



Regional Housing Program

REAP 2.0

Notice of Funds Available for Lasting Affordability Program, Round 2

Program Guidelines

NOVEMBER 2025

MOBILITY + COMMUNITIES + ENVIRONMENT + ECONOMY



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Introduction

SCAG is committed to a future where we all have the option to live closer to our jobs, services, and daily destinations with improved transportation options so we can walk our kids to school, ride our bikes to work, take transit and have access to shared mobility services that reduce the need to drive. Infill housing, combined with transportation network improvements and strategies, results in improved multimodal access to community amenities, lowers average trip length and reduces vehicle miles traveled.

The Regional Early Action Planning Grants of 2021 (REAP 2.0) is managed by The California Housing and Community Development Department (HCD) in collaboration with the Strategic Growth Council (SGC), Governor's Office of Planning and Research (OPR), and State Air Resources Board (CARB) ("the State Partners"), and provides funds to regional governments to accelerate housing production and facilitate compliance with the 6th cycle of the Housing Element, including the 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.

Regional Early Action Planning (REAP) 2.0 Grant Program

REAP 2.0 (REAP 2021) was established through AB 140 (July 2021) as part of the mid-year budget revise for the State's FY 21-22 budget, to fund transformative and innovative projects that implement a region's Sustainable Communities Strategy (SCS) and help achieve the objectives of more housing and transportation options that reduce reliance on cars. REAP 2.0 builds on actions completed through the 2019 REAP grant program but expands the focus by integrating housing and climate goals, and by allowing for broader planning and implementation investments, including infrastructure investments supporting housing development.

The state REAP 2.0 program funds investments for:

"Transformative Planning and Implementation Activities," which are defined to mean housing, planning, infrastructure investments supporting Infill¹ 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 the state REAP 2.0 program goal.

The REAP 2.0 program funds proposals that provide a *"significant beneficial impact that leads to a substantial change in land use patterns, equity, and travel behaviors"* in infill areas as defined by the state and presented on Page 16 of these guidelines and the funding applications. All project activities must meet the infill definition as defined on page 39 of the state REAP 2.0 program guidelines. Significant beneficial impact is further defined in Section 3.2.1. of these guidelines. Please note that REAP 2.0 funding must go beyond basic efforts to complete updates or amendments identified in housing elements or

required for compliance with state housing laws and other statutory obligations; REAP 2.0 is not for small projects or programs.

REAP 2.0 STATE PROGRAM OBJECTIVES

The REAP 2.0 Program objectives defined in the state's final REAP 2.0 Program Guidelines are:

1. Accelerate infill development that facilitates housing supply, choice, and affordability;
2. Affirmatively Further Fair Housing; and
3. Reduce vehicle miles traveled

More information on REAP 2.0 is available online: <https://scag.ca.gov/reap2021>

REAP 2.0 SCAG Framework Core Objectives

On June 1, 2022, the SCAG Executive/Administration Committee recommended approval of SCAG's REAP 2021 Program Development Framework, which outlines the core objectives, guiding principles, programmatic areas, major milestones, and schedule for allocating funds available to SCAG through the REAP 2.0 state grant program. Within the Framework, the Programs to Accelerate Transformative Housing (PATH), originally called Housing Supportive Infrastructure (HSIP), provides funding for projects with an immediate and transformative impact on accelerating infill development that facilitates housing supply, choice, and affordability, affirmatively furthers fair housing, and reduces vehicle miles traveled.

The PATH Program is designed to realize the Housing Supportive Infrastructure *Key Connection* in SCAG's 2020 adopted Connect SoCal by creating the foundational conditions that allow Housing to be realized: such as financing, investments in infrastructure, and land use planning.

SCAG Program Framework Core Objectives

- Support transformative planning and implementation activities that realize the objectives of Connect SoCal Regional Transportation Plan/Sustainable Communities Strategy.
- Leverage and augment the Connect SoCal Implementation Strategy to support activities that can be implemented quickly and in line with community-driven, pandemic recovery priorities²
- Build regional capacity to deliver housing that realizes 6th cycle RHNA goals³
- Represent best practices in vehicle miles traveled (VMT) reduction
- Demonstrate consistency with the Racial Equity Early Action Plan
- Promote infill development in Connect SoCal identified priority growth areas⁴

NOFA for Lasting Affordability, Round 2 (NOFA 2)

This document defines the NOFA 2 objectives, structure, funding, eligible uses, evaluation criteria, and general contracting requirements.

