SCAG REAP 2.0 UPDATED PROGRAM DEVELOPMENT FRAMEWORK (2024)- DRAFT

Overview & Purpose

The Regional Early Action Planning Grant Program of 2021's (REAP 2.0) Program Development Framework, or "Framework," originally adopted by the SCAG Regional Council in July 2022, outlined the core objectives, guiding principles, programmatic areas, major milestones and schedule for allocating approximately $246M to SCAG through the REAP 2.0 consistent with state program guidelines.

On January 10, 2024, Governor Newsom released his draft Fiscal Year 2024-25 State Budget, which proposed a 50 percent reduction to the REAP 2.0 program across the State. For SCAG, this would reduce the $246M allocation to approximately $123M. SCAG's REAP 2.0 program was developed based on the core program objectives and guiding principles approved by the Regional Council on July 7, 2022, after an extensive stakeholder outreach process. Before the Governor's January Budget, SCAG had already sub-allocated approximately $193M across the region to cities, counties, transportation agencies, tribal governments, and other partners for projects that support Connect SoCal implementation and innovative land use, housing, and transportation projects and programs.

Given the Governor's January budget proposal, and to avoid further disruption due to uncertainty from the proposed reduction, the program development framework will be updated to prioritize program funding into two program phases to accommodate partial and full funding scenarios. Supplemental principles to support prioritization were shared for discussion with the Executive Administration Committee at its April 3, 2024 meeting, and include:

- Prioritize reimbursement of eligible expenses
- Prioritize sub-allocated programs
- Prioritize competitively awarded projects over formula-based programs
- Prioritize funding to jurisdictions to meet 6th cycle RHNA goals while ensuring all Core Program Objectives are met
- Optimize funding to the region by giving preference within prioritized programs to projects that have matching funds that will expire
- Defer to Phase 2 any regional studies or technical assistance resources not competitively awarded

Each phase is anticipated to be two-years and will program 50 percent of the remaining funds from SCAG's $246M grant. This will result in a four-year expenditure plan with two- two-year phases. Projects programmed in Phase 1 will be prioritized for funding first, while projects programmed in Phase 2 will be awarded only if full REAP 2.0 funding is restored in this or future state budgets. This approach assumes the State will extend the REAP 2.0 program expenditure timeline, which is justified and necessary under any funding scenario given the significant program disruption.

Updates to the original Guiding Principles to reflect the supplemental principles are represented with a strike out for language that will be removed (~~example~~) or an underline for new language (example). In addition, in 2022, the Housing Supportive Infrastructure Program was renamed as the Programs to Accelerate Transformative Housing (PATH) and the County Transportation Commission Partnership Program was broadened and renamed the Transportation Partnership Program. These name changes

have been incorporated into the document without the strike out as they do not reflect a change beyond what was already approved at program adoption.

2022 Core Program Objectives (no changes)

- Support transformative planning and implementation activities that realize Connect SoCal objectives
- Leverage and augment the Connect SoCal Implementation Strategy to support activities that can be implemented quickly and in line with community-driven, pandemic recovery-priorities
- Build regional capacity to deliver housing that realizes 6th cycle RHNA goals
- 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 Area

2022 Guiding Principles (*revised*)

1. Funding shall be allocated to three programmatic areas focused on Early Program Initiatives to implement Connect SoCal ~~2020~~ and realize 6th Cycle RHNA goals, PATH, and the Transportation Partnership Program (TPP).
2. Funding opportunities within each program area will prioritize ~~balance formula~~ allocations ~~with~~ to competitive programs to ensure funding supports critical planning and implementation activities across the region while also prioritizing the most regionally impactful projects. Formula programs will be deferred to Phase 2 of the expenditure plan. Reimbursement of eligible expenses will also be prioritized.
3. Early Program Initiatives shall seek to provide immediate benefit to the region through support for transformative planning activities that can be implemented quickly to advance strategies in Connect SoCal~~2020 and inform the 2024 plan update~~, and to meet the region's 6th Cycle RHNA commitments. Early Program Initiatives shall comprise no more than 15% of the remaining ~~full~~ program budget. The remaining budget deducts funds expended to build the REAP 2.0 Program and any reduction made through the state budgeting process.
4. The PATH and the TPP (comprising the County Transportation Commission Partnership Program and the Regional Pilot Initiatives) shall serve as the primary vehicles for awarding REAP 2.0 funds focused on Connect SoCal ~~2020~~ implementation either through the deployment of pilot projects or support for the creation and/or expansion of new funding programs that directly support housing and mobility solutions. The Programs shall include regional initiatives and technical assistance programs led by SCAG and/or subregional partners to advance regionally coordinated and significant solutions as well as county-specific or geographically targeted programs that advance best practices reflecting the unique opportunities in the region.
5. The PATH and the TPP shall include SCAG-led projects as well as the sub-allocation of resources to implementing agencies. The SCAG-led projects and formula-based suballocation of resources shall be deferred to Phase 2.
6. Funding guidelines will be developed specific to the PATH and the County Transportation Commission Partnership Program or for any sub-programs, including, but not limited to, the Subregional Partnership 2.0 (SRP 2.0) and the Sustainable Communities Program (SCP) for which

SCAG may award resources to a partner agency via formula allocations or competitive programs. Funds available to each program shall be specified in the program guidelines, which will each be submitted to the Regional Council for approval. Competitive programs will be prioritized, as feasible, in Phase 1 and formula-based programs will be allocated to Phase 2.

7. Funding will be prioritized for competitive programs that directly fund jurisdictions to establish the necessary plans and programs needed to meet the 6th cycle RHNA.

8. SCAG will optimize dollars available to meet the REAP 2 objectives by giving preference within prioritized programs to projects that leverage matching funds that will expire.

