



CDBG-DR 2018 Wildfires Public Hearings – Round 2

July 2020



Virtual Public Hearing

- Today's webinar will be recorded and posted for future reference.
- We encourage participation in the following ways:
 - On the computer
 - Type questions in the comments into the "Questions" feature
 - HCD will read and respond to as many questions as possible, and respond in writing as part of the public comment response
 - On the phone
 - Please email any questions or comments to DisasterRecovery@hcd.ca.gov and include your name, organization, and address if you would like a response.



Agenda

- Introductions
- Funding Basics
- 2018 CDBG –DR Allocation Requirements
- Status of Action Plan Development
- Unmet Needs Analysis
- Program Design/Allocation Discussion
- Method of Distribution
- Summary and Next Steps



CDBG –DR

Funding Basics



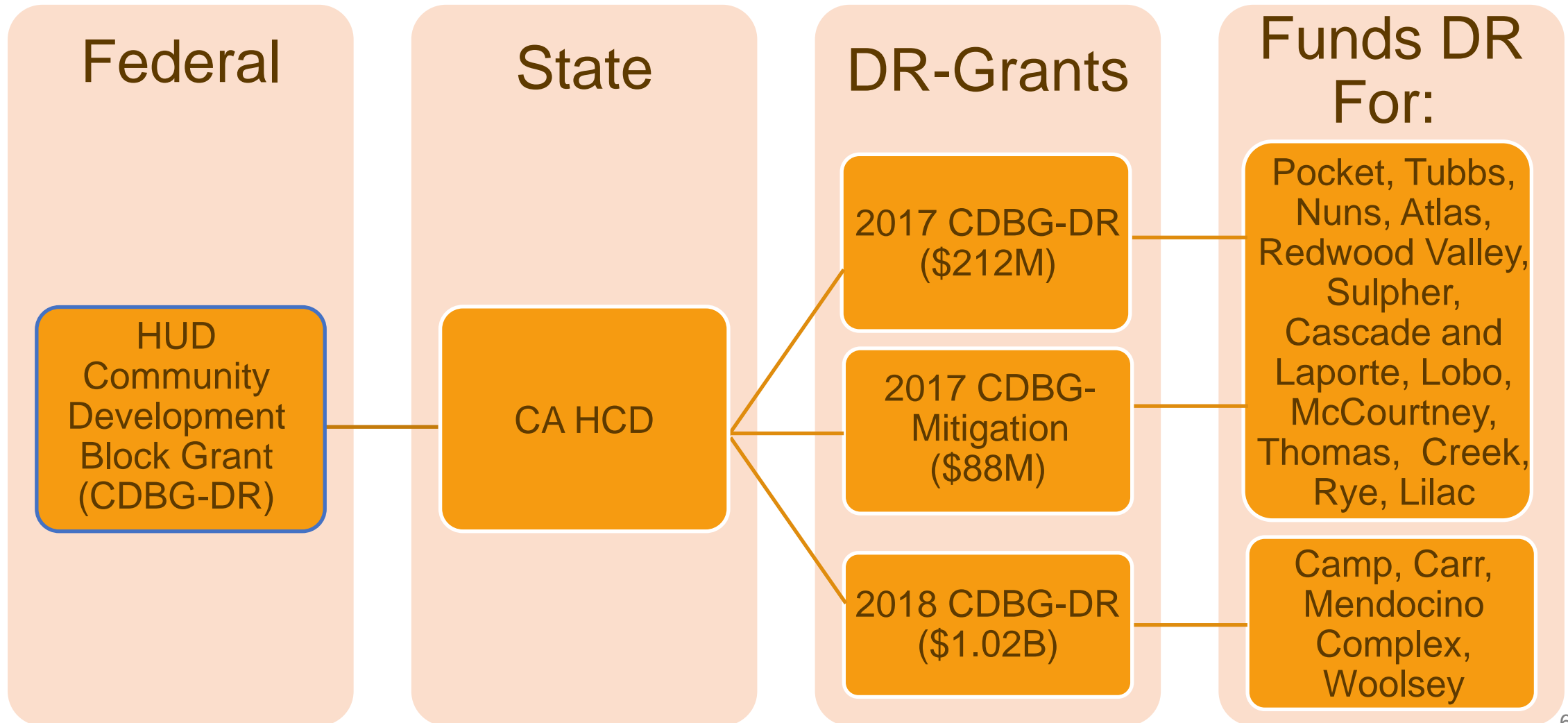
Federal Disaster Recovery

The Federal Department of Housing and Urban Development (HUD) uses Community Development Block Grant-Disaster Recovery (CDBG-DR) funds to support recovery from declared disasters and other related efforts.

- Appropriated through Congress
- Grants and funding awarded to State
- Requirements set for each award by Federal Notices
- 2018 disasters - \$1.02 billion total



HUD Disaster Recovery Funding





CA 2018 Disaster Declarations

- Federally declared disasters 4407 and 4382 covering the impacted areas of the 2018 wildfires: Butte, Lake, Los Angeles, Shasta, and Ventura counties





Low- and Moderate-Income Benefit

- Funding must primarily serve Low- and Moderate-Income Households.
