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MCTC REAP Housing Planning Grants Program

April 2021



DRAFT MCTC REAP HOUSING PLANNING GRANTS PROGRAM

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Background

The 2019-20 California State Budget Act allocated \$250 million for all regions, cities, and counties in the State for prioritizing planning activities that accelerate housing production to meet identified needs of every community. With this allocation, HCD established the Regional Early Action Planning Grant Program (REAP) with \$125 million to regions. REAP provides one-time grant funding to regional governments and regional entities for planning activities that will accelerate housing production and facilitate compliance in implementing the sixth cycle of the Regional Housing Needs Allocation (RHNA).

A total of \$18,975,323 in REAP grant funds are available to the eight San Joaquin Valley Regional Transportation Planning Agencies (SJV RTPA). The SJV RTPAs received an initial \$10.2 million which was distributed on a pro-rata basis. The Madera County Transportation Commission (MCTC) is anticipated to receive a total of \$492,009 for REAP activities. To date, MCTC has received \$172,885.65 for Phase I, of which \$55,176.27 has been set aside for administration and RHNA development support. The remaining \$117,709.38 will be used for the MCTC Housing Planning Program Consulting Services for our member agencies.

Phase I

A total of \$172,885.65 in REAP funds has been received for Phase I. MCTC will retain \$55,176.27 for activities involving program administration, RHNA development support, and any other functions, as necessary.

MCTC will retain a consultant on behalf of its member agencies to assist with eligible activities for housing planning purposes. The total budget for this portion will be in the amount of \$117,709.38.

Phase II

The Madera Region is anticipated to receive a total of \$319,123.35 in REAP funding for Phase II. MCTC will retain 5% in the amount of \$15,957.35 for program administration. The remaining \$303,166 in the second phase of available MCTC Housing Planning Grants

Program Funding will be suballocated for eligible projects on a pro-rata basis to local agencies as follows:

- County of Madera \$154,045
- City of Madera \$125,399
- City of Chowchilla \$23,722

Eligible Applicants

Eligible applicants are limited to local governments of Madera County (i.e. cities and county). However, local governments, as the lead applicant, may partner through legally binding agreements with other forms of governments or entities where the proposal will have a direct effect on land-use or development within the participating localities. This includes, but is not limited to, partnerships with other localities, housing authorities, school districts, special districts, community-based organizations, or any duly constituted governing body of an Indian Reservation or Rancheria. Applicants must provide a copy of the signed agreement between partners in order to be awarded funds.

Eligible Activities

Eligible activities must demonstrate a nexus to increasing housing and accelerating production. Eligible activities may be part of a larger planning effort (e.g., a comprehensive zoning code update) if proposed activities have not been completed prior to the project start date, are distinct, and demonstrate a nexus to accelerating housing production. Eligible activities are not necessarily jurisdiction-wide and may include a smaller geography with a significant impact on housing production. For example, eligible activities may include a housing development-related project with a significant community level impact or planning or process improvement for a project with an ongoing community impact beyond the project.

Eligible activities may include a variety of planning purposes, such as planning documents and processes, including, but not limited to, the following as set forth in Health and Safety Code Section 50515.03(c):

1. Rezoning and encouraging development by updating planning documents and zoning ordinances, such as General Plans, community plans, specific plans,

implementation of sustainable communities' strategies, and local coastal programs.

2. Completing environmental clearance to eliminate the need for project specific review.
3. Establishing housing incentive zones or other area-based housing incentives beyond State Density Bonus Law such as a workforce housing opportunity zone pursuant to Article 10.10 (commencing with Section 65620) of Chapter 3 of Division 1 of Title 7 of the Government Code, or a housing sustainability district pursuant to Chapter 11 (commencing with Section 66200) of Division 1 of Title 7 of the Government Code.
4. Performing infrastructure planning, including for sewers, water systems, transit, roads, or other public facilities necessary to support new housing and new residents.
5. Planning documents to promote development of publicly owned land, such as partnering with other local entities to identify and prepare excess or surplus property for residential development.
6. Revamping local planning processes to speed up housing production.
7. Developing or improving an accessory dwelling unit ordinance in compliance with Section 65852.2 of the Government Code.
8. Planning documents for a smaller geography (less than jurisdiction-wide) with a significant impact on housing production, including an overlay district, project level specific plan, or development standards modifications proposed for significant areas of a locality, such as corridors, downtown or priority growth areas.
9. Rezoning to meet requirements pursuant to Gov. Code Section 65583(c)(1), and other rezoning efforts to comply with Housing Element requirements, including Gov. Code Section 65583.2(c) (AB 1397, Statutes of 2018).
10. Up-zoning or other implementation measures to intensify land use patterns in strategic locations, such as close proximity to transit, jobs or other amenities.
11. Rezoning for multifamily housing in high resource areas (according to Tax Credit Allocation Committee/Housing Community Development Opportunity Area Maps).
12. Establishing pre-approved architectural and site plans.
13. Preparing and adopting Housing Elements of the General Plan that include an implementation component to facilitate compliance with the sixth cycle RHNA.

