

**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](http://www.hcd.ca.gov)



February 27, 2020

**MEMORANDUM FOR:** All Potential Applicants

**FROM:** Zachary Olmstead, Deputy Director  
Division of Housing Policy Development

**SUBJECT:** **2020 Notice of Funding Availability -  
Regional Early Action Planning Grant Program (REAP)**

The California Department of Housing and Community Development (Department) is pleased to release this Notice of Funding Availability (NOFA) for approximately \$118,750,000 for the Regional Early Action Planning Grant Program (REAP). This NOFA is made available as a portion of the Local Government Planning Support Grants Program pursuant to Chapter 3.1 of Health and Safety Code (Sections 50515 to 50515.05) (Chapter 159, Statutes of 2019). The principal goal of this program is to make funding available to councils of governments and other regional entities for the preparation, adoption, and implementation of plans and processes that accelerate housing production and facilitate compliance in implementing the sixth cycle of the regional housing needs allocation (RHNA).

In order to be eligible for grant funding, an applicant must submit both a complete, signed original application and an electronic copy on CD or USB flash drive. In addition, the applicant may submit a copy by email to [EarlyActionPlanning@hcd.ca.gov](mailto:EarlyActionPlanning@hcd.ca.gov) to expedite the review process. Applications will be accepted on an Over-the-Counter (OTC) basis as of the date of this NOFA through January 31, 2021. The Department encourages early applications and will accept applications postmarked by the January 31, 2021 deadline. Applicants may utilize various carrier services, such as the U.S. Postal Service, UPS, FedEx, or other carrier services. All applications must be submitted to the Department at the following address:

**California Department of Housing and Community Development  
Division of Housing Policy Development  
2020 West El Camino Avenue, Suite 500  
Sacramento, CA 95833**

Program 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 [EarlyActionPlanning@hcd.ca.gov](mailto:EarlyActionPlanning@hcd.ca.gov).

Attachment

**Regional Early Action Planning Grant Program (REAP)  
2020 Notice of Funding Availability**



**Gavin Newsom, Governor  
State of California**

**Alexis Podesta, Secretary  
Business, Consumer Services and Housing Agency**

**Douglas R. McCauley, Acting Director  
California Department of Housing and Community Development**

**Zachary Olmstead, Deputy Director  
California Department of Housing and Community Development  
Division of Housing Policy Development**

2020 W. El Camino Avenue, Suite 500, Sacramento, CA 95833  
(916) 263-2771

[REAP Webpage](#)

REAP Email: [EarlyActionPlanning@hcd.ca.gov](mailto:EarlyActionPlanning@hcd.ca.gov)

**February 27, 2020**

# Table of Contents

<b>A.</b>	<b>Introduction .....</b>	<b>3</b>
<b>B.</b>	<b>Authority and Scope.....</b>	<b>3</b>
<b>C.</b>	<b>Program Summary .....</b>	<b>4</b>
<b>D.</b>	<b>Program Timeline .....</b>	<b>4</b>
<b>E.</b>	<b>Eligible Applicants .....</b>	<b>5</b>
<b>F.</b>	<b>Award Amounts.....</b>	<b>6</b>
<b>G.</b>	<b>Multiagency Working Groups .....</b>	<b>6</b>
<b>H.</b>	<b>Requests for an Advance of Up to 25 Percent.....</b>	<b>7</b>
<b>I.</b>	<b>Eligible Activities.....</b>	<b>8</b>
<b>J.</b>	<b>Ineligible Activities .....</b>	<b>10</b>
<b>K.</b>	<b>Eligible Uses .....</b>	<b>10</b>
<b>L.</b>	<b>Application Requirements .....</b>	<b>11</b>
<b>M.</b>	<b>Application Submission Process .....</b>	<b>11</b>
<b>N.</b>	<b>Application Review Process .....</b>	<b>12</b>
<b>O.</b>	<b>Award Letter and Standard Agreement.....</b>	<b>12</b>
<b>P.</b>	<b>Appeals .....</b>	<b>12</b>
<b>Q.</b>	<b>Performance, Monitoring and Enforcement .....</b>	<b>13</b>
<b>R.</b>	<b>Right to Modify or Suspend NOFA and Final Decision-making .....</b>	<b>16</b>
<b>S.</b>	<b>Definitions.....</b>	<b>16</b>
	<b>Attachment 1: Award Amounts by Eligible Applicant .....</b>	<b>21</b>

