

MCAG REAP 2.0 Draft Guidelines

REGIONAL COMPETITIVE GRANT PROGRAM

ADOPTED MONTH DAY, 2023

Table of Contents

Section 1 – Overview	1
1a. Background	1
1b. REAP 2.0 Program Objectives	2
Section 2 – Eligibility	3
2a. Allocation Methodology and Eligible Applicants	3
2b. Eligible Partnerships	4
2c. Eligible Uses and Activities	4
2d. Ineligible Activities	6
Section 3 – Application Process	6
3a. Applying for Funding	6
3b. Unallocated Funds	7
3c. Funding Criteria	7
Section 4 – Contract Administration	7
4a. Implementing Agencies	7
4b. Administrative Fee	8
4c. Expenditure Period	8
4d. Reimbursement	8
4e. Reporting Requirements	8
4f. Technical Assistance	8
4g. Timeline	8
Section 5 – Regional Competitive Grant Program Scoring Criteria	9
5a. REAP 2.0 Objectives	9
5b. Primary Factors	10
5c. Secondary Factors	11
5d. Regional Competitive Grant Program Criteria	12
5e. Scoring	13
5f. Subsequent Steps	13

Section 1 – Overview

The Merced County Association of Government's (MCAG) Regional Early Action Planning 2021 (REAP 2.0) Program guidelines have been developed to align with MCAG's adopted REAP 2.0 Program Framework and the state final REAP 2.0 Program Guidelines. The MCAG REAP 2.0 Regional Competitive Grant Program (RCGP) Guidelines ("Guidelines") implement the REAP 2.0 Suballocation funding programs in the MCAG REAP 2.0 Program Framework. The state REAP 2.0 grant supports accelerating housing production, reducing vehicle miles travelled (VMT), and Affirmatively Furthering Fair Housing (AFFH). The MCAG REAP 2.0 application and suballocation methodology are under review by the state partners. Therefore, these REAP 2.0 RCGP guidelines remain subject to change depending on state input. These guidelines are consistent with, and when necessary, defer to, the state REAP 2.0 Program Guidelines for establishing terms, conditions, forms, procedures, and other mechanisms necessary to effectuate the program. The California Department of Housing and Community Development (HCD) released REAP 2.0 final program guidelines on July 26, 2022. The MCAG REAP 2.0 program application is based on inclusive and broad engagement. These guidelines and program will be adjusted as necessary to comply with the state program.

In the REAP 2.0 Guidelines, the state reserves the right, at their sole discretion, to suspend, amend, or modify the provisions of the REAP 2.0 Guidelines at any time, including, without limitation, the amount of funds available hereunder. If such an action occurs, the Department will notify all interested parties. As such, MCAG reserves the right, at its sole discretion, to suspend or amend the provisions of the REAP 2.0 RCGP guidelines in collaboration with the State, including but not limited to, grant award amounts.

1a. Background

REAP 2.0 was established through AB 140 (July 2021) as part of the mid-year budget revise for the State's FY 21-22 budget for 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 REAP 2.0 Program is funded with \$600 million from the State General Fund. MCAG's share of this funding is \$3,912,152.75. The REAP 2.0 Program is administered by the California Department of Housing and Community Development (HCD) (Department), in collaboration with the Governor's Office of Planning and Research (OPR), the Strategic Growth Council (SGC), and the California Air Resources Board (CARB).

The State's REAP 2.0 Guidelines allow for eligible entities to submit an Advanced Application for up to 10 percent of available funding in advance of the Full Application for outreach, program development, and administration. MCAG submitted an Advanced Application to the State in July 2022 for \$290,607 to conduct the required outreach for the development and submission of the full application, as well as to administer and manage the REAP 2.0 programs through the June 2026 expenditure deadline. After the Advanced Allocation, MCAG has \$3,621,545.75 remaining to go towards two grant programs.

In December 2022, the MCAG Governing Board adopted the REAP 2.0 Program Framework, which consists of two major components:

- 1. Regional Competitive Grant Program (75%, \$2,716,159) developed and administered by MCAG that supports all REAP 2.0 objectives.**
 - Proposed primary applicants to include local jurisdictions and transit agencies.
 - Priority focus on implementation projects.
- 2. Local Suballocation Grant Program (25%, \$905,386) to cities and the County to implement sixth cycle housing elements with an emphasis on supporting activities that meet all the REAP 2.0 objectives.**
 - Rezoning and updating planning documents, development standards, and zoning ordinances, including general plans, community plans, and specific plans.
 - Performing infrastructure planning and upgrades, including for sewers, water systems, transit, active transportation, or other public facilities necessary to enable reduction in Per Capita VMT and accelerate infill development.
 - Revamping local planning processes to accelerate infill development.
 - Completing environmental clearance to eliminate the need for project-specific review for infill development.