14. Adopting planning documents to coordinate with suballocations under (REAP) pursuant to Health and Safety Code Section 50515.02(f) that accommodate the development of housing and infrastructure, and accelerate housing production in a way that aligns with state planning priorities, housing, transportation equity and climate goals, including hazard mitigation or climate adaptation.
15. Zoning for by-right supportive housing, pursuant to Gov. Code Section 65651 (Chapter 753, Statutes of 2018).
16. Zoning incentives for housing for persons with special needs, including persons with developmental disabilities.
17. Planning documents related to carrying out a local or regional housing trust fund.
18. Environmental hazard assessments; data collection on permit tracking; feasibility studies, site analysis, or other background studies that are ancillary (e.g., less than 15 percent of the total grant amount) and part of a proposed activity with a nexus to accelerating housing production.
19. Other planning documents or process improvements that demonstrate an increase in housing related planning activities and facilitate accelerating housing production.
20. Establishing Pro-housing Policies pursuant to Gov. Code Section 65589.9(f)(2).

Ineligible Activities

1. Activities unrelated to preparation and adoption of planning documents, and process improvements to accelerate housing production and facilitate compliance to implement the sixth cycle of the RHNA.
2. Activities that obstruct or hinder housing production, e.g., moratoriums, downzoning, planning documents with conditional use permits that significantly impact supply, cost, approval certainty and timing, planned development, or other similarly constraining processes.
3. Project specific planning documents that do not have a significant impact on accelerating housing production or significant community level or reoccurring benefit beyond the project.
4. Any activities not otherwise authorized by law or consistent with HCD requirements.

Reporting

MCTC will monitor work and expenses to ensure the project is completed according to the contracted scope of work and project timeline. Quarterly progress reports must be submitted to MCTC with detailed invoices for reimbursement. The reports should describe the work that has been completed, a copy of any project deliverables, and an invoice that provides a summary of work completed by task, including staff/consultant hours.

1. Grant funds cannot be disbursed until the Agreement has been fully executed.
2. The grantee will be responsible for compiling and submitting all invoices and reporting documents. Grantees will submit for reimbursements to MCTC based on actual cost incurred.
3. The grantee must bill based on clear deliverables outlined in the Agreement or budget timeline. Only approved and eligible costs incurred for work after the date of an executed agreement with MCTC are eligible.
4. Work must be completed prior to requesting reimbursement.
5. Local agencies approve consultant invoices and send them to MCTC to pay the consultant directly. The local agencies oversee day-to-day project management and MCTC serves as the fiscal agent.
6. Project invoices will be submitted to MCTC by the grantee on a monthly basis.
7. Supporting documentation may include, but is not limited to: receipts, progress payments, subcontractor invoices, time cards, etc.
8. Invoices must be accompanied by reporting materials where appropriate. Invoices without the appropriate reporting materials will not be paid. MCTC may withhold 10 percent of the grant until grant terms have been fulfilled.
9. Each recipient of funds under the Program shall expend those funds no later than **June 30, 2023**.
10. 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.
11. 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.

12. The grantee agrees that MCTC or designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of the Agreement.
13. 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.
14. Subcontractors employed by the grantee and paid with moneys under the terms of this Agreement shall be responsible for maintaining accounting records as specified above.
15. At any time during the term of the Agreement, MCTC may perform, or cause to be performed, a financial audit of any and all phases of the award. At MCTC'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.
16. MCTC may request additional information, as needed, to meet other applicable audit requirements.
17. MCTC may monitor expenditures and activities of an applicant, as MCTC deems necessary, to ensure compliance with Program requirements.

Remedies of Non-Performance

1. In the event that it is determined, at the sole discretion of MCTC, that the grantee is not meeting the terms and conditions of the Agreement, immediately upon receiving a written notice from MCTC to stop work, the grantee shall cease all work under the Agreement. MCTC 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 Agreement.
2. Both the grantee and MCTC have the right to terminate the Agreement at any time upon 30 days written notice. The notice shall specify the reason for early termination and may permit the grantee or MCTC to rectify any deficiency(ies) prior to the early termination date. The grantee will submit any requested documents to MCTC within 30 days of the early termination notice.
3. There must be a strong implementation component for the funded activity through this Program, 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.

4. MCTC 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 (Health and Safety Code Section 50515.04(e)).

Schedule

Milestone	Date
Draft Guidelines for TAC Review	April, 2021 TAC
Policy Board adopts guidelines	April 21, 2021 Policy Board
Retain Consulting Services for Member Agencies	May 2021 Consultant
Phase II Agency Applications Due	To be Determined Local Agencies
MCTC Review of Applications for Eligibility	To be Determined MCTC Staff
MCTC Funding Awards for Approved Projects	To be Determined MCTC Staff

Agency/Project Information

Project Title	
Project Description	
Eligible Activities (identify by number)	
Total Funding Request	
Applicant Agency	
Primary Contact Name and Title	
Email	
Phone	
Address	
Agency Department	
Contact Name and Title	
Email	

Planning Project Description

1. Introduction

Please provide a description of project objectives, setting, and relationship of the proposed project to existing and planned land uses and transportation facilities in the project area.

2. Project Justification

Application describes in detail the deficiencies that the project would address and ramifications of not funding.

3. Nexus to Accelerating Housing Production

Please describe the nexus of the proposed project to accelerating housing production.

4. RTP/SCS Consistency

Describe how the proposed project is consistent with MCTC's 2018 RTP/SCS.

5. Plan Implementation

Please describe the implementation strategies for the proposed planning project. Please identify any potential obstacles to successful implementation of the plan.

6. Project Schedule and Scope of Work

Please outline the scope of work for the proposed planning efforts. Please briefly describe deliverables and anticipated completion dates for each deliverable. Please also provide estimates of project expenses funded by the grant.