



# 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](mailto: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



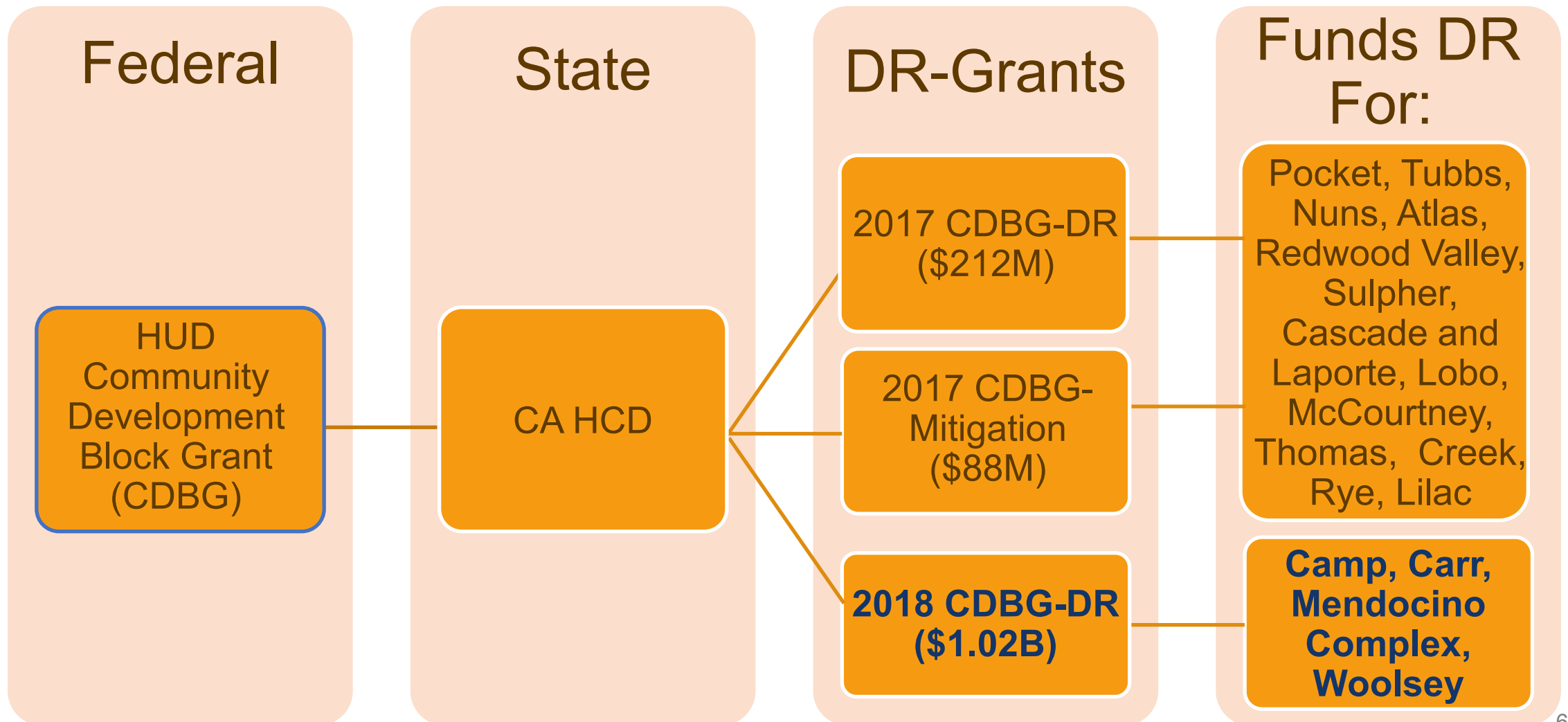
# Federal Disaster Recovery

**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





# 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



# Other HUD Requirements

- Affordability
  - HUD requires 15 and 20 year affordability terms on rental development with these grant funds
- Section 3
  - Section 3 program requires that recipients to the greatest extent possible, provide training, employment, contracting and other economic opportunities to low- and very low-income persons
- MWBE participation
  - Promoting use of women and minority-owned businesses
- Davis-Bacon
  - Prevailing wage requirements