The REAP 2.0 Program provides funds to regional governments to achieve the three core REAP 2.0 objectives listed below. This includes accelerating housing production and facilitating compliance with 6th Cycle housing elements, including regional housing need allocations. REAP 2.0 is specifically designed to provide Metropolitan Planning Organizations (MPO) and other Eligible Entities with tools and resources to help implement and advance plans, primarily including Sustainable Communities Strategies (SCS) as part of Regional Transportation Plans to pursue greenhouse gas emission reduction targets through land use and transportation changes.

1b. REAP 2.0 Program Objectives

Based on feedback from regional jurisdictions and stakeholders the REAP 2.0 RCGP has been developed within the MCAG REAP 2.0 Final Program Framework. REAP 2.0 RCGP supports implementation of the region's housing element work plans as a means of investing in actions identified at the local level that support housing production throughout the region and achieve the REAP 2.0 Program Objectives. Both MCAG's Regional Competitive and Local Suballocation Grant Programs must meet the REAP 2.0 objectives which are:

1. Accelerating Infill* Development that Facilitates Housing Supply, Choice, and Affordability
 - Accelerates infill development that facilitates housing supply, choice, and affordability and AFFH through various planning programs, services, or capital expenditures in a way that reduces VMT and greenhouse gas emissions.
2. Affirmatively Furthering Fair Housing (AFFH)
 - Combats discrimination, overcomes patterns of segregation, and fosters equitable and inclusive communities.
 - Includes meaningful actions to address disparities in housing needs and in access to opportunity, replace segregated living patterns with balanced living patterns, and transform racially and ethnically concentrated areas of poverty into areas of opportunity; targets funding to benefit disadvantaged and historically underserved communities.
 - Enhances mobility or place-based strategies benefiting housing that meets AFFH goals, or protects existing residents from displacement, or preserves housing

- choices and affordability in areas of lower- or moderate-opportunity and concentrated poverty.
- Supports regional and local efforts to work toward ensuring all people have full and equal access to opportunities enabling them to lead healthy lives.
- 3. Reducing Vehicle Miles Traveled (VMT)
 - Supports new infill housing development and shifts travel away from driving by implementing or supporting pedestrian, bicycle, transit, and other alternative transportation programs.
 - Realizes multimodal communities through programs, plans, and implementation actions.
 - Shifts travel behavior by reducing driving through programs, ordinances, funds, and other mechanisms.
 - Increases transit ridership through funding, implementation actions, and planning.

*The REAP 2.0 Infill definition pursuant to State guidelines provides that:

“Infill”, for the purposes of the REAP 2.0 Program, means areas where all the following apply: (1) the area consists of unused or underutilized lands (2) within existing development patterns (3) that is or will be accessible to destinations and daily services by transit, walking, or bicycling and located in either:

1. *An urban center, urban corridor, or area with transit-supportive densities, or*
2. *An established community that meets all the following criteria:*
 - i. *The area consists or previously consisted of qualified urban uses;*
 - ii. *The area is predominantly surrounded (approximately 75 percent of the perimeter) by parcels that are developed or previously developed with qualified urban uses. In counting this, perimeters bordering navigable bodies of water and improved parks shall not be included; and*
 - iii. *No parcel within or adjoining the area is classified as agricultural or natural and working lands.*

Section 2 – Eligibility

The Merced County Association of Government’s REAP 2.0 RCGP is the competitive component of the suballocation funds. Local jurisdictions proposing projects which meet the core REAP 2.0 objectives such as improving housing affordability, increasing housing production, establishing housing closer to jobs, reducing VMT, addressing housing and infrastructure needs in all communities, advancing AFFH and promoting multimodal communities with the best and highest use of grant funds will receive funding.