9. At least 80% of the remaining REAP 2.0 funding in the full application will be directed to suballocated or partner-led projects, both formula-based and competitive, across all three programmatic areas to ensure efficient and effective delivery of REAP 2.0 and limit administrative costs to SCAG. Prioritization in Phase 1 will be given to competitively awarded housing programs (CEEEJ, HIPP, RUSH) to jurisdictions and partial awards to the Lasting Affordability Program and to the County Transportation Commission Partnership Program. If full funding is restored in this or in future state budget cycles, the balance of the funding would be allocated to the remainder of the Lasting Affordability Program, the County Transportation Commission Partnership Program, the Subregional Partnership Program, Regional Pilot Initiatives, and SCAG led studies in Phase 2.

10. SCAG will work to balance funding allocation according to a number of equity considerations; ensuring that under-resourced jurisdictions are not left out due to lack of capacity and that geographic balance, equity, and need are all considerations in the suballocation of funding across all program areas.

11. No resources beyond those approved to support outreach and program development shall be expended until the application is approved by the State Partners.

Program Areas and Updated Funding Assumptions

Based on the Supplemental Principles and reflected in the proposed adjustments to the REAP 2.0 Framework Guiding Principles, Phase 1 will fund the CEEEJ, HIPP, and RUSH Programs in full and provide partial awards to the Lasting Affordability and County Transportation Commission Partnership Program.

In Phase 2, funding would be awarded to the remaining Lasting Affordability Program projects, the Subregional Partnership Program 2.0, the remaining County Transportation Commission Partnership Program projects, the Regional Pilot Initiatives, and SCAG led programs.

Phase 1	Phase 1&2	Phase 2
• CEEEJ • HIPP • RUSH	• Lasting Affordability • CTC Partnerships Program	• Subregional Partnerships 2 • Regional Pilot Initiatives and SCAG led programs

The REAP 2.0 Program includes three Program Areas that are described briefly below with information on the primary grant funded activities, whether the program is competitive, or formula based, and the funding phase based on the updated REAP 2.0 Framework.

1. **Early Program Initiatives**: SCAG will expand certain existing programs in the Connect SoCal Implementation Strategy to offer additional support to cities in implementing Connect SoCal.
   a. **Call for Civic Engagement Equity and Environmental Justice** (CEEEJ)- $2.3M competitive grant program with 6 projects awarded funding to advance housing and land use strategies. The CEEEJ is an equity-centered program that prioritized a co-applicant structure between local jurisdictions and community-based organizations. This program will be funded in full in Phase 1.
   b. **Subregional Partnership Program 2.0-** $23M Formula-based allocation awarded to Councils of Governments for 25 projects that support jurisdictions in housing element implementation. This program will be funded in Phase 2 if all REAP 2.0 funding is restored.
   c. **Decision Making Tools-** Supports expansion of SCAG's *Decision-Making Tools and Technical Assistance*, building on the success of the Regional Data Platform to offer added resources to support local planning and opportunities to access big data for planning and performance monitoring related to program objectives. SCAG has launched the Big Data Platform software, offering licenses to partners in our region that seek to use the tool for insights into travel behavior trends to support a wide variety of research, planning, and project analysis related to the REAP 2.0 program objectives. Other tools and services supported in this program element will be eliminated to cover staffing costs associated with the time extension needed for the full program.
   d. **Call for Fellowship Providers Program-** Seeks to create opportunities for early-career and mid-career fellows to gain experience and proficiency in public service and to make meaningful positive impact in the SCAG region and contribute to the realization of Connect SoCal. Following a competitive call, SCAG contracted with Partners for Better Health and the Randall Lewis Health & Policy fellows to support the implementation of REAP 2.0. SCAG has expended funding to onboard a total of 8 fellows to support various program areas in FY23-24. This program was intended as an Early Program Initiative to

support program capacity building and initiation and will therefore not continue in Phase 2.

2. **Programs to Accelerate Transformative Housing (PATH)** - The PATH program builds on the concepts put forward in the Key Connections in Connect SoCal 2020, current work funded through the REAP 1 program, as well as LEAP and SB2.
    a. **Housing Infill on Public and Private Lands** (HIPP)- Competitive grant program that awarded $8M to 11 jurisdictions to advance area and corridor level plans and leverage land for housing development. This program will be funded in full in Phase 1.
    b. **Notice of Funding Availability for Lasting Affordability**- Competitive grant program that awarded $45M to 14 projects with most of the funding awarded to trust funds. This program will be funded partially in Phase 1 and 2.
    c. **Regional Utilities Supportive Housing (RUSH)**- Competitive grant program that awarded $35M to 12 projects led by jurisdictions and the Soboba Band of San Luiseño Indians for planning and capital projects that address regional utilities issues that support housing production. This program will be funded in full in Phase 1.

3. **Transportation Partnership Program (TPP) –** The TPP comprises two complementary programs—the County Transportation Commission Partnership Program and the Regional Pilot Initiatives (RPI).
    a. **County Transportation Commission (CTC) Partnership Program**: Competitive grant program that awarded $80M to the region's six County Transportation Commissions, to fund the development of plans, programs, pilot projects, and certain signature GHG/VMT reducing capital projects with a strong nexus to housing, consistent with the goals and objectives of REAP 2.0. This program will be funded in Phase 1 and Phase 2, with a majority of the funding in Phase 2.
    b. **Regional Pilot Initiatives (RPI):** A $15 million transformative regional transportation program to implement innovative pilot projects and programs. The RPI is intended to demonstrate proof of concept with select partners to inform future Calls for Projects and broader implementation efforts. SCAG seeks to test new technologies and innovative models that have the potential to scale regionally and help make the transformative changes needed to improve market conditions and shift travel modes, spurring equitable development. This program will be funded in Phase 2 only.