



Southern California Association of Governments  
Remote Participation Only  
April 7, 2022

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**To:** Executive/Administration Committee (EAC)  
Regional Council (RC)

**From:** Megan Dearing, Principal Management Analyst  
(213) 630-1522, dearing@scag.ca.gov

**Subject:** REAP 2 Program Development Framework and Process

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EXECUTIVE DIRECTOR'S  
APPROVAL

*Kome Ajise*

**RECOMMENDED ACTION:**

Receive and File

**STRATEGIC PLAN:**

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy. 4: Provide innovative information and value-added services to enhance member agencies' planning and operations and promote regional collaboration.

**EXECUTIVE SUMMARY:**

The Regional Early Action Planning Grant Program for 2021 (REAP 2.0) was established as a part of AB 140 for the FY 21-22 budget to support transformative and innovative projects that implement a region's sustainable communities strategy and help achieve goals of more housing and transportation options that reduce reliance on cars. REAP 2021 will provide grants to regional entities, primarily metropolitan planning organizations (MPOs), through a combination of formula and competitive-based programs. The SCAG region's formula share is \$246,024,084. To support outreach, program development and development of a full program application, the State has made advance funds of up to 10% of the total allocation (\$24,602,408) available starting in January 2022. This report is to inform the Executive/Administration Committee (EAC) and Regional Council members about the requirements and limitations on usage of the advance funding and share the outreach plan developed to support development of the full REAP 2 application.

**BACKGROUND:**

**REAP 2021**

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. Approximately \$600 million is available statewide to support transformative and innovative projects that implement a region's Sustainable Communities Strategy and help achieve goals of more housing and transportation options that reduce reliance on cars. Approximately \$500 million of these funds are from Federal American Recovery Act funding and the

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balance is State General Funds. These new funds will be provided as grants to regional entities, primarily MPOs such as SCAG. The SCAG region's formula share is \$246,024,084, of which an initial allocation of 10 percent of funds are available now, pending approval of SCAG's early application. All REAP 2021 funds are to be obligated by June of 2024 and expended by June 2026, with a final closeout report due June 2026.

The California Housing and Community Development Department (HCD) is the lead for the program and will work collaboratively with the Strategic Growth Council (SGC), Governor's Office of Planning and Research (OPR), and State Air Resources Board (CARB, and with the HCD, SGC and OPR, the "State Partners"), to develop detailed guidelines for implementation.

At the time of this drafting, the REAP program development process is as follows:

- November 22, 2021 – HCD released the REAP 2021 Framework Paper, to solicit stakeholder feedback on their approach to program guidelines. SCAG staff provided comprehensive feedback by the due date of December 8, 2021
- January 3, 2022 – HCD released the Advance Application which allows eligible entities to seek up to 10 percent (10%) of their REAP 2021 allocations, in support of regional engagement in the development of the full application and of an education and outreach strategy, along with other activities determined consistent with program goals and objectives in consultation with the state collaborative partners (CARB, HCD, OPR and SGC)
- March 24, 2022 – State Partners released full draft program guidelines. While applications for the remaining 90 percent (90%) of REAP 2021 funds can be submitted on a rolling basis through December 2022, the State expects robust engagement efforts to drive the proposed programming, thus it is anticipated that a full application will be submitted later in the application window.
- Spring 2022 – State Partners have stated that the final program guidelines will be released in Spring 2022
- December 31, 2022 – Deadline to submit SCAG's full application to the State Partners

#### ***Draft REAP 2021 Program Guidelines (March 24, 2022)***

The State Partners administering REAP 2021 released the draft guidelines on March 24, 2022. SCAG Staff is evaluating the guidelines to determine their impact on our proposed program areas. At the State/MPO Working Group meeting held March 18, 2022, state staff indicated that there are new impacts to the REAP 2021 Guidelines due to funding restrictions. The majority (\$500 million) of REAP 2021 funding will come from State and Local Fiscal Recovery Funds (SLFRF), and the Final Rule outlining the requirements for use of these funds was issued in January 2022. Some activities outlined in the legislature containing the REAP 2021 program have been disqualified under the funding rules, and further restrictions have been placed on the program. As SCAG Staff evaluate the guidelines, potential areas of concern regarding funding will be identified, and plans to address these concerns within the SCAG REAP 2021 program will be developed.