**A. Introduction**

The California Department of Housing and Community Development (Department) is pleased to announce the release of this Notice of Funding Availability (NOFA) for \$118,750,000 for the Regional Early Action Planning Grant Program (REAP). REAP provides grants to councils of governments (COGs) and other regional entities for technical assistance, preparation, and adoption of planning documents and process improvements to accelerate housing production and facilitate compliance in implementing the sixth cycle of the RHNA.

**B. Authority and Scope**

This NOFA is authorized pursuant to Chapter 3.1 of Health and Safety Code sections 50515 to 50515.05 and implements, interprets, and makes statute specific for purposes of implementing REAP. This NOFA establishes terms, conditions, forms, procedures and other mechanisms as the Department deems necessary to exercise the powers and perform the duties conferred by Chapter 3.1.

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 may implement REAP 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 3.1 of Health and Safety Code. Any forms, guidelines, and NOFAs adopted pursuant to this section 50515.04 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 50515.04(f).)

The Department reserves the right, at its sole discretion, to suspend or amend the provisions of this NOFA, including, but not limited to, grant award amounts.

### C. Program Summary

REAP is part of the broader Local Government Planning Support Grants Program, which was established as part of the 2019-20 Budget Act. In response to the state’s housing crisis, the overarching goals of the program are to (1) accelerate housing production and (2) facilitate compliance in implementing the sixth cycle of the RHNA. The 2019-20 Budget Act provides a spectrum of support, incentives, resources, and accountability to meet California’s housing goals. Some specific elements include:

- Local and regional planning grants (LEAP and REAP)
- Prohousing preference on funding applications
- Additional funding resources
- Accountability (penalties for noncompliant housing plans)
- Reform (collaborative processes to reform regional housing needs)

### D. Program Timeline

Grants will be available to eligible applicants on a noncompetitive, Over-the-Counter (OTC) basis. Applications will be accepted from the date of the release of this NOFA and up until January 31, 2021. See below for the anticipated timeline for awards for the OTC period.

<b>NOFA Release</b>	<b>February 26, 2020</b>
NOFA Webinar	March 2020
NOFA Application Workshops	March 2020
Final Due Date for OTC Applications	January 31, 2021
Technical Assistance	February 2020 through December 31, 2023
Deadline for Submission of Final Invoices	August 31, 2023
HCD Expenditure Deadline	December 31, 2023

The Department will:

1. Begin review of applications on a rolling basis within 30 days of receipt;
2. Preliminarily approve applications within 2-4 weeks of initial compliance determination;
3. Make award determinations on applications within 2-4 weeks of approval; and
4. Provide a Standard Agreement within 60 days of award.

The Department will hold workshops and a webinar to review the REAP NOFA and application and will provide technical assistance to aid applicants throughout the OTC application period and implementation of the grant. For a list of dates, times, and locations for the workshops, as well as information on technical assistance, please visit the [Department's website](#).

## **E. Eligible Applicants**

Eligible applicants for the REAP are councils of governments and other regional entities, as follows:

### **1. Councils of Governments:**

- The Association of Bay Area Governments, representing the Counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano, and Sonoma, and the City and County of San Francisco.
- The Sacramento Area Council of Governments, representing the Counties of El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba.
- The San Diego Association of Governments, representing the County of San Diego.
- The Southern California Association of Governments, representing the Counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura.
- Councils of governments for the Counties of Butte, Humboldt, Lake, and Mendocino. The councils of governments described in this paragraph may apply directly to the Department for funds pursuant to the program.

### **2. Multiagency Working Groups:**

- A central coast multiagency working group consisting of the Association of Monterey Bay Area Governments, the San Luis Obispo Council of Governments, the Council of San Benito County Governments, and the Santa Barbara County Association of Governments, representing the Counties of Monterey, San Benito, San Luis Obispo, Santa Barbara, and Santa Cruz.
- A San Joaquin Valley multiagency working group consisting of 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, and the Tulare County Association of Governments, representing the Counties of Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare.