The REAP 2.0 RCGP program will have scoring criteria which mirror REAP 2.0 goals and stakeholder input to assure only the most qualified, high-impact, transformational projects will be funded. Scoring metrics will assist in the project selection process including screening or thresholding criteria to focus funding in existing urban areas, evaluation criteria for infill and measuring how projects/programs reduce VMT, whether they implement the SCS, and criteria to evaluate whether projects are meeting AFFH goals. All project evaluation criteria will be grounded in the REAP 2.0 guidance on grant program goals and objectives. Once the suballocation program design is finalized, MCAG will conduct a regional call for projects for all eligible applicants.

2a. Allocation Methodology and Eligible Applicants

Contingent on approval from the state and subject to change, up to \$2,716,159 of MCAG’s REAP 2.0 funding allocation shall be available for the RCGP. Funding shall be disbursed on a competitive basis based on how well applicants achieve core REAP 2.0 objectives and scoring criteria.

Eligible applicants are the cities, counties, and transit agencies within the MCAG region.

2b. Eligible Partnerships

Eligible partners include, but are not limited to, other local governments, housing authorities, school districts, special districts, universities, transit agencies, and community-based organizations. An eligible applicant may partner with other eligible entities to fulfill one or more projects included in the application. One or more eligible applicants may form a partnership to expend part, or all, of a recipient's RCGP funding.

Applicants forming partnerships must provide a legally binding agreement between all partners. Applicants that are considering this are encouraged to discuss their proposals with MCAG staff prior to applying to ensure projects are eligible and the work can be completed prior to the end of the expenditure period.

2c. Eligible Uses and Activities

The RCGP funds are focused on implementation projects.

To receive funding, applicants must:

1. Submit a qualifying application that is approved by MCAG. Applicants are not required to directly implement projects and may contract for services following state requirements, and when applicable federal requirements. Applicants are not required to apply for all funds available.
2. Demonstrate a nexus to all three REAP 2.0 Program Objectives for each project proposed:
 - Accelerating Infill Development that Facilitates Housing Supply, Choice, and Affordability
 - Accelerates infill development that facilitates housing supply, choice, and affordability and AFFH through various planning programs, services, or capital expenditures in a way that reduces VMT and greenhouse gas emissions, and goes beyond existing commitments.
 - Affirmatively Furthering Fair Housing (AFFH)
 - Combats discrimination, overcomes patterns of segregation, and fosters equitable and inclusive communities.
 - Includes meaningful actions to address disparities in housing needs and in access to opportunity, replace segregated living patterns with balanced living patterns, and transform racially and ethnically concentrated areas of poverty into areas of opportunity; targets funding to benefit disadvantaged and historically underserved communities.
 - Enhances mobility or place-based strategies benefitting housing that meets AFFH goals, or protects existing residents from displacement, or preserves housing choices and affordability in areas of lower- or moderate-opportunity and concentrated poverty.
 - Supports regional and local efforts to work toward ensuring all people have full and equal access to opportunities enabling them to lead healthy lives.
 - Reducing Vehicle Miles Traveled (VMT)
 - Supports new infill housing development and shifts travel away from driving by implementing or supporting pedestrian, bicycle, transit, and other alternative transportation programs.
 - Realizes multimodal communities through programs, plans, and implementation actions.

- Shifts travel behavior by reducing driving through programs, ordinances, funds, and other mechanisms.
 - Increases transit ridership through funding, implementation actions, and planning
3. Demonstrate project is eligible for funding and describe how project meets objectives in Section 1, REAP 2.0 Program Objectives. Based on the final State REAP 2.0 Program Guidelines (dated July 26, 2022) example activities and uses include but are not limited to the following:
- Affordable Housing development programs;
 - Planning activities that lead to increased residential and/or mixed-use zoned capacity in areas identified as infill, or land use planning, related studies and/or programs that result in implementable/adoptable programs and policies (meaning subject to adoption or approval of the legislative body) required to meet the programs, projects, and commitments in draft, adopted and/or compliant 6th Cycle Housing Elements;
 - Program-level environmental clearance for infill projects with AFFH components;
 - Upgrading infrastructure for sewer, water, and dry utility systems that may serve affordable infill housing;
 - Housing mobility strategies that serve affordable housing;
 - Affordable Housing unit production;
 - Reductions to barriers to higher density Housing, buildings with four or more units, and accessibility;
 - Outreach strategies to address local opposition to Proposed Use;
 - Affordable Housing unit production or preservation;
 - Anti-displacement protections;
 - Expanded Housing options;
 - Housing-supportive infrastructure;
 - Activities that develop, support, or implement land use planning, policies, or investment strategies that result in substantial changes to travel behavior from increasing population and employment densities, land use mix, street network connectivity, linkages and pathways with active transportation infrastructure, accessibility between destinations, and/or contiguousness of land uses and transportation networks;
 - Activities, subject to applicable program funding requirements, that would develop, support, or implement transportation planning, policies, and investment strategies that support Infill development that facilitates housing supply, choice, and affordability such as increasing transit services and access;
 - Building at walkable community scales;
 - Enhancing pedestrian and bicycling safety measures;
 - Protecting pedestrian and bicycling amenities;
 - Multimodal infrastructure connections with multimodal-mobility transportation systems.
4. Submit a complete application along with all required supporting documents within the application period. See Section 3 for information on applying for funding.