The NOFA 2 is consistent with, and defers to, the state REAP 2.0 Program Guidelines for establishing terms, conditions, forms, procedures, and other mechanisms necessary to effectuate the program. The [REAP 2.0 final program guidelines](#) were released by HCD on July 26, 2022.

Exhibit 1 NOFA 2 Summary

Funding	\$20 million
Application Period	Nov. 17, 2025–Jan. 20, 2026, 11:59 p.m.
Award Date	March 2026
Focus	To invest grant funding in existing affordable housing trust funds and catalyst funds to increase lending products that create supply, choice, and lasting affordability through a mix of housing types and price ranges including for households at or below area median income.
Eligible Applicants (Includes but not limited to)	Entities that manage an established Housing trust ⁵ or catalyst fund for increasing Affordable Housing supply and lasting affordability. Includes, but is not limited to, public housing authorities, joint-power authorities, cities, counties, or nonprofit organizations that manage an existing fund for Affordable Housing.

Objectives

NOFA 2 will use a competitive application process that is further defined in the *Notice of Funds Available 2 For Lasting Affordability Application (NOFA 2 Application)*. The application provides the application process, a timeline, and scoring rubric. All applications must consider and support disadvantaged and historically underserved communities.

Funding applications will be evaluated on how the activities proposed meet all objectives. The *NOFA 2 Application* includes detailed evaluation guidance, including the quantitative data and qualitative narrative factors that will be used to assess submitted projects. Efforts will be made to ensure that proposals selected reflect the geographic diversity of the Southern California region and rural, suburban, and urban infill areas.

Objectives

1. Transformative Planning and Implementation Activities leading to a Significant Beneficial Impact (defined below) to:
 - Accelerate infill development that facilitates Housing Supply, Choice, and Affordability;
 - Affirmatively Further Fair Housing;
 - Reduce vehicle miles traveled;
2. Include equitable targeted outreach;
3. Leverage partnerships, policy match, and cost effectiveness;
4. Prioritize disadvantaged communities; and
5. Contribute to regionally transformative change.

Eligibility

The NOFA 2 supports programmatic level investments in Affordable Housing trust funds, and catalyst funds that secure lasting affordability in compliance with the PATH Program and the state REAP 2.0 Program guidelines.

Eligible applicants are broadly construed to include, but not be limited to, existing entities that manage an established Housing trust⁶ or catalyst fund for increasing Affordable Housing supply and lasting affordability. Applicants are not limited to but may include a public housing authority, joint-power authority, city, county, or nonprofit organization.

Eligible activities are at a programmatic level and focus on expanding existing finance tools and loan products for Affordable Housing that are ready to receive grant funding. Being ready to receive funding is demonstrated by providing a complete application with all required attachments. Submitting a complete application does not guarantee funding. All applications that are deemed complete shall be evaluated and scored based on the evaluation criteria. Funding can be used to support transformative Affordable Housing lending programs (trust funds, catalyst funds) that the applicant has demonstrated can be leveraged to increase supply, choice, and lasting affordability, and achieve a mix of housing types and rental and sales prices that include a portion of housing for households at or below the area median income in infill areas.

Eligible lending programs may include, but are not limited to, any of the following:

- Predevelopment funding preparing housing projects for development;
- Acquisition of existing residential buildings for preservation and conversion to Affordable Housing;
- Funding to construct a housing project in line with the program objectives;
- Bridge and gap funding for stalled Affordable Housing projects;
- Maintenance and preservation that prevents a loss of Affordable Housing; and
- Leverage to secure additional funding for Affordable Housing.

A complete application must provide as much detail about the loan product or financing tool as possible including underwriting, affordability terms and restrictions, target populations, and expected impact related to increasing housing supply, choice and affordability.

If awarded, the awardee is expected to fulfill all required administration and reporting requirements.