### **3. The Counties of Alpine, Amador, Calaveras, Colusa, Del Norte, Glenn, Inyo, Lassen, Mariposa, Modoc, Mono, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tehama, Tuolumne, and Trinity. The counties described in this paragraph 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 county or consortium of counties listed in this paragraph.**

## **F. Award Amounts**

1. The REAP Program makes available \$118,750,000 to applicants. Maximum award amounts are based on population estimates posted on the Department of Finance website as of January 1, 2019 and are aggregated by council of government, county, or regional entity according to maximum amounts by jurisdiction size consistent with subdivision (a) of Health and Safety Code section 50515.02.<sup>1</sup>
2. In recognition of the unique challenges in developing a process through a multiagency working group, the Department shall allocate \$8 million (\$8,000,000) to the multiagency working groups referred to in section E.2 above as follows:
  - 25 percent (\$2 million) of the amount shall be allocated to the central coast multiagency working group.
  - 75 percent of the amount (\$6 million) shall be allocated to the San Joaquin Valley multiagency working group.
3. See Attachment 1 for available award amounts based on the noted calculations above for each eligible applicant.

## **G. Multiagency Working Groups**

1. Multiagency working groups shall have been formed before November 30, 2019.
2. Each working group shall consist of the following members:
  - One representative from each county.
  - Two city representatives from each county, one representing a larger city within the county and one representing a smaller city within the county.
3. Of the three representatives from each county serving on the multiagency working group, at least one of the representatives shall also be a member of the governing body of the applicable council of governments representing the county.
4. City representatives shall be appointed by a city selection committee for that county. Either the working group or each county through its council of government representative may define “larger” or “smaller” city based on population to maximize representation for the county. However, a smaller city shall not be larger than 100,000 in population.
5. A representative may be an elected or appointed official, past elected official, city staff (e.g., city manager, planning director) or other person that represents the interests of the jurisdiction and is enabled to act in a decision-making capacity.

---

<sup>1</sup> Population estimates are based on the Department of Finance E-1 report posted to their website on January 1, 2019.

6. The multiagency working group shall select a council of governments to serve as the fiscal agent of the multiagency working group and identify staff to assist the work of the group. If the multiagency working group fails to agree to the selection of a council of governments to serve as fiscal agent within a reasonable time period, the Department shall select a fiscal agent based on factors such as capacity and experience in administering grant programs.
7. The multiagency working groups shall establish by-laws, a charter, or other decision-making structure, and may determine reasonable parameters of decision-making.
8. For resolutions, the representatives in working groups should approve a resolution by voting on it as a group, but the fiscal agent will be the authorized signer. The attesting officer must be a different person than the fiscal agent. See the sample resolution in the application materials for more information.
9. Upon its formation, the multiagency working group shall notify each city and county that is a member of a council of governments of its purpose.
10. If utilizing funds pursuant to Health and Safety Code section 50515.02(c)(2), multiagency working groups shall develop and carry out a collaborative process-- memorialized in a formal document that reflects the unique challenges of each county, cities, and broader region within the working group. The collaborative process must develop cohesive goals, priorities and activities, including intra-regional programs or efforts. If the working group creates a Suballocation program, that program must be consistent with group goals and priorities. The multiagency working group must consult with the Department throughout the preparation and implementation of the collaborative process and may determine format in consultation with the Department.

#### **H. Requests for an Advance of Up to 25 Percent**

1. On or after October 1, 2019, a council of governments or a fiscal agent of a multiagency working group may request up to 25 percent of funding available to it in advance of their full application. Individual counties are not eligible to request funding in advance of their full application.
2. A funding request may include, but is not limited to, education and outreach strategies related to the sixth cycle RHNA and may include other eligible activities, as defined below, to facilitate housing planning and accelerate housing production.
3. The Department shall award requested funds within 30 days of receiving that request.
4. To receive this advance, applicants must submit an application, resolution, and invoice. See early application forms for the application and a template of the required resolution.
5. Applicants may submit a request for an advance under this section at any time during the application period ending January 31, 2021, prior to a full application. However, a full application must be received by January 31, 2021.
6. Applicants who received an advance must demonstrate progress in carrying out advance activities according to an agreed upon timetable prior to submitting a full

application. While this progress is required to be demonstrated prior to application for the balance of fund, the advanced funds do not need to be completely expended prior to applying for and being award the remainder of the REAP funds.