- HUD calculates income by using a household's total annual gross income and number of people living in the household. These limits change annually.
- Using this definition, Low- and Moderate-Income Households must earn under 80% of Area Median Income. Area Median Income is based on the median income of a County or Metropolitan Statistical Areas.



HUD Fiscal Year 2019 Income Limits

Geography	# of Persons in Household							
	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
Butte	\$37,250	\$42,600	\$47,900	\$53,200	\$57,500	\$61,750	\$66,000	\$70,250
Lake	\$36,300	\$41,500	\$46,700	\$51,850	\$56,000	\$60,150	\$64,300	\$68,450
Los Angeles	\$58,450	\$66,800	\$75,150	\$83,500	\$90,200	\$96,900	\$103,550	\$110,250
Shasta	\$36,300	\$41,500	\$46,700	\$51,850	\$56,000	\$60,150	\$64,300	\$68,450
Ventura	\$58,600	\$67,000	\$75,350	\$83,700	\$90,400	\$97,100	\$103,800	\$110,500



2018 CDBG –DR

Allocation Requirements



2018 CDBG-DR Allocation

- \$1,017,399,000 Allocation
- Most Impacted and Distressed areas
 - 80% of funds must be spent in MID areas or have a demonstrated benefit to those areas. (Butte, Shasta, Lake, Los Angeles)
- Low and Moderate Income (LMI) Benefit
 - 70% of funds must benefit LMI persons
- Expenditure Deadline
 - 6 years to spend (*starts from HUD executed grant agreement*)
- Administrative & Planning Caps Costs
 - 5% Administrative cap & 15% Planning Cap



HUD Requirements around allocation

- Must have tie-back to disaster
- Activities that support Housing recovery must be considered first
- Infrastructure and Economic Revitalization are eligible after Housing
- Certify that resources are available to implement

