SCAG REAP 2.0 Program Frequently Asked Questions (FAQ)

SCAG has compiled a set of FAQs aimed at offering clarification regarding Governor Newsom's May budget update and SCAG's proposed strategy for resuming work on the Regional Early Action Planning (REAP) program. SCAG hosted informational sessions on May 14 and May 15 to engage stakeholders regarding the proposed revisions to the REAP 2.0 Framework and preliminary draft expenditure plan.

1. **What steps is SCAG taking to restart the REAP 2.0 program?**

   - To stabilize the REAP 2.0 program amid budget uncertainty, SCAG staff is preparing a phased, four-year expenditure plan that will allow some work to restart this summer with approval from SCAG's Executive/Administration Committee and Regional Council.
   - The four-year expenditure plan will include two separate two-year phases. Each phase will program 50 percent of the remaining funds. Projects programmed in the first phase will be prioritized for funding.
   - Projects programmed in the second phase will be awarded if full funding is restored in the current or future state budgets.

2. **How is SCAG deciding which projects move forward?**

   To inform the project phasing, staff developed a set of principles shared for discussion with the Executive/Administrative Committee in early April. The principles informed a draft update to the REAP 2.0 Framework and a preliminary draft expenditure plan. Overall, the principles prioritized funding to competitive grant programs and housing programs. The expenditure plan includes the project lists for Phase 1 and Phase 2.

3. **Is application scoring and/or justification a means for prioritization? What are the means for prioritization?**

   Each of SCAG's REAP 2.0 grant programs went through a competitive call for projects process that included program guidelines, eligibility and evaluation criteria, and scoring. The County Transportation Commission (CTC) Partnership Program, Housing Infill on Public and Private Lands Pilot Program (HIPP), Regional Utilities Supporting Housing (RUSH), Lasting Affordability Program and Sustainable Communities Program (SCP) projects were all competitively awarded.

Each program had its own guidelines and application scoring criteria. SCAG developed supplemental principles to those included in the REAP 2.0 Framework to support prioritization. The principles informed a draft update to the Framework and the draft phased expenditure plan. The principles include:

- Prioritize reimbursement of incurred eligible expenses.
- Prioritize sub-allocated programs.
- Prioritize competitively awarded projects over formula-based programs.
- Prioritize funding to jurisdiction 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.

The principles prioritized competitive grant programs and housing. As such, the CTC Partnership Program has a reduced allocation. In addition, the guidelines prioritized funding to *jurisdictions to meet the 6th cycle RHNA*, which results in full funding for the SCP – Civic Engagement, Equity & Environmental Justice, HIPP and RUSH programs and partial funding to the Lasting Affordability Program.

Projects programmed in Phase 2 will be awarded if full funding is restored in the current or future state budget cycles.

4. **What are the expenditure deadlines for Phase 1 and Phase 2? Is there an internal earlier expenditure date so that funding can be redistributed from projects that are unable to meet expenditure deadlines?**

Phase 1 assumes the original expenditure deadline of December 2025, which allows SCAG time to meet the state's expenditure deadline of June 2026. There have been no expenditure deadline extensions announced by the state. SCAG will continue to advocate for a deadline extension. Phase 2 will be awarded if full funding is restored and will follow the state's expenditure deadline.

5. **How will SCAG engage stakeholders during this process?**

SCAG's program development efforts included extensive outreach and engagement with stakeholders and community members. SCAG's current focus is engaging with awardees to communicate updates and collect input. SCAG hosted virtual information sessions on Tuesday, May 14 and Wednesday, May 15 and collected input on the draft REAP 2.0 Framework and draft preliminary expenditure plan.

SCAG will consider comments received before finalizing the framework and expenditure plan to go before SCAG's Executive/Administrative Committee and Regional Council.

6. **Why is SCAG going forward with this approach before the state budget is finalized?**

The state budget process can last through the fall. We are moving forward with a phased approach in response to requests from stakeholders and to minimize delays and impacts to our program and to minimize program disruption.

The governor's May budget revision did not include additional cuts to the REAP 2.0 program, however, the reversion of REAP 2.0 announced in January remains. The governor has a June 27 deadline to sign into law, veto or line-item veto the budget bill. However, the budget process is usually far from over at this point: the governor will have until September 30 to sign or veto any remaining bills, including budget-related bills.

SCAG will continue to advocate for funding.

7. **For programs that are funded in both phase 1 and 2, how were projects selected?**

There are two programs identified for phase 1 and 2 funding: the Lasting Affordability Program and the CTC Partnership Program. The CTC Partnership Program's allotted funding in Phase 1 was divided by County Transportation Commission, allowing for the commission to identify which projects to put forward in Phase 1 with their allocation. Projects in the Lasting Affordability Program were prioritized in Phase 1 to ensure one housing trust project in each county. When a county included multiple projects, projects with the highest local match were prioritized.

8. **How can I stay informed about updates related to budget cuts?**

Grantees will receive notification before SCAG takes the updated REAP 2.0 Framework and expenditure plan to SCAG's Executive/Administration Committee and Regional

Council. SCAG will continue to update grantees and stakeholders through various channels, including newsletter updates. Regular program updates will also be posted on the SCAG website.

9. **When does SCAG anticipate work to restart? When will SCAG begin to meet with awardees to discuss next steps for Phase 1 projects?**

   SCAG anticipates Phase 1 projects to start as early as the summer. SCAG staff will communicate timelines to awardees. Upon the Executive/Administration Committee and Regional Council's approval of the updated REAP 2.0 Framework and expenditure plan, SCAG staff will coordinate with awardees to discuss next steps.

10. **Can awardees in Phase 1 begin procurement now?**

    SCAG does not advise awardees to begin working on projects until the stop work order is lifted and a final decision has been made on program phasing. SCAG would like to finalize the updated REAP 2.0 Framework and expenditure plan first so that awardees are clear on their allocation amounts before starting work.

11. **Can SCAG clarify early expenses that are eligible for reimbursement? How does SCAG plan to work with awardees to process reimbursements?**

    Only two programs were eligible to incur costs, the Subregional Partnership Program (SRP) 2.0 and the CTC Partnership Programs. SCAG will reimburse costs for SRP recipients beginning on the date of Regional Council approval of the SRP 2.0 Guidelines, which are specifically associated with program development, such as preparation of the program application, outreach to the subregional partners' jurisdictions, development of guidelines and other related documents and development of scopes of work and contracts-up to the date of the stop work order. For the CTC Partnership Program, incurred costs submitted in February 2024 will be eligible for reimbursement through the standard Invoice process outlined in the memorandum of understanding, once the stop work order is lifted.

12. **Will SCAG facilitate discussions with jurisdictions and county transportation commissions regarding project prioritization for Phase 1 projects under the CTC Partnership Program?**

SCAG encourages jurisdictions to work with their county transportation commissions on project identification.