7. Multiagency group applicants must identify planned activities on a county-by-county basis.
8. Recipients will enter into a state Standard Agreement for their 25 percent advance, if applicable, and for their total allocation amount. The state Standard Agreement may be amended.

## **I. Eligible Activities**

1. Each council of government or other regional entity may, in consultation with the Department and consistent with statutory requirements, determine the appropriate use of funds or Suballocations within its boundaries to appropriately address its unique housing planning priorities.
2. Funds must be used for housing planning activities.
3. A council of governments, other regional entity, or county that receives an allocation of funds shall establish priorities for the use of funds, as noted above and consistent with the categories of activities set out below and use those moneys consistent with priorities.
4. Activities must demonstrate a nexus to increasing housing and accelerating housing production.
5. In consultation with the Department, applicants may select one or more of the following categories of activities to fund:
  - a. Developing an improved methodology for the distribution of the sixth cycle RHNA to further the objectives described in subdivision (d) of section 65584 of the Government Code (RHNA Objectives – See Definitions).
    - I. Activities under this category must demonstrate a nexus to an improved methodology that furthers the RHNA Objectives.
    - II. Activities under this category may include implementation measures associated with an improved methodology that furthers RHNA Objectives. See Best Practices document.
  - b. Suballocation of moneys directly and equitably to jurisdictions or other subregional entities in the form of grants for planning that will accommodate the development of housing and infrastructure that will accelerate housing production in a way that aligns with state planning priorities, housing, transportation, equity, and climate goals.
    - I. In consultation with the Department, applicants may use a variety of measures to directly and equitably suballocate funds such as geographic distribution criteria, jurisdiction size set-a-sides, degree of housing needs, magnitude of benefit on state planning priorities (e.g., reduction in

- vehicle miles traveled), or comprehensive marketing and technical assistance.
- II. Suballocation programs may use different methods such as OTC, competitive or modification of existing programs and strategies, as long as they are related to housing planning and accelerating housing production.
  - III. Eligible activities under Suballocations may include sustainable communities strategies implementation related to housing planning and accelerating housing production.
  - IV. Eligible activities under Suballocations may be coordinated or combined with LEAP pursuant to Health and Safety Code section 50515.03
  - V. Eligible activities under Suballocations may be used to establish Prohousing Policies pursuant to Government Code section 65589.9. See Definitions.
  - VI. Suballocation for housing-related planning activities shall include but are not limited to:
    - Technical assistance in improving housing permitting processes, tracking systems, and planning tools,
    - Establishing regional or countywide housing trust funds for affordable housing (e.g. planning activities and processes, guidelines, charters),
    - Performing infrastructure planning, including sewers, water systems, transit, roads, or other public facilities necessary to support new housing and new residents,
    - Performing feasibility studies to determine the most efficient locations to site housing consistent with Government Code sections 65040.1 (State Planning Priorities) and 65080 (regional transportation plans), and
    - Covering the costs of temporary staffing or consultant needs associated with eligible activities.
- c. Providing jurisdictions and other local agencies with technical assistance, planning, temporary staffing, or consultant needs associated with updating local planning and zoning documents, expediting application processing, and other actions to accelerate additional housing production.
  - d. Covering the costs of administering any programs described in Health and Safety Code section 50515.02.
    - I. 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 the eligible activities are “activity costs” and not “administrative costs.” See Best Practices document for examples.
  - e. Outreach, education, priority setting, and other related activities in consultation with the Department to carry out the overall program consistent with statutory objectives.