Consultants or other external resources may be used for work on eligible activities but are not required. Applicants will indicate in their funding application whether they intend to use existing staff, temporary staff, consultants, or other resources for each activity.

2d. Ineligible Activities

- Activities where clear nexuses to all Program Objectives listed in Section 1 are not demonstrated.

- 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.
- Administrative costs of persons employed by the grantee for activities not directly related to the preparation and adoption of the proposed Activity or Activities.

MCAG will not accept applications for, nor reimburse for, ineligible activities or projects. Expenditure reimbursement requires prior authorization in writing from MCAG for the eligible projects and activities. MCAG may be subject to repayment of REAP 2.0 funds to HCD if it is found in breach of its agreement with HCD, which can occur if REAP 2.0 funds are used for ineligible activities. If MCAG is required to repay funds to HCD, MCAG will require reimbursement from the RCGP recipient.

Section 3 – Application Process

Funding will be made available for projects and activities after MCAG receives approval and funding for its full REAP application from HCD, which is anticipated to occur in summer of 2023. All activities proposed must meet the requirements established in these guidelines and the state’s REAP 2.0 Program Guidelines.

3a. Applying for Funding

Process and Timing:

The application period will be opened after the state has provided approval of MCAG’s full application and program guidelines and will close at midnight on MONTH DAY, 2023.

Application Submittal and Review:

The application must include information on proposed projects and activities, key tasks and deliverables, estimated costs, and identification of the implementing agency for each project and activity, among other requirements provided in the application template. The minimum grant amount for this program is \$500,000. There is no maximum grant amount.

Prior to submitting the application to MCAG, the applicant must receive approval to apply for funding from the applicant’s decision-making body or authorized signatory and agree to the reporting requirements. If the application proposes partnerships, approval or authorization from the related decision-making bodies is encouraged. Applications will be reviewed by a scoring committee comprising local jurisdictions and MCAG staff and will be assessed for eligibility, nexus to the REAP 2.0 program objectives, and alignment with the RCGP and the State REAP 2.0 Guidelines.

Once applications are approved for award, MCAG will provide an award letter to the eligible applicant indicating whether the submitted projects are approved for funding, or a letter indicating how the application needs to be revised to be accepted. Projects that do not meet the funding criteria cannot be funded through REAP 2.0 RCGP. A jurisdiction or eligible applicant may revise its application or project scope to meet the funding criteria and resubmit the application up until the final due date.

Applications for ineligible activities or projects that do not meet the funding criteria in Section 1 will not be accepted. Applicants may resubmit revised projects that address the reasons the original submittal was rejected.

Applications will be accepted until the final date to apply, which is by midnight on MONTH DAY, 2023.

Given the schedule requirements of the REAP 2.0 Guidelines to award suballocations, if a successful application is submitted, conditional award letters shall be distributed within 60 days of a complete application received from an applicant for a suballocation (not inclusive of encumbrance or an executed Standard Agreement).

3b. Unallocated Funds

Remaining funds that are unencumbered after the application deadline will be available for qualifying projects in the MCAG Region at MCAG's discretion through April 1, 2024.

By June 30, 2024, all REAP 2.0 funds must be fully encumbered.