# Action Plan

## Development Status



# Action Plan Timeline

January – May  
6, 2020

- DR Kick-off
- Engagement with local governments (in-person & webinar meetings)
- Unmet needs analysis
- Agency Briefings (Feb & March)

May 6, 2020 –  
July 7, 2020

- Refine Program Design
- Additional Stakeholder engagement
- Finalize draft with State approval
- Translation of AP documents and ADA compliance format

July 8 – August  
12, 2020

- Post Proposed AP for 30-day public comment period
- Conduct Public hearings
- Incorporate public comments into Action Plan

August 31,  
2020

- Final Action Plan incorporating public comments due to HUD

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

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

Housing	Loss/Need	Funding Awarded or Obligated
Residential Property Loss	\$14,876,576,401	
FEMA Individual Assistance		\$98,316,794
FEMA Rental Assistance		\$23,382,303
SBA Loans Residential		\$132,915,500
State and Local Housing Grants		\$57,588,200
Private Insurance Payments		\$11,338,993,359
<b>Total</b>	<b>\$14,876,576,401</b>	<b>\$11,651,196,156</b>
<b>Unmet Housing Need</b> <b>\$14,876,576,401 - \$11,651,196,156 = <u>\$3,225,380,246</u></b>		



Infrastructure	Loss/Need	Funding Awarded or Obligated
Response: Debris Removal	\$4,083,130,524	
Response: Fire Suppression	\$559,232,614	
Infrastructure & Public Facilities Damages	\$1,001,265,361	
CAL FIRE Funds		\$440,000,000
FEMA Public Assistance		\$1,922,796,522
FEMA HMGP		\$110,663,253
FEMA Mission Assignments		\$313,720,350
California Legislature Backfill		\$14,600,000
Insurance Payments		\$3,500,000
<b>Total</b>	<b>\$5,643,628,499</b>	<b>\$2,805,280,125</b>
<b>Unmet Infrastructure Need</b> <b>\$5,643,628,499 - \$2,805,280,125 = <u>\$2,838,348,374</u></b>		

Economic Revitalization	Loss/Need	Funding Awarded or Obligated
Commercial Property Loss	\$1,566,536,326	
Business Interruptions	\$600,000,000	
Government Revenue Loss	\$192,800,000	
Agricultural Loss	\$77,489,208	
Tourism Loss	\$15,000,000	
SBA Loans: Business/EIDL		\$61,755,900
US Dept of Commerce Grants		\$7,400,000
CA Employment Dev. Dept (for Butte County)		\$999,500
US EDA Disaster Relief		\$200,000
Disaster Unemployment Assistance		\$2,077,255
Private Insurance Payments		\$1,210,414,962
<b>Total</b>	<b>\$2,451,825,534</b>	<b>\$1,282,47,617</b>
<b>Unmet Economic Revitalization Need</b> <b>\$2,451,825,534 - \$1,282,847,617 = <u>\$1,168,977,918</u></b>		