## **J. Ineligible Activities**

1. Activities unrelated to accelerating housing production;
2. Activities unrelated to preparation and adoption of planning documents, and process improvements to accelerate housing production (The Department may consider proposals that include activities under (1) and (2) if a significant housing component is also present and the net effect on accelerating housing production is positive. For example, an applicant may propose combining an open-space designation, downzoning, preservation or anti-displacement measures with by-right upzoning that has a significant net gain in housing capacity);
3. Activities that obstruct or hinder housing production, e.g., moratoriums, downzoning, planning documents with conditional use permits that significantly impact approval certainty and timing, planned development, or other similarly constraining processes;
4. Capital financing, operation or funding related to programs of individual housing development projects; and
5. Administrative costs of persons employed by the grantee for activities not directly related to the preparation and adoption of the proposed Activity or Activities;

## **K. Eligible Uses**

1. Grant funds may be used to cover the costs of temporary staffing or consultant needs associated with eligible activities.
2. Grant funds shall be used for the costs of preparing and adopting the proposed Eligible Activity or Activities.
3. A jurisdiction that receives funds under REAP may use a subcontractor. The subcontract shall provide for compliance with all the requirements of the program. The subcontract shall not relieve the jurisdiction of its responsibilities under the program.
4. Eligible expenditures may be incurred and expended for the Activity or Activities subject to the terms and conditions of the Standard Agreement.
5. Except as provided in this paragraph, costs incurred prior to the NOFA date are ineligible. Approved and eligible costs incurred for work after October 1, 2019 pursuant to the Health and Safety Code section 50515.02(d)(3), continued past the date of the Standard Agreement, and completed during the grant term, will be reimbursable.
6. For applicants matching federal or state transportation planning funds administered by the California Department of Transportation (Caltrans) through the Overall Work Program (OWP) with REAP:
  - a. Confirm activities are eligible in both programs; and
  - b. Clearly identify source of funds on those projects in the application.
  - c. If matching funds are not used, these funds and activities are not required as part of the OWP.

## **L. Application Requirements**

1. Until January 31, 2021, an applicant may request an allocation of funds by submitting an application, in the form and manner prescribed by the Department, that includes the following information:
  - a. An allocation budget, including timelines, deliverables (implementation), sub-steps, and completion dates.
  - b. The amounts retained by the council of governments, regional entity, or county, and any Suballocations to jurisdictions.
  - c. An explanation of how proposed uses will increase housing planning and accelerate housing production.
  - d. Identification of current best practices at the regional and statewide level that promote a sufficient supply of decent housing to meet the needs of all Californians, and a strategy for increasing adoption of these practices at the regional level, where viable.
  - e. An education and outreach strategy to inform local agencies of the need and benefits of taking early action related to the sixth cycle RHNA.
2. Applicants must propose and document plans or processes that increase housing planning and facilitate accelerating local housing production. The application must demonstrate a significant positive effect on accelerating housing production through forms provided by the Department. An application must include an explanation and documentation of the nexus plans or processes impact on accelerating housing production based on a reasonable and verifiable methodology and must utilize the Department's form (see the Department's application).

## **M. Application Submission Process**

In order to be eligible for grant funding, an applicant must submit a complete, signed original application and an electronic copy on CD or USB flash drive. In addition, an applicant may submit a copy by email to [EarlyActionPlanning@hcd.ca.gov](mailto:EarlyActionPlanning@hcd.ca.gov) to expedite the review process. Applications will be accepted on an Over-the-Counter (OTC) basis as of the date of this NOFA through January 31, 2021. The Department encourages early applications and will accept applications postmarked by the January 31, 2021 deadline. Applicants may utilize various carrier services, such as the U.S. Postal Service, UPS, FedEx, or other carrier services. All applications must be submitted to the Department at the following address:

**California Department of Housing and Community Development  
Regional Early Action Grant Program/REAP  
Division of Housing Policy Development  
2020 West El Camino Avenue, Suite 500  
Sacramento, CA 95833**

Applications must be on Department forms and cannot be altered or modified by the applicant. Program applications and forms are available on the [Department's website](#).

