing the number of local discretionary approvals and permits needed for projects, improving approval certainty, establishing non-discretionary processes, modifying development standards such as reducing parking requirements, and increasing height limits or other efforts such as taking the fullest advantage of existing streamlining mechanisms provided in state law.
28. “Transformative Planning and Implementation Activities” means Housing, planning, infrastructure investments supporting Infill development that facilitates Housing supply, choice and affordability, 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 are meant to address these goals together and to lead to changes in land use patterns and behaviors. Transformative Planning and Implementation Activities shall be in furtherance of all of the following:
 - a. State Planning Priorities, as described in Section 65041.1 of the Government Code.
 - b. Affirmatively Furthering Fair Housing pursuant to Section 8899.50 of the Government Code.
 - c. Facilitating Housing Element compliance for the sixth 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.
 - d. A region’s Sustainable Community 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.
29. “Tribal Entity” means an entity that meets at least one of the following definitions:
 - a. An entity formed by the duly constituted governing body of a California Native American Tribe in Chapter 905 of the Statutes of 2004, which means a Native American tribe located in California that is on the contact list maintained by the Native American Heritage Commission, as described in Section 21073 of the Public Resources Code.
 - b. A Tribally Designated Housing Entity as defined in Section 4103(22) of Title 25 of the United States Code and Section 50104.6.5,
 - c. An Indian Tribe as defined in Section 4103(13)(B) of Title 25 of the United States Code and Section 50104.6.5.
30. “Vehicle Miles Traveled” means a metric to evaluate the total miles of vehicles traveling on a roadway over a period of time.

31. "Vehicle Miles Traveled Per Capita" or "Per Capita Vehicle Miles Traveled" means the number of Vehicle Miles Traveled, per person.

Attachment 3: Award Amounts by Eligible Applicant

REAP 2.0 MPO/COG Formula-Based Maximum Allocation Amounts

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
Association of Monterey Bay Area Governments	\$ 10,133,742.41
Butte County Association of Governments	\$ 2,944,762.37
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
Metropolitan Transportation Commission	\$ 102,842,103.03
Sacramento Area Council of Governments	\$ 33,727,893.48
San Diego Association of Governments	\$ 43,037,322.72
San Joaquin Council of Governments	\$ 10,612,514.62
San Luis Obispo Council of Governments	\$ 3,539,684.58
Santa Barbara County Association of Governments	\$ 5,839,412.28
Shasta Regional Transportation Agency	\$ 2,243,909.07
Stanislaus Council of Governments	\$ 7,535,242.05
Southern California Association of Governments	\$ 246,024,084.00
Tahoe Regional Planning Agency	\$ 604,134.15
Tulare County Association of Governments	\$ 6,424,861.49

Attachment 4: Applying Units of Measurement

Applicants must provide sufficient evidence that demonstrates a nexus between a Proposed Use and meeting all REAP 2.0 goals and objectives. This table is meant to illustrate one example of how applicants might demonstrate this nexus and measure Policy Outcomes.

Step 1: Meet all REAP 2.0 Program Threshold Requirements			
Step 2: Achieving All Program Objectives	<i>Locational Considerations or Applicable Populations</i>	<i>Measurable Outcomes</i> The Proposed Use can be measured by, but is not limited to:	<i>A Sample of Potential Uses</i>
Accelerating Infill development that facilitates Housing supply, choice, and affordability	- Infill areas (see Attachment 2)	- Number of Housing units (total, type, affordable, and per acre), - Capital investments to support Housing development, - Mix of Housing unit types or sizes, - Increasing land use intensities, - Count of sites developable for future Housing, and/or - Number of new Housing units supported or provided by the Proposed Use	- Affordable Housing development programs - Planning activities that lead to increased residential and/or mixed-use zoned capacity in areas identified as infill - Program-level environmental clearance - Upgrading infrastructure for sewer, water, and dry utility systems
Affirmatively Furthering Fair Housing (AFFH)	-Higher Resource Communities or Areas (see Attachment 2)	- Number of new Affordable Housing units, - Number of existing Housing units continued to be made available and affordable, - Zoning, Streamlined Housing Production (including permit streamlining), fees, incentives, and other approaches to increase Housing choices and affordability, - Increase accessible number of units above state law, and/or - Increase in rate of Housing Choice Voucher usage in high opportunity census tracts	- Housing mobility strategies, - Affordable Housing unit production, - Accessible Housing unit production, - Reductions to barriers to higher density Housing, buildings with 4 or more units, and accessibility, - Outreach strategies to address local opposition to Proposed Use

	- Disadvantaged and Historically Underserved Communities (see Attachment 2)	- Number of new Affordable Housing units, - Number of existing Housing units continued to be made available and affordable, - Zoning, Streamlined Housing Production (including permit streamlining), fees, incentives, and other approaches to increase Housing choices and affordability, - Increase accessible number of units above state law - New or enhanced public services and community assets such as parks, schools, social service programs, active transportation, infrastructure, and other community amenities, and/or - Increased access to public services, - Housing-supportive infrastructure services in areas of concentrated poverty or similar areas	- Affordable Housing preservation, - Anti-displacement protections, - Expanded Housing options, - Housing-supportive infrastructure
Reducing Vehicle Miles Traveled	- Infill areas (see Attachment 2)	- Estimate for VMT reduced Per Capita - Number of distinct land uses within the site, - Number of distinct land uses around the site, - Number of surrounding connections, - Mix of Housing unit types or sizes, - New or enhanced transit services, - Increased transit frequencies and/or ridership, - New pedestrian or bicycle pathways, and/or - Limited off-street parking	Land use planning, policies, or investment strategies that result in increasing: - Population and employment densities, - Land use mix, - Street network connectivity, - Linkages and pathways with active transportation infrastructure, - Accessibility between destinations, and/or - Contiguousness of land uses and transportation networks
			Transportation planning, policies, and investment strategies: - Increased transit services and access, - Building at walkable community scales, - Enhanced pedestrian and bicycling safety measures, - Protected pedestrian and bicycling amenities, and/or - Multimodal infrastructure connections with multimodal-mobility transportation systems.
	Appendix F Final Environmental Analysis (ca.gov)		