Ineligible Uses

Eligibility for funding is limited strictly to the entities and activities as identified in the *Eligibility* section of these guidelines. Applications for ineligible activities or projects that do not meet the funding criteria of these guidelines will not be accepted. Ineligible uses include, but are not limited to:

- a. Uses that solely update or amendment local general plans, codes, ordinances, or programs for compliance with changes in statutory requirements,
- b. Roadway or highway capacity increases,
- c. Advocacy work (direct lobbying for specific bills or local propositions),
- d. Bonus payments of any kind,
- e. Ceremonial expenses,
- f. Commission fees,
- g. Real estate brokerage fees or expenses,
- h. Services, materials, or equipment obtained under any other state program,
- i. Stewardship of legal defense funds,
- j. General meetings that do not specifically discuss or advance implementation of awarded REAP 2.0 funds,
- k. Using funds for mitigation activities already mandated by local or state governing bodies or agencies,
- l. Ongoing expenses (e.g., routine maintenance or operations of transportation infrastructure associated with transit service expansion),
- m. Costs associated with automobile or motorcycle parking (excluding EV charging infrastructure). Proposed Uses with a surface parking component are not eligible,
- n. Costs associated with infrastructure related to fossil fuels, including connections to natural gas infrastructure,
- o. Costs associated with ongoing provisions of internet service,
- p. In lieu fees for local inclusionary housing programs,
- q. Updates to regional transportation plans,
- r. Organizational membership fees,
- s. Street construction or repair to benefit vehicular traffic, and
- t. Other items unrelated to the REAP 2.0 Program or application.

Funding Awards

SCAG will issue the NOFA 2 funding through a Notice of Funding Availability (NOFA).

Applicants shall be notified in writing whether the application was conditionally awarded funding or if the application was not awarded.

The Notice of Funds Available 2 (NOFA 2) will initially receive \$20 million in funding to support the actions as described in Section 2.2, with a maximum of \$5 million per awardee. Projects from the contingency list could be awarded if additional SCAG administered REAP 2.0 funding becomes available, see “Applicant Tiers” below. Depending on interest in the call, funding requests could be awarded in full or in part.

Selection Process

The application will be made available when the call is announced. The call will specify the period during which applications will be accepted. While the call is open, an applicant may amend a response that has been submitted up to the response due date and time (close of the call). If more than one response is submitted, only the last response received during the call for applications will be considered. Once the call is closed, no further amendments are allowed. Applicants are encouraged to take advantage of SCAG's technical assistance that is available. More information is provided below and on [SCAG' REAP 2.0 website](#).

Applications will be reviewed using a two-step process across two applicant tiers.

Applicant Tiers

The NOFA 2 distinguishes between two (2) applicant tiers: Tier 1) applicants that have not previously received grant funding under the REAP 2.0 NOFA for Lasting Affordability ("new applicants"), and Tier 2) grantees that have previously received an award for use in a lending program through the NOFA for Lasting Affordability who are seeking continued funding for that existing lending program ("existing sub-recipient"). SCAG will evaluate and score all complete applications; however, only Tier 1 applications with passing scores will be initially considered for funding awards. Passing Tier 2 projects will be placed on a contingency list. The contingency list will combine and rank any remaining unawarded passing Tier 1 applications with passing Tier 2 applications and may be used to issue awards only if additional funding becomes available.

Review Stages

SCAG will review all responses received during the open call in two (2) stages: 1) Completeness (see the application submittal checklist) and 2) Technical Scoring and Evaluation.

The Completeness Review evaluates the completeness of the application and compliance with the submittal requirements. If all requirements are not met, SCAG staff will notify the applicant that the application is incomplete and will not be considered. Submitted application materials will not be returned. Results of the Completeness review are final and may not be appealed. SCAG may, in its sole discretion, request clarification of any portion of an application from the applicant and its applicant team.

As part of the Completeness Review, the applicant must provide information regarding the organization and capacity to receive and manage the grant funds. For the requirements and the list of documents please refer to the Self Certification Letter provided as an attachment to the call application.