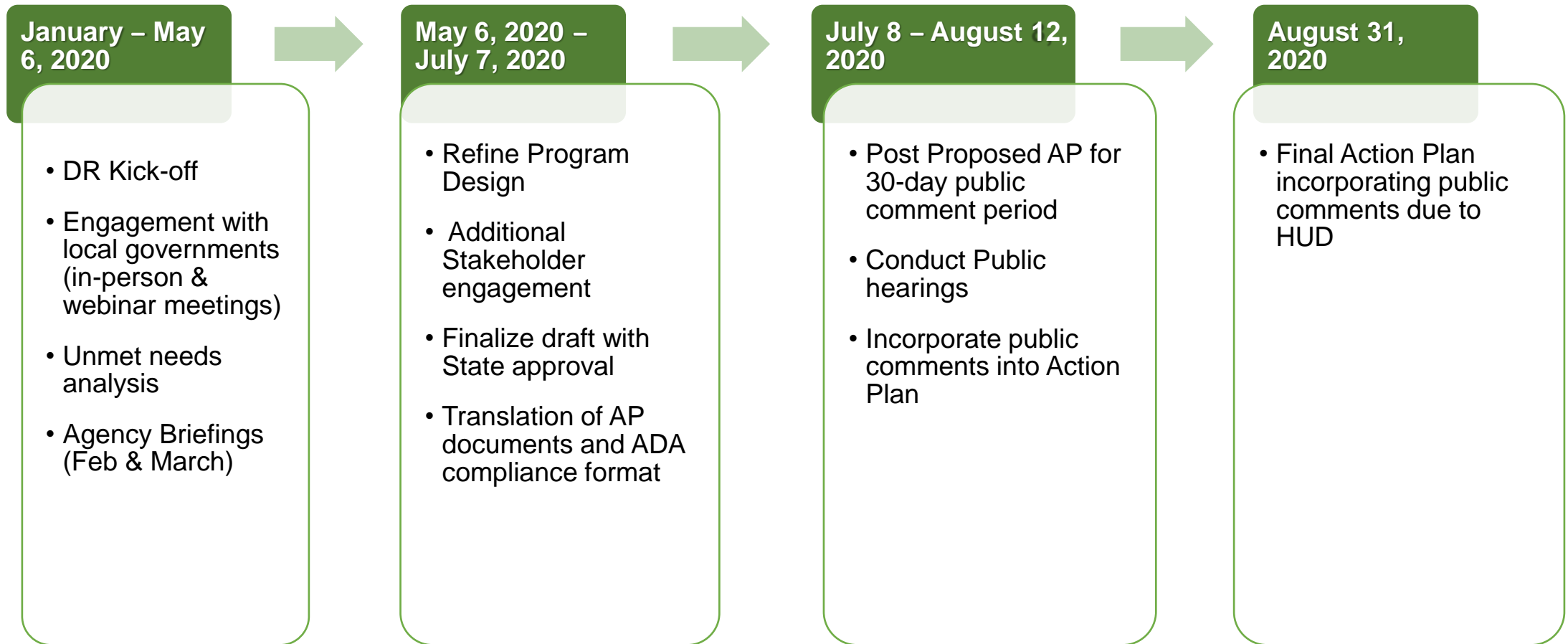


Action Plan

Development Status



Action Plan Timeline



Continuous engagement of citizens, counties and local governments



Unmet Needs Analysis



Unmet Needs Summary

	Loss/Need	Funding Awarded or Obligated	Unmet Need	Percentage of Unmet Need
Housing	\$14,876,576,401	\$11,651,196,156	\$3,225,380,246	45%
Infrastructure	\$5,643,628,499	\$2,805,280,125	\$2,838,348,374	39%
Economic Revitalization	\$2,451,825,534	\$1,282,847,617	\$1,168,977,918	16%
Total	\$22,972,030,435	\$15,739,323,897	\$7,232,706,538	