## **N. Application Review Process**

1. The program will not utilize a competitive process to award funds.
2. Funds will be available to eligible applicants on a rolling OTC basis that begins as of the date of this NOFA and ends January 31, 2021.
3. 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 and timeline table and self-certified attachments demonstrating a nexus to housing production;
4. Applications will first be reviewed for, among other things, completeness, eligibility requirements, and accuracy;
5. In order to be considered complete, an application must contain requested information and supporting documentation where appropriate;
6. All applications must meet the eligibility requirements as specified in this NOFA;
7. If the application is ineligible, it will not be considered for funding, but may be amended and resubmitted;
8. The Department may request additional information to complete and approve the application for funding;
9. Applications recommended for funding are subject to conditions specified by the Department;
10. Applications will be reviewed within 30 days from the date the Department receives the application; and
11. All applicants not meeting the eligibility requirements will be informed within 30 days from the date the Department receives the application.

## **O. Award Letter and Standard Agreement**

Successful applicants will receive an Award Letter from the Department and will be awarded funds. Applicants will enter into a state Standard Agreement (Standard Agreement) for distribution of funds. The Standard Agreement process will specify, among other things, the amount of funds granted, timeline for expenditure of funds, and the approved use of funds. Expenditure report dates and other requirements will also be identified in the Standard Agreement.

## **P. Appeals**

1. Basis of Appeals:
  - a. Upon receipt of the Department's notice deeming an application incomplete or ineligible, applicants under this NOFA may appeal such decision(s) to the Department Director.
  - b. No applicant shall have the right to appeal a decision of the Department relating to another applicant's eligibility, award, denial of award, or any other related matter.

## 2. Appeals Process and Deadlines:

- a. Process. In order to lodge an appeal, applicants must submit to the Director by the deadline set forth in subsection (b) below, a written appeal which states all relevant facts, arguments, and evidence upon which the appeal is based. No new or additional information will be accepted. Once the written appeal is submitted to the Director, no further information or materials is required to be accepted or considered thereafter. Appeals are to be submitted to the Director at the following address:

**California Department of Housing and Community Development**  
**Division of Housing Policy Development**  
**2020 W. El Camino Avenue, Suite 500**  
**Sacramento, California 95833**  
[EarlyActionPlanning@hcd.ca.gov](mailto:EarlyActionPlanning@hcd.ca.gov)

The Director will accept appeals delivered through a carrier service such as the U.S. Postal Service, UPS, Fed Ex, or other carrier services that provide date stamp verification of delivery. Deliveries must be received during the Department's weekday (non-state holiday) business hours of 9:00 a.m. to 5:00 p.m. Pacific Standard Time. Additionally, emails to the email address listed above will be accepted if the email time stamp is prior to the appeal deadline.

- b. Filing Deadline. Appeals must be received by the Director no later than ten (10) business days from the date of the Department's determination.
3. Decision: Any request to amend the Department's decision shall be reviewed for compliance with this NOFA and its application. The Director shall render his/her decision in writing within fifteen (15) business days of receipt of the applicant's written appeal. The decision of the Director shall be the Department's final decision and shall not be appealable to any court or tribunal.

## Q. Performance, Monitoring and Enforcement

1. 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 October 1, 2019; and

- d. Each recipient of funds under REAP shall expend those funds no later than December 31, 2023, as described on Health and Safety Code 50515.04 (c)(1). Deadline for tasks and submission of reimbursements is August 31, 2023).
2. Invoicing and Accounting of Grant Funds
    - 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 state based on clear deliverables outlined in the Standard Agreement or budget timeline. Only approved and eligible costs incurred for work after October 1, 2019 and completed during the grant term will be reimbursable. Approved and eligible costs incurred prior to October 1, 2019 are ineligible;
    - d. Applicants with 25 percent advance
      - i. Applicants who received advance funds shall expend all such funds or show substantial progress prior to a full application 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, need to request funds in increments, schedule for advance payments, and reporting progress in implementing activities according to a 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 10 percent of the grant until grant terms have been fulfilled.
3. Accounting Records and Audits
    - a. 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;
    - b. 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 generally accepted accounting principles;

- c. The grantee agrees that the state 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;
- d. The grantee agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated;
- e. 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;
- f. 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 awardee 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;
- g. The Department may request additional information, as needed, to meet other applicable audit requirements;
- h. The Department may monitor expenditures and activities of an applicant, as the Department deems necessary, to ensure compliance with REAP requirements; and
- i. Applicants using federal or state transportation planning funds administered through the OWP shall clearly identify the source of funds.