3c. Funding Criteria

Funding applications are required to meet all three REAP 2.0 Objectives (Section 1 of the Guidelines) and shall be evaluated for funding based on the Local Suballocation Grant Program Methodology listed at the end of this document, including but not limited to the following criteria:

- Are the proposed projects eligible uses and activities (Section 2c.)?
- Is a clear statement included demonstrating a nexus between each proposed project (or activity) and all three of the following state program objectives?
 - Accelerating Infill Development that Facilitates Housing Supply, Choice, and Affordability; and
 - Affirmatively Furthering Fair Housing; and
 - Reducing Vehicle Miles Traveled
- Does the project support compliance with a jurisdiction's housing element?
- Does the project provide transformative planning and/or implementation activities?
- Does the project target funding to benefit disadvantaged and historically underserved communities?
- Does the project lead to substantial changes in land use patterns and travel behaviors?
- Does the project support California Planning Priorities? This may include promotion of infill development, supporting environmental and agricultural resources, and/or encouraging efficient development patterns.

Section 4 – Contract Administration

4a. Implementing Agencies

Jurisdictions are required to serve as the implementing agency of the projects and activities applied for. 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. 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 or activity and leading the procurement process for obtaining consultants and/or resources. The implementing agency must also manage and administer the project, which includes tasks such as monitoring activity progress, reviewing tasks and deliverables, and reviewing and processing invoices.

4b. Administrative Fee

None of a jurisdiction's or eligible applicant's allocation may be charged as administrative activities by the jurisdiction or eligible applicants. Tasks such as reviewing and processing project invoices, processing contract amendments, and preparing reports and metrics of project progress and completion are considered administrative activities. Activities such as developing scopes of work and requests for proposals (RFP), reviewing tasks and deliverables, and outreach with jurisdictions related to the project are considered programmatic and can be charged as a program activity.

4c. Expenditure Period

Per the requirements of AB 140 all funds distributed under REAP 2.0 must be obligated by June 30, 2024 and expended by June 30, 2026. To meet this deadline and receive reimbursement in alignment with REAP 2.0 guidelines, MCAG will require all funds to be obligated by March 1, 2024, unless otherwise directed by MCAG. All invoices associated with RCGP must be submitted to MCAG no later than March 31, 2026. Invoices received by MCAG after this date cannot be guaranteed for reimbursement.

4d. Reimbursement

All projects must submit invoices and a status report to MCAG quarterly to receive reimbursement. Invoices must follow the requirements set forth in the Grant Agreement and MCAG's regular invoicing procedures and must comply with applicable state and/or federal requirements. Expenditure reimbursement requires prior authorization of the eligible projects and activities, and MCAG 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 MCAG must repay REAP 2.0 funds to the state, MCAG will require reimbursement from the eligible applicant or jurisdiction.

MCAG will provide reimbursement only for costs as specified in the signed agreement(s) with the jurisdictions or eligible applicants or designee. Costs incurred prior to the date of the grant agreement for the RCGP will not be reimbursed.

4e. Reporting Requirements

Consistent with MCAG's Overall Work Program reporting procedures, each jurisdictional partner will be required to provide a quarterly progress report and quarterly invoices to track and measure activity progress. Project progress will be measured according to the tasks, deliverables, costs, and timeline outlined in the Grant Agreement.

4f. Technical Assistance

MCAG staff will provide technical assistance to eligible applicants starting in early 2023 through June 2026. Technical assistance will be available to help local jurisdictions and partners prioritize activities and complete the application and contracting process. After the start of projects MCAG staff will be available for guidance with invoicing and reporting.

4g. Timeline

Below is a tentative schedule and is subject to change in the Final Guidelines.

- July 2023: Released draft RCGP Guidelines for public review
- October 2023: MCAG adopts final RCGP Guidelines and releases call for applications

- December 2023: Final application and list of prioritized projects from eligible applicants due to MCAG (unless due date is extended)
- January 2024: Grant applications are reviewed and evaluated
- February 2024: MCAG approves applications and awards REAP 2.0 funds
- February - April 2024: Execute grant agreements with awardees
- June 30, 2024: Deadline to encumber REAP 2.0 funds
- March 31, 2026: All REAP projects and activities must be completed; final activity reports due to MCAG; final project invoices due to MCAG.

Section 5 – Regional Competitive Grant Program Scoring Criteria

MCAG staff developed draft criteria for both the Regional Competitive and Local Suballocation Grant Programs based on the REAP 2.0 Final Guidelines for Metropolitan Planning Organizations and direction from the State Department of Housing and Community Development (HCD).