Data sources include: FEMA IA and PA, SBA, CalFIRE, cost to repair



Program Design & Allocation

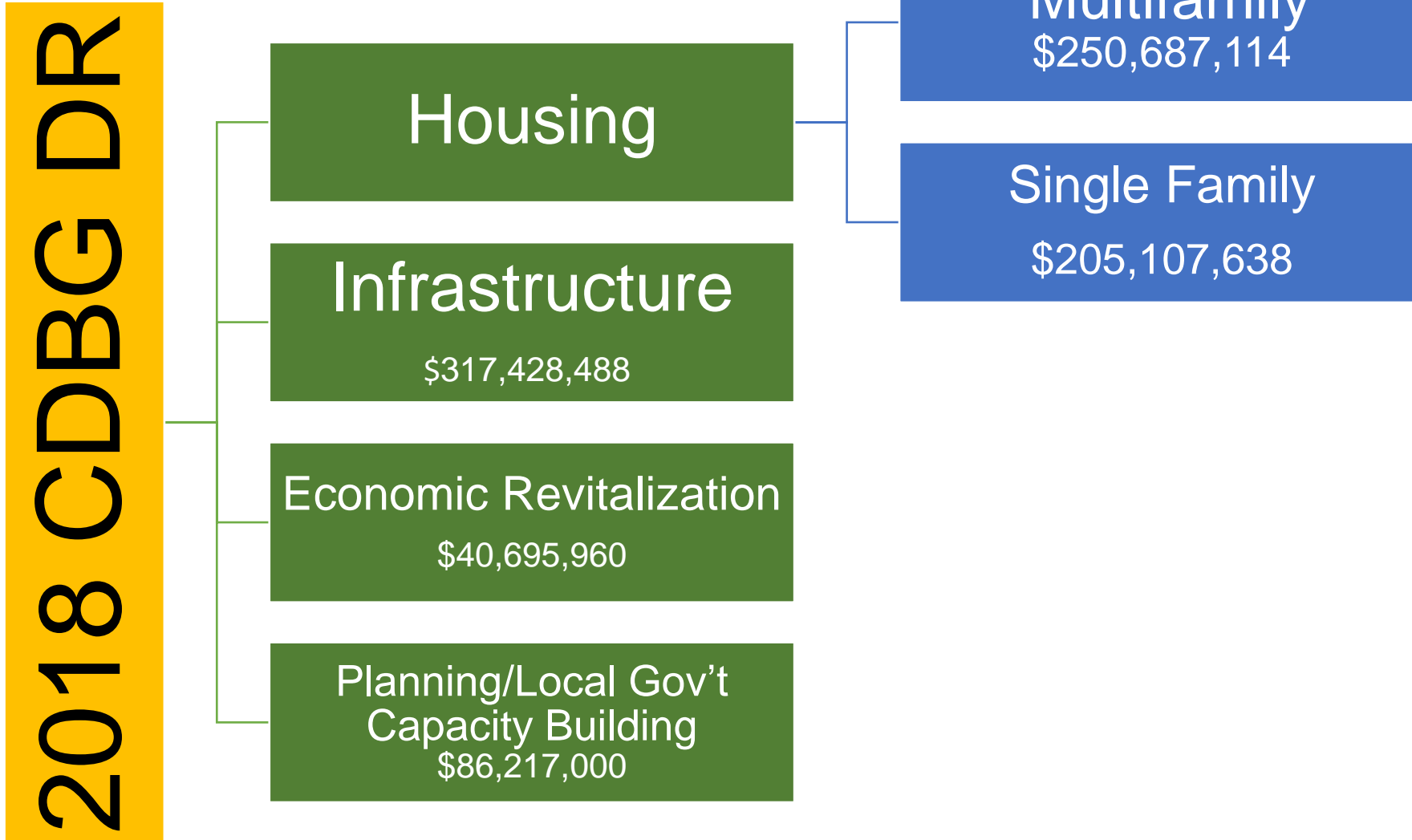


HUD Requirements around allocation

- Must primarily serve low-to-moderate income beneficiaries
- Must have tie-back to disaster
- Activities that support Housing recovery must be considered first
- Infrastructure and Economic Revitalization are also eligible after Housing
- Certify that resources are available to implement



Proposed 2018 CDBG-DR Programs





Housing Programs

- **Unmet Need: \$3,225,380,246** (45% of unmet need)
- **Allocation: \$455,794,752** (45% of total allocation)
- **Methodology for SF/MF Split:** Using FEMA IA data, HCD determined that 45% of LMI applicants were homeowners and 55% were renters



Single Family Housing Programs

- **Allocation:** \$205,107,638 (45% of housing allocation)
- **Proposal:**
 - Application open to any impacted homeowner,
 - A continuation of 2017 CDBG DR program,
 - Maximum grant of \$200K
 - Will start with a survey
 - Tiering priority: low-moderate income
 - Any household with a member that is disabled will rise to top of tier they qualify