#### 4. Remedies of Nonperformance

- a. In the event that it is determined, at the sole discretion of the state, 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. Both the grantee and the Department have 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. There must be a strong implementation component for the funded activity through REAP, including, where appropriate, agreement by the Locality to formally adopt the completed planning document. Localities that do not formally adopt the funded activity could be subject to repayment of the grant; and
- d. 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.

#### 5. 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, ineligible uses and expenditures according to timelines and budgets referenced in the Standard Agreement;
- b. Awardees 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 contains the following information:
  - The status of the proposed uses listed in the entity’s application for funding and the corresponding impact on housing within the region or jurisdiction categorized by eligible uses specified in the application; and
  - A summary of building permits, certificates of occupancy, or other completed entitlements issued by entities within the region or by the jurisdiction, as applicable.
- c. The Department may request additional information, as needed, to meet other applicable reporting requirements;
- d. Upon completion of all deliverables within the Standard Agreement, the awardee shall submit a close out report. See Close Out Report Form.
  - Applicant may include a line item for advance payment or reimbursement, as part of its administrative costs, for its final report that is due by December 31, 2024. Funding requests for final reports must be submitted no later than August 31, 2023.

**R. Right to Modify or Suspend NOFA and Final Decision-making**

The Department reserves the right, at its sole discretion, to suspend, amend, or modify the provisions of this NOFA 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’s email](#).

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, shall be final.

**S. Definitions**

All terms not defined below shall, unless their context suggests otherwise, be interpreted in accordance with the meanings of terms described in Health and Safety Code section 50470.

1. “Accelerating housing production” means improving the timing, cost, feasibility, approval and amount of development through various mechanisms such as zoning incentives (e.g., increased density and heights, reduced parking requirements), upzoning, zoning amendments to permit residential in

non-residential nonhazardous zones, corridor planning, development standards modifications, nondiscretionary review, financing strategies, sliding scale fee modifications, facilitating adequate infrastructure to support development, approval streamlining that addresses quickness and ease of entitlements, and other mechanisms that promote production or remove or mitigate regulatory barriers. This may also include anti-displacement policies when coupled with activities that have a significant net increase in housing production.

2. Pursuant to Government Code section 65584(e), “affirmatively furthering fair housing” 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. “Affordability” means a housing unit that satisfies at least one of the following criteria:
  - a. It is available at an “affordable rent,” as that term is used and defined in section 50053 of the Health and Safety Code;
  - b. It is offered at an “affordable housing cost,” as that term is used and defined in section 50052.5 of the Health and Safety Code; or
  - c. It is available at an “affordable rent” or an “affordable housing cost,” according to the alternative percentages of income for agency-assisted rental and cooperative housing developments pursuant to Department regulations adopted under Health and Safety Code section 50462(f).
4. “Annual Progress Report” (APR) means the Housing Element annual report required to be submitted to the Department pursuant to paragraph (2) of subdivision (a) of section 65400 of the Government Code.
5. “Completed entitlement” means a housing development project that has received all the required land use approvals or entitlements necessary for the issuance of a building permit and for which no additional action, including environmental review or appeals, is required to be eligible to apply for and obtain a building permit.
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. "Housing" means any development that satisfies both of the following criteria:
- a. At least two-thirds of the square footage of the development must be designated for residential use; and
  - b. Includes a house, an apartment, a mobile home, 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.