Applications that pass Completeness Review move to Technical Evaluation and Scoring, which evaluates projects based on the Project Application Scoring Criteria. All complete applications will be evaluated by a selection panel using the scoring rubric and evaluation criteria provided in Section 3 and Section 4 of the application. The selection panel may request additional information from applicants related to the scoring criteria. The evaluation for funding will consider the feasibility of the approach proposed to meet any current or future monitoring requirements or obligations. Please refer to the reporting requirements and compliance with REAP guidelines and State and Federal laws sections below, and in the NOFA 2 guidelines, for more information. SCAG does not currently have the capacity to monitor long term requirements and obligations in Affordable Housing development. Selection panelists' scores for each

application will be averaged to produce the final score. Applicants will be notified of their score. Selected applications will be recommended for funding to the Regional Council.

Additional funding could be awarded to projects using the contingency list described under “Applicant Tiers,” should additional SCAG administered REAP 2.0 funding become available.

Timeline

If awarded funds, an applicant (“Sub-recipient”) must execute the MOU with SCAG and provide to SCAG all documentation for meeting the requirements to receive funding. The timeline is provided below. Failure to execute the MOU or provide all documentation for SCAG to confirm all requirements for funding are met may result in cancellation of the award. Please review Section 3 “Terms of Agreement” along with the template MOU, and the Call Application for the full list of requirements.

Exhibit 2 NOFA 2 Timelines

NOFA 2 Application Period	Nov. 17, 2025 – Jan. 20, 2026, 11:59 p.m.
Funding Awarded	March 2026
Sub-recipient must meet all requirements to receive funding by	June-July 2026
Sub-recipient must provide final report and close out documents by	Dec. 31, 2026
Sub-recipient must commit all funds to qualifying projects by	Dec. 31, 2031 (Five years after expenditure date)

Terms of Agreement

Funding will be made available for projects after execution of an MOU between SCAG and the awarded Sub-Recipient and the review and approval of the trust and/or fund and the loan program by SCAG.

Please review the template MOU document provided in the call resources available on the SCAG website. The document provides the awarded organization’s (grantee’s) commitment to follow the state reporting requirements, manage the received funds within the established timeline, comply with the State and SCAG accounting principles and requirements, and SCAG’s Subrecipient Monitoring Policies and Procedures. Awarded applicants (Sub-recipients) are expected to serve as the implementing agency of the projects and activities applied for. Based on the proposal funded this will include all the following: maintaining records, submitting timely reports, invoices, and close out documents, among all other duties.

Implementing agencies must be entities eligible to enter into intergovernmental agreements and must demonstrate capacity to implement government grant administration tasks in a timely manner, including applications, contract execution and monitoring, funds management and transfer, and accounting and reporting, including any competitive sub-contracting if applicable. The implementing agency cannot have any unresolved audit findings from prior government contracts and cannot be party to pending land use, housing, or environmental litigation which could impact the proposed activities.

The implementing agency will be responsible for developing the scope of work for the project. The implementing agency will manage and administer the project, which includes tasks such as monitoring activity progress, reviewing tasks and deliverables, and reviewing and processing invoices.

To the extent possible loans and/or finance tools will be secured by a promissory note or similar instrument, the payments of which will be secured either by a deed of trust recorded against the title to the real property or similar security instrument. Predevelopment loans may be allowed if authorized by SCAG's prior written approval of the underwriting guidelines for predevelopment loans. The promissory note or similar instrument shall contain a special provision that repayment shall be made to SCAG if the awarded applicant is no longer in operation. Awarded applicants may be legally responsible for repayment of Grant Funds in the event of loan default. Grant funds are subject to HCD REAP 2.0 Guidelines and SCAG NOFA 2 Guidelines.

Interest on grant funds and loan repayment amounts must be used for eligible uses and not for ineligible uses as defined the REAP 2.0 Guidelines. Repaid grant funds are subject to HCD REAP 2.0 Guidelines and SCAG NOFA 2 Guidelines, and the uses allowed in the awarded project scope. Any portion of the REAP 2.0 funding which is received by an awardee that is required by HCD to be repaid due to an audit or other review shall be repaid by the awardee to the extent and within the required time period.

Closing Fees

Origination fees, underwriting fees, and any other fees incurred for issuing a loan shall not exceed two percent of the total loan amount, inclusive of legal fees associated with issuing the loan which shall not exceed \$10 thousand.