5a. REAP 2.0 Objectives

The REAP 2.0 program has three objectives that each project must satisfy. If a project receives a score of 0/FAIL on any REAP 2.0 objective, the project would be deemed ineligible in the application review (regardless of the score on any other objective or factor). Both MCAG's Regional Competitive and Local Suballocation Grant Programs must meet the following REAP 2.0 objectives:

- **Accelerating Infill* Development that Facilitates Housing Supply, Choice, and Affordability**
 1. Does the project accelerate infill development near jobs and other key destinations to support housing choice and affordability that effectively reduces VMT and greenhouse gas emissions?
 2. Is the project at an infill site and does it have affordability components that serve low- and moderate-income households?
 3. Is the project for affordable housing development programs – which may involve predevelopment costs (studies, land acquisition, entitlements, etc.), that accelerate the supply of long-term affordable housing for lower and moderate-income households?
- **Affirmatively Furthering Fair Housing (AFFH)**
 1. Does the project combat discrimination, overcome patterns of segregation, and foster equitable and inclusive communities?
 2. Does the project include meaningful actions to address disparities in housing needs and in access to opportunity, replace segregated living patterns with balanced living patterns, and transform racially and ethnically concentrated areas of poverty into areas of opportunity?
 3. Does the project support regional and local efforts to work toward ensuring all people have full and equal access to opportunities enabling them to lead healthy lives?
 4. Does the project:
 - Enhance housing mobility strategies that remove barriers to housing, housing-supportive infrastructure, increased transportation options, and affordability in areas of high opportunity and outside areas of concentrated poverty; or
 - Improve place-based strategies to encourage community revitalization; or

- Protect existing residents from displacement and preserve housing choices and affordability in areas of lower- or moderate-opportunity and concentrated poverty?
- 5. Is the project materially inconsistent with AFFH?
- 6. Geographic equity – will be addressed post initial scoring.
- 7. Does the project target funding to benefit disadvantaged and historically underserved communities?
- 8. Unique equity priorities – weighting of scores addresses unique equity priorities.
- **Reducing Vehicle Miles Traveled (VMT)**
 1. Does the applicant explain how the proposed use promotes development and aligns housing production in infill locations consistent with the state's climate targets and goals discussed in the California Climate Change Scoping Plan?
 2. Is the project consistent with the region's sustainable communities strategy (SCS) through:
 - Land use planning, policies, and investment strategies by infill development that facilitates housing supply, choice, and affordability and is serviced by existing and planned expansions of a multimodal transportation system; or
 - Transportation planning, policies, and investment strategies by increasing travel options to homes, jobs, services, and other key destinations that provide, support, or enhance multimodal communities and reduce the number or length of vehicle trips?
 3. Does the project support new housing development and shift travel away from driving by implementing or supporting pedestrian, bicycle, transit, and other alternative transportation programs?

*The REAP 2.0 Infill definition pursuant to State guidelines provides that:

"Infill", for the purposes of the REAP 2.0 Program, means areas where all the following apply: (1) the area consists of unused or underutilized lands (2) within existing development patterns (3) that is or will be accessible to destinations and daily services by transit, walking, or bicycling and located in either:

1. *An urban center, urban corridor, or area with transit-supportive densities, or*
2. *An established community that meets all the following criteria:*
 - i. *The area consists or previously consisted of qualified urban uses;*
 - ii. *The area is predominantly surrounded (approximately 75 percent of the perimeter) by parcels that are developed or previously developed with qualified urban uses. In counting this, perimeters bordering navigable bodies of water and improved parks shall not be included; and*
 - iii. *No parcel within or adjoining the area is classified as agricultural or natural and working lands.*

5b. Primary Factors

The primary factors represent factors from the REAP 2.0 guidelines. In addition to providing a primary factor score, the application narratives associated with the primary factors may inform scoring for the REAP 2.0 objectives portion of the scoring matrix. Each primary factor is described below.

Housing Element Compliance

- Does the project support compliance with a jurisdiction's housing element?

Transformative Planning and Implementation Activities

- Does the project provide for housing, planning, or infrastructure investments supporting infill housing, 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?

Public Outreach

- Did the proposed project arise from or go through a public process to solicit community input?
- If this is a planning project, does the scope of work include a public process?

Benefit to Disadvantaged Populations

- Does the project target funding to benefit disadvantaged and historically underserved communities?