9. "Housing Element" or "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.
10. "Jurisdiction" means any city, including a charter city, county, including a charter county, or city and county, including a charter city and county.
11. "Local government" or "Locality" means any city, including a charter city, county, including a charter county, or city and county, including a charter city and county.
12. "Low- and Moderate-income households" means household income not exceeding 120 percent of area median income (AMI), adjusted for household size and other factors. Included are households at the following income levels:
- a. Extremely low income: 0-30 percent of AMI
  - b. Very low income: 30-50 percent of AMI
  - c. Lower income: 50-80 percent of AMI; or 0-80 percent of AMI
  - d. Moderate income: 80-120 percent of AMI
13. "Objective zoning standard", "objective subdivision standard", and "objective design review standard" means standards that involve no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official prior to submittal. "Objective design review standards" means only objective design standards published and adopted by ordinance or resolution by a local jurisdiction before submission of a development application, which are broadly applicable to development within the jurisdiction.
14. "Other Planning Priorities" means planning, policies, programs or investments

to promote housing choices and affordability to lower and moderate income households, the encouragement of conservation of the existing affordable housing stock, and efforts to take into account current and future impacts of climate change, including hazard mitigation.

15. Pursuant to Government Code section 65589.9(f)(2), “Prohousing Policies” ... mean policies that facilitate the planning, approval, or construction of housing. These policies may include, but are not limited to, the following:

- a. Planning for local financial incentives for housing, including, but not limited to, establishing a local housing trust fund;
- b. Reducing parking requirements for sites that are zoned for residential development;
- c. Adoption of zoning allowing for use by right for residential and mixed-use development;
- d. Zoning more sites for residential development or zoning sites at higher densities than is required to accommodate the minimum existing RHNA for the current Housing Element cycle;
- e. Adoption of accessory dwelling unit ordinances or other mechanisms that reduce barriers for property owners to create accessory dwelling units beyond the requirements outlined in Government Code section 65852.2, as determined by the Department;
- f. Process improvements that reduce permit processing time;
- g. Creation of objective development standards;
- h. Studies and implementing actions that reduce development impact fees; and
- i. Establishing a Workforce Housing Opportunity Zone, as defined in Government Code section 65620, or a housing sustainability district, as defined in Government Code section 66200.

16. “Regional housing needs allocation” 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.

17. “RHNA Objectives” means

- a. Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low-income households.
- b. Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region’s greenhouse gas reductions targets provided by the California Air Resources Board pursuant to Government Code section 65080.
- c. Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

- d. Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.
- e. Affirmatively furthering fair housing as defined by Government Code section 66854(e).

18. "State Planning Priorities" means priorities that are intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety in the state, including in urban, suburban, and rural communities pursuant to Government Code section 65041.1.

19. "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.

# Attachment 1: Award Amounts by Eligible Applicant

The REAP Program makes available \$118,750,000 to applicants. Maximum award amounts are based on population estimates posted on the Department of Finance website as of January 1, 2019, and are aggregated by council of government, county, or regional entity according to maximum amounts by jurisdiction size consistent with subdivision (a) of Health and Safety Code section 50515.02.

<b>Eligible Applicants</b>	<b>Maximum Award Amount</b>
<b>Councils of Governments</b>	
Association of Bay Area Governments	\$23,966,861
Sacramento Area Council of Governments	\$6,762,880
San Diego Association of Governments	\$6,851,680
Southern California Association of Governments	\$47,471,023
Butte County COG	\$883,334
Humboldt County Association of Governments	\$785,186
Lake County COG	\$261,729
Mendocino County Association of Governments	\$383,245
<b>Multi-agency Working Groups</b>	
Central Coast Multiagency Working Group, consisting of the Association of Monterey Bay Area Governments, the San Luis Obispo COG, the Council of San Benito County Governments, and the Santa Barbara County Association of Governments	\$7,931,311
San Joaquin Valley Multiagency Working Group, consisting of Fresno COG, Kern COG, Kings County Association of Governments, Madera County Transportation Commission, Merced County Association of Governments, San Joaquin COG, Stanislaus COG, and Tulare County Association of Governments	\$18,975,323
<b>Counties</b>	
Alpine	\$60,758
Amador	\$444,004
Calaveras	\$200,970
Colusa	\$182,275
Del Norte	\$200,970
Glenn	\$182,275
Inyo	\$121,517
Lassen	\$121,517
Mariposa	\$60,758
Modoc	\$121,517
Mono	\$121,517
Nevada	\$462,699
Plumas	\$121,517
Shasta	\$682,364
Sierra	\$121,517
Siskiyou	\$687,038
Tehama	\$322,487
Trinity	\$60,758
Tuolumne	\$200,970