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A portion of the REAP 2021 funding (\$100 million) will be allocated from State General Funds, which allows for greater flexibility. The State Partners have indicated that the allocation of these less restrictive funds will follow the formula approach used to initially determine the MPO allocations within the program. Using the REAP 2021 Draft Program Framework (described below), SCAG staff are working to identify the best use for these general funds, which have different requirements and eligible uses from the SLFRF funds.

### ***Draft REAP 2021 Program Framework***

SCAG staff presented the Draft REAP 2021 Program Development Framework to all three SCAG Policy Committees in October 2021. The Draft Framework was developed based on the language in the Trailer Bill that established REAP 2021 and includes a set of core objectives that are aligned with the REAP 2021 priorities, the Connect SoCal Implementation Strategy and the EAC Strategic Work Plan. The core objectives are:

- 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 reduction
- Demonstrate consistency with Equity Early Action Plan
- Promote infill development in Connect SoCal identified Priority Growth Areas

Subsequent to the presentation of the Draft Framework to the policy committees, further refinement on the document has been made, and the revised Draft Framework is attached to this report as Attachment 1. The Framework will be posted to the program website in late March/early April, and will hold two virtual information session to share information on the REAP 2.0 program and the draft Framework. SCAG is holding an open comment period at the time the framework is posted and throughout May.

The comments received during the public comment period will be compiled, summarized and made available on the program website. SCAG will host a workshop to share what we heard from the comments and how they will be incorporated. This workshop will also include an opportunity for stakeholders to participate in an open discussion on the projects within the program areas and how to prioritize these projects. The Draft Framework will be finalized in June, based on the feedback received from stakeholders, and brought to SCAG's policy committees for approval in July.

### ***Outreach Plan***

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Requirements for outreach and engagement for the program have been outlined in the REAP 2021 Draft Guidelines. Those requirements (summarized) are:

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

What this means for SCAG

- SCAG staff **must** include the results of outreach and engagement to develop the full application. The early actions presented to the policy committees as anticipated projects to be included in the advance application were the result of outreach and engagement efforts within the SCS/RTP development process. State partners have not yet indicated if these efforts will be allowed as part of advance funding efforts, or if more outreach and engagement will be required.
- SCAG **may not** decide on **suballocations, priorities, and proposed uses** outside of the outreach process. The framework and advance application objectives shared with the policy committees have been developed to shape the direction and scale of the use of funding by SCAG but **must** be refined and finalized utilizing the results of outreach and engagement efforts.
- SCAG staff will continue to update the policy committees and other stakeholders throughout the application development process.

The proposed programming of the ten percent (10%) funds is designed to allow for staff to move swiftly into stakeholder engagement, building on the draft REAP Program Framework attached to this report.

The full REAP 2021 Outreach Plan is attached to this report as Attachment 2, and features program-wide outreach coupled with program area specific outreach for the main programmatic areas.

## **NEXT STEPS**

In July 2022, SCAG staff will share the finalized Framework document with the Regional Council and request a recommendation for adoption. Outreach and engagement will continue through the summer and fall, informing the development of the full application for funding, which will be submitted to the State Partners in December 2022.

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A timeline for the initial work is included in the attached Draft Framework (Attachment 1).

**FISCAL IMPACT:**

Work associated with this item will be included in the FY22-23 OWP, once funding is received, with no fiscal impact to the existing budget.

**ATTACHMENT(S):**

1. Attachment 1: REAP 2021 DRAFT Framework
2. Attachment 2: REAP 2021 Outreach Plan