Multi-Family Housing Programs

- **Allocation:** \$250,687,114 (55% of housing allocation)
- **Proposal:**
 - Allocate to each county and impacted municipalities based on FEMA IA rental applicants and weighted for LMI impact in Butte Co;
 - subrecipient awards with a \$250K minimum
 - Allows small rental (1-4 Units)
 - Only pays for affordable unit; HOME per unit subsidy
 - Prioritize Very Low Income
 - Affordability and long-term compliance will apply



Multi-Family Local Allocations

- Allocations based on the percentage of **FEMA IA renter-occupied household applicants** in each locality

	Total	% of Total	MF Allocation
Total	12,775		\$ 250,687,114.00
Butte County	7,777	60.9%	\$ 152,610,073.24
Butte County	3,127	24.5%	\$ 61,361,926.06
Chico	1,656	13.0%	\$ 32,496,114.35
Gridley	122	1.0%	\$ 2,394,037.41
Oroville	451	3.5%	\$ 8,850,089.11
Paradise	2,849	22.3%	\$ 55,906,660.49
Lake County	511	4.0%	\$ 10,027,484.56
Lake County	387	3.0%	\$ 7,594,200.64
Lakeport	124	1.0%	\$ 2,433,283.92
Los Angeles County	1,498	11.7%	\$ 29,395,639.67
Los Angeles County	138	1.1%	\$ 2,708,009.53
Agoura Hills	246	1.9%	\$ 4,827,321.33
Calabasas	166	1.3%	\$ 3,257,460.74
Malibu	948	7.4%	\$ 18,602,848.07
Shasta County	1,183	9.3%	\$ 23,214,313.57
Shasta County	218	1.7%	\$ 4,277,870.13
Redding	849	6.6%	\$ 16,660,145.58
Anderson	38	0.3%	\$ 745,683.78
Shasta Lake	78	0.6%	\$ 1,530,614.08
Ventura County	175	1.4%	\$ 3,434,070.05
Ventura County	87	0.7%	\$ 1,707,223.40
Thousand Oaks	88	0.7%	\$ 1,726,846.66
Phase II *	1,631	12.8%	\$ 32,005,532.91



Butte County MF Allocation: Detailed

	Under 30% AMI	30 50% AMI	50 60% AMI	60 80% AMI	Over 80% AMI	Income Not Reported	LMI Displace ment	Total	% of Total	MF Allocation
Total	3,910	2,588	964	1,309	2,567	1,437		12,775		\$ 250,687,114.00
Butte County	3,135	2,014	722	988	1,822	727	-1,631	7,777	60.9%	\$ 152,610,073.24
Butte County	978	605	174	258	467	203	442	3,127	24.5%	\$ 61,361,926.06
Chico	24	25	8	6	23	18	1552	1,656	13.0%	\$ 32,496,114.35
Gridley	2	0	0	0	0	1	119	122	1.0%	\$ 2,394,037.41
Oroville	31	9	4	3	5	8	391	451	3.5%	\$ 8,850,089.11
Paradise	2,100	1,375	536	721	1,327	497	-3707	2,849	22.3%	\$ 55,906,660.49

Allocations based on the percentage of **FEMA IA renter-occupied household applicants** in each locality.



FEMA IA breakdown by AMI categories

Jurisdiction	Under 30% AMI	30 50% AMI	50 60% AMI	60 80% AMI	Over 80% AMI	Income Not Reported	Total	% of Total
Total	3,567	2,588	963	1,309	2,568	1,780	12,775	
Lake County	150	131	45	52	73	60	511	4.0%
Lake County	125	101	30	40	49	42	387	3.0%
Lakeport	25	30	15	12	24	18	124	1.0%
Los Angeles County	297	199	95	117	385	405	1,498	11.7%
Los Angeles County	35	13	6	10	18	56	138	1.1%
Agoura Hills	58	47	19	23	53	46	246	1.9%
Calabasas	35	22	9	17	37	46	166	1.3%
Malibu	169	117	61	67	277	257	948	7.4%
Shasta County	287	217	87	132	251	209	1,183	9.3%
Shasta County	50	35	19	28	44	42	218	1.7%
Redding	203	154	62	91	190	149	849	6.6%
Anderson	10	8	1	5	4	10	38	0.3%
Shasta Lake	24	20	5	8	13	8	78	0.6%
Ventura County	41	27	15	20	36	36	175	1.4%
Ventura County	12	9	6	12	21	27	87	0.7%
Thousand Oaks	29	18	9	8	15	9	88	0.7%