Encumbrance and Expenditure Periods

All funding awards must be encumbered, meaning the MOU between SCAG and the awarded applicant (sub-recipient) is executed, by June 5, 2026, unless extended in advance in writing by SCAG. All programs must be approved by SCAG and funded by July 31, 2026, unless extended in writing by SCAG. Failure to execute the MOU or provide all documentation for SCAG to confirm all requirements for funding are met by this date, unless extended, may result in cancelation of the award. Progress reports tracking the deployment of the received funds through the lending program must be submitted to SCAG through Dec. 31, 2026, unless extended in advance in writing by SCAG. Following Dec. 31, 2026, any funds remaining in the lending program must be deployed into eligible projects that will be under development within five years, or by Dec. 31, 2031.

Reimbursement

To be considered for a funding award, the application must include all required documentation to confirm the lending program is established and available to receive funds. Please refer to Self-Certification Letter provided in the call resources for the list of documents to be included. If awarded, SCAG will then review and confirm all documents meet the requirements. Only if and once SCAG has confirmed that all documents meet requirements, an applicant that has received a funding award (Sub-recipient) may then file an invoice with SCAG requesting the full funding award as a lump sum to be placed in their financing program and used to deploy funds for the purposes established in the documentation provided to SCAG for that fund. The Grantee shall then file progress reports detailing the use of the funding award each month for the remainder of the performance period, which unless extended in writing by SCAG, ends on Dec. 31, 2026.

The invoice and progress reports must follow the requirements set forth in the MOU and SCAG's regular procedures and must comply with applicable State and/or Federal requirements. Expenditure

reimbursement requires prior authorization of the eligible projects and activities, and SCAG may be subject to repayment of REAP funds to HCD if it is found in breach of its agreement with HCD, which can occur if REAP funds are used for ineligible activities. If SCAG must repay REAP 2.0 funds to the state, SCAG will require reimbursement from the awarded applicant.

The only eligible cost is the lump sum payment to the awarded trust or fund. No costs will be reimbursed prior to the MOU execution.

Reporting Requirements

Consistent with SCAG's Overall Work Program reporting procedures and Subrecipient Monitoring Policies and Procedures, the awarded Applicant will be required to provide progress reports and itemized invoices to track progress. Progress will be measured according to the tasks, deliverables, costs, and timeline. Additionally, the REAP 2.0 program requires applicants to file an annual report measuring project outcomes and desired impacts through Dec. 31, 2026. Metrics for the annual report must be provided for the project to track baseline and final measurable outcomes. (See the metrics spreadsheet provided in the call resources on the SCAG website for the list of measurable outcomes)

Sub-recipients shall submit quarterly reports using the Sub-Recipient Report Template. When the project is finalized, the Sub-Recipient shall submit a Close-Out Report no later than 90 days after the completion date, or Dec. 31, 2026, whichever comes first, unless extended in writing by SCAG. HCD has not provided the requirements for the Close-Out Report due to HCD by all grantees at the conclusion of the grant performance period but will be provided when it becomes available.

Compliance with REAP Guidelines and Applicable State and Federal Laws

This call is subject to the REAP 2.0 Guidelines and all applicable state and federal laws. If the proposed project involves lending for construction or acquisition, the sub-recipient will be required to comply with additional requirements, including but not limited to prevailing wage, fair housing, ethics law, non-discrimination and accessibility laws. Any property acquisition funded with public funds will be subject to additional requirements under applicable law including, but not limited to, enforceable nondiscriminatory covenants recorded in the property's chain of title. If awarded funds, the sub-recipient will be required to enter into an MOU (and, if necessary, based on specific proposals, other regulatory agreements) with SCAG that requires the sub-recipient to comply with these guidelines and all applicable laws and to ensure, to SCAG's satisfaction, that any sub-recipients, consultants, or contractors comply. Further, the sub-recipient will be required to indemnify SCAG for their failure to comply with any of the requirements and provide evidence of adequate continuing financial resources to satisfy these indemnity obligations.

Contact

For additional information or answers to questions, please email the contact person listed below. Support from SCAG is available to complete the funding application, upon request.

NOFA 2 Contact: Jacob Noonan

Special Programs Manager

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