Significant Beneficial Impacts

- Does the project lead to substantial changes in land use patterns and travel behaviors, demonstrated by:
 - A rate of change compared to the baseline; or
 - The magnitude of impact relative to variables or targets; or
 - The proportion of need achieved; or
 - The impact relative to past trends, policies, and practices?

California Planning Priorities

- Does the project support promotion of infill development and equity by rehabilitating, maintaining, and improving existing infrastructure that supports infill development and appropriate reuse and redevelopment of previously developed, underutilized land that is presently served by transit, streets, water, sewer and other essential services, particularly in underserved areas, and to preserve cultural and historic resources?
- Does the project support protection of environmental and agricultural resources by protecting, preserving, and enhancing the state's most valuable natural resources, including working landscapes such as farm, range, and forest lands, natural lands such as wetlands, watersheds, wildlife habitats, and other wildlands, recreation lands such as parks, trails, greenbelts, and other open space, and landscapes with locally unique features and areas identified by the state as deserving special protection?
- Does the project encourage efficient development patterns by ensuring that any infrastructure associated with development, other than infill development, supports new development that does all of the following:
 - Uses land efficiently; and
 - Is consistent with the infill definition provided above; and
 - Is located in an area appropriately planned for growth; and
 - Is served by adequate transportation and other essential utilities and services; and
 - Minimizes ongoing costs to taxpayers?

5c. Secondary Factors

A variety of secondary factors can be considered in the scoring process. These are not tied directly to the REAP 2.0 program but demonstrate the thoroughness of the application and the deliverability of the project.

Project Scope of Work and Budget

- Is a project scope of work and budget provided that demonstrates an understanding of the work and financial considerations required to deliver the project?

Project Risk Assessment

- Has the applicant thoroughly considered risks associated with delivering the project consistent with the scope of work and budget?
- Has the applicant demonstrated realistic means for mitigating risk associated with delivering the project?

Risks alone should not result in a deficiency, but should be considered if they are unmitigated, not fully understood, or unmanageable.

Local Support: Inclusion in Plan and Letters of Support

Projects proposing to construct something typically are drawn from adopted plans. If a project proposing to construct something does not indicate inclusion in an adopted plan, this should be considered in the risk assessment and public outreach sections of the scoring matrix.

Letters of support are not an application requirement. They can influence scores to the extent that they add value to any other response.

5d. Regional Competitive Grant Program Criteria

Scoring for the Regional Competitive program places the majority of points in the core REAP 2.0 objectives per direction from HCD. Any application receiving a score of zero for the REAP 2.0 Objectives will be deemed ineligible. The process for reviewing proposed grant applications, including the final criteria will be included in the guidelines.

Scoring Factor	Weight (%)	Max. Score
REAP 2.0 Objectives		
1. Accelerating Infill Development	0.30	30
2. Affirmatively Furthering Fair Housing	0.25	25
3. Reducing VMT	0.20	20
Subtotal	0.75	75
Primary Factors		
1. Housing Element Compliance	0.02	2
2. Transformative Planning and Implementation Activities	0.04	4
3. Public Outreach	0.03	3
4. Benefit to Disadvantaged Populations	0.05	5
5. Significant Beneficial Impacts	0.04	4
6. California Planning Priorities	0.02	2
Subtotal	0.20	20
Secondary Factors		
1. Scope of Work and Budget	0.03	3
2. Project Risk Assessment	0.02	2
Subtotal	0.05	5
Total	1.00	100

5e. Scoring

Scores for each project will be assigned on a 1 to 100 basis. Scores from each committee member will be averaged and converted to project rankings.

- 81-100: Exceptional evidence of meeting or exceeding requirements
- 61-80: Strong evidence of meeting requirements
- 41-60: Suitable evidence of meeting requirements
- 21-40: Limited evidence of meeting requirements
- 1-20: Weak evidence of meeting requirements

5f. Subsequent Steps

The project selection process will involve three steps. This document focuses primarily on the first step.

1. The scoring committee assigns scores to each application. The scores for each project are averaged.
2. The scoring committee will make a formal recommendation to the MCAG Governing Board. As required by the State's Final REAP 2.0 Guidelines, geographic equity must be considered.
3. The MCAG Governing Board will consider the work of the scoring committee and approve the projects selected for inclusion in the full application.