Infrastructure Program

- As of February 2020, the State showed matching FEMA funding still needed for FEMA Public Assistance and Hazard Mitigation across the disasters:

FEMA Category	Match Need
A - Debris Removal	\$129,215,302
B - Emergency Protective Measures	\$40,197,826
B - Emergency Work Donated Resources	\$0
C - Roads and Bridges	\$4,527,035
D - Water Control Facilities	\$522,667
E - Buildings and Equipment	\$16,785,548
F - Utilities	\$22,962,494
G - Parks, Recreational Facilities, and Other Items	\$2,765,652
Z - Direct Administrative Costs	\$7,887,582
Z - Management Costs	\$1,618,767
HMGP	\$36,887,751
Mission Assignments	\$88,970,000
Total	\$352,340,623



Infrastructure Program

- **Unmet Need:** \$2,838,348,374 (39% of total unmet need)
- **Allocation:** \$317,428,488 (31% of total allocation)
- **Proposal:** This includes match for FEMA Public Assistance and FEMA Hazard Mitigation Grant local match as well as a stand-alone infrastructure projects.
 - Stand-alone infrastructure projects: Start with NOI and then allocate to jurisdictions, open to all types of infrastructure, but prioritize infrastructure in support of housing.



Economic Revitalization

- **Unmet Need:** \$1,168,977,918 (16% of unmet need)
- **Allocation:** \$40,695,960 (4% of total allocation)
- **Proposal** – Workforce development program through a statewide application; State will contract with subrecipients such as community colleges, counties, cities.
 - Potential for small business assistance later if there is a demonstrated need and qualified subrecipient administrator.



Planning

- **Allocation:** \$86,217,000 (8.5% of total allocation)
 - HUD allows for up to 15% of CDBG-DR funds to go towards planning activities
- **Proposal:** Offer a statewide application for use of the \$71,217,000 in planning activities for regional or local planning (general plans updates, code improvements, etc.)
 - Local and state-wide resiliency and mitigation plans.
- Use \$15,000,000 of planning to procure TA/planning consultants for the local jurisdictions to utilize to support program activities on the ground
 - Funding for capacity building at the county and municipal level



Program Allocations

Program	Program Allocation	Percentage of Total Program Allocation
Total CDBG DR Funds	\$1,017,399,000	100%
Housing	\$455,794,752	45%
Owner-Occupied Rehabilitation and Reconstruction	\$205,107,638	20%
Multifamily/Small Rental Housing	\$250,687,114	25%
Infrastructure	\$317,428,488	31%
Local Infrastructure/FEMA Match	\$317,428,488	31%
Economic Revitalization	\$40,695,960	4%
Workforce Development	\$40,695,960	4%
Planning	\$86,217,000	8.5%
Technical Assistance & Capacity Building	\$15,000,000	1.5%
Regional & Local Planning Activities	\$71,217,000	7%
State and Local Program Delivery	66,392,850	6.5%
Administration	\$50,869,950	5%



Method of Distribution



Methods of Distribution/Administrator

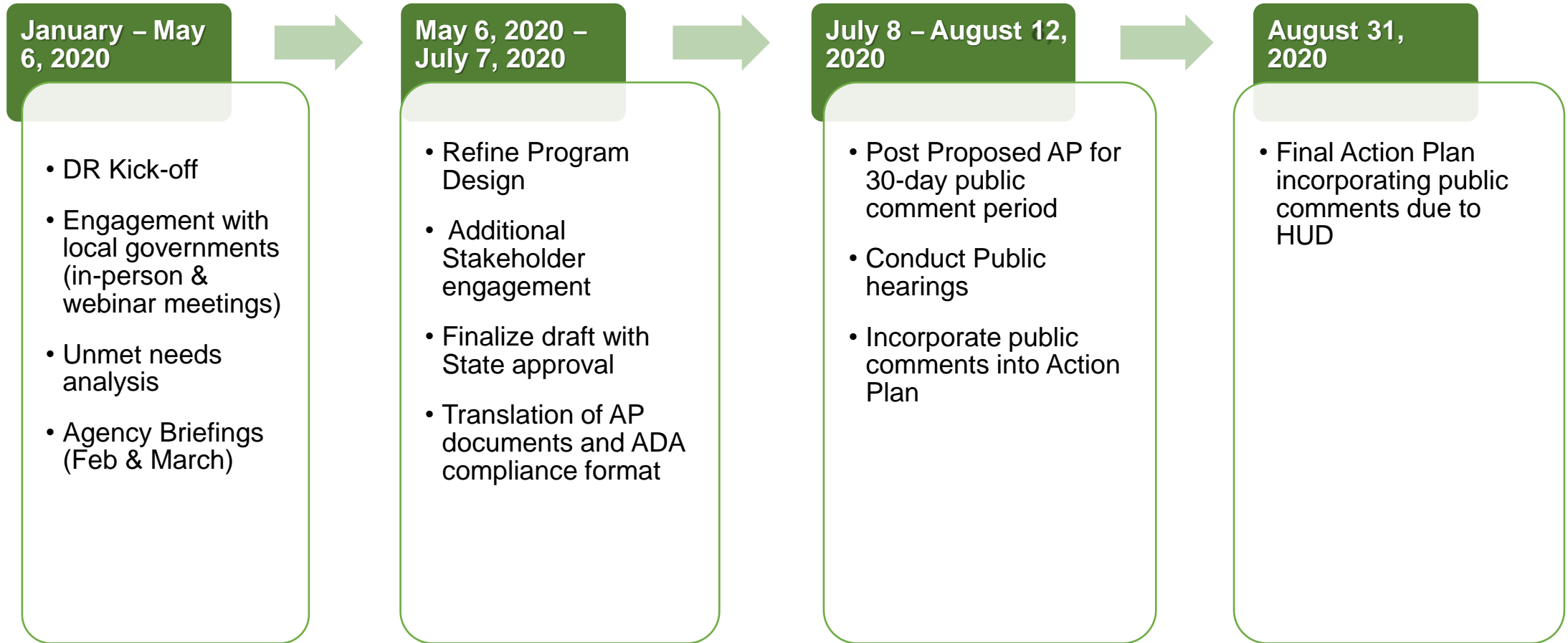
Program	Method of Distribution	Administrator
Owner-Occupied Housing	State application open to any impacted homeowner	State run as continuation of 2017 program
Multifamily/Small Rental Housing	Allocate to each county and impacted municipalities based on % of LMI FEMA IA rental applicants	Subrecipients; will not award directly to developers
Infrastructure	Offer NOI to all jurisdictions; Make awards based on project interests	Subrecipients
Economic Development	State application open to all eligible entities (county, community college, school district)	Subrecipients (county, community college, school district)



Summary and Next Steps



Action Plan Timeline



Continuous engagement of citizens, counties and local governments



2018 CDBG DR Status Updates

- **Completed** first draft of Action Plan for public review starting on July 8
- **Completed** Certification and Implementation Plan and submitted to HUD on July 2
- Next Steps:
 - **July** - Conduct public hearings/webinars during 30-day public comment period
 - **August** – Submit final Action Plan to HUD for review
 - Both Action Plan & Certification and Implementation Plan must be approved by HUD (*estimated date: November 2020*)
 - HCD and HUD execute Grant Agreement
 - HCD issues Policies & Procedures for each approved program



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