# Program Design & Allocation

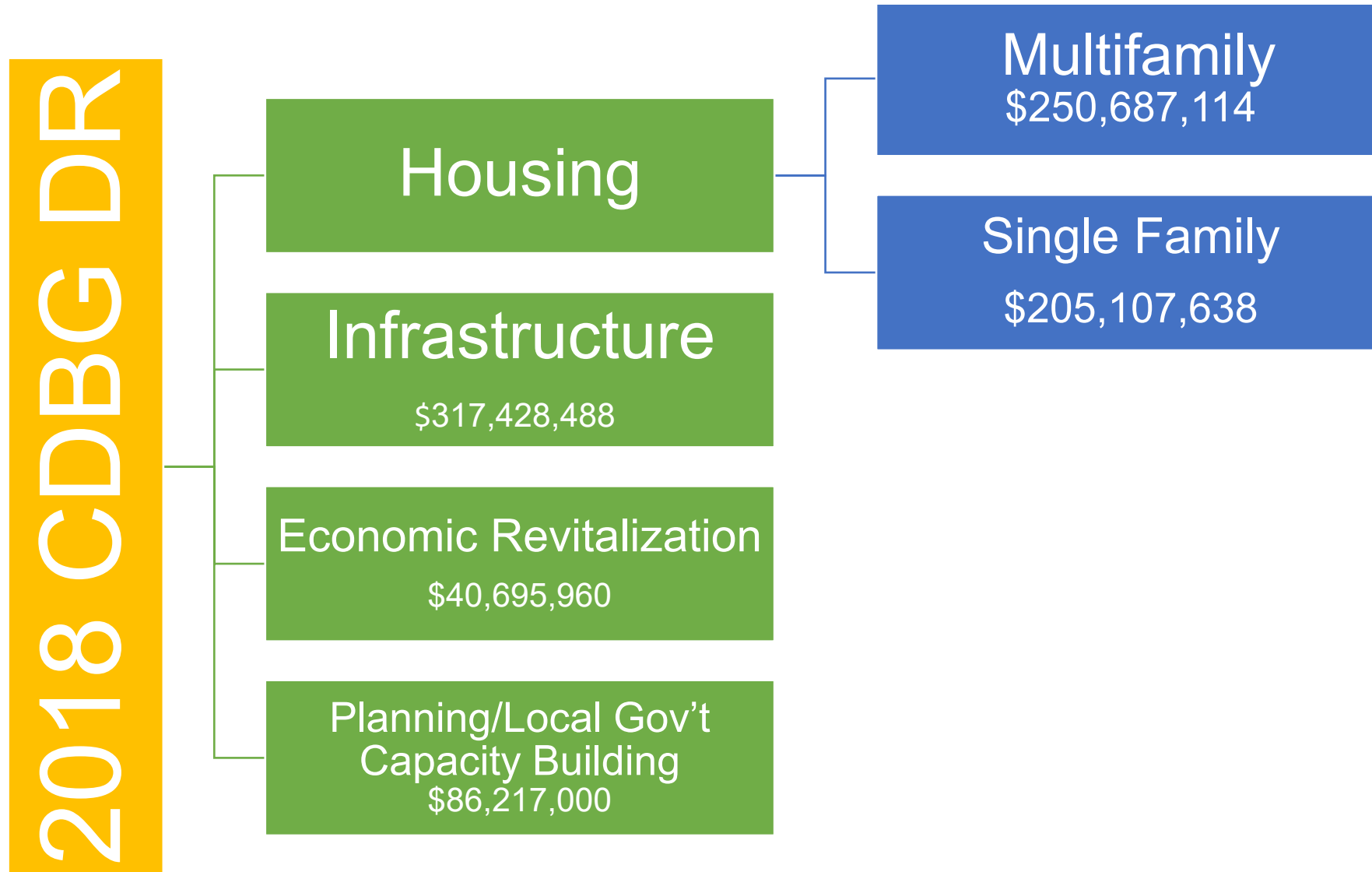


# HUD Requirements around allocation

- 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
<b>Total</b>	<b>12,775</b>		<b>\$ 250,687,114.00</b>
<b>Butte County</b>	<b>7,777</b>	<b>60.9%</b>	<b>\$ 152,610,073.24</b>
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
<b>Lake County</b>	<b>511</b>	<b>4.0%</b>	<b>\$ 10,027,484.56</b>
Lake County	387	3.0%	\$ 7,594,200.64
Lakeport	124	1.0%	\$ 2,433,283.92
<b>Los Angeles County</b>	<b>1,498</b>	<b>11.7%</b>	<b>\$ 29,395,639.67</b>
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
<b>Shasta County</b>	<b>1,183</b>	<b>9.3%</b>	<b>\$ 23,214,313.57</b>
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
<b>Ventura County</b>	<b>175</b>	<b>1.4%</b>	<b>\$ 3,434,070.05</b>
Ventura County	87	0.7%	\$ 1,707,223.40
Thousand Oaks	88	0.7%	\$ 1,726,846.66
<b>Phase II *</b>	<b>1,631</b>	<b>12.8%</b>	<b>\$ 32,005,532.91</b>



# 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
<b>Total</b>	<b>3,910</b>	<b>2,588</b>	<b>964</b>	<b>1,309</b>	<b>2,567</b>	<b>1,437</b>		<b>12,775</b>		<b>\$ 250,687,114.00</b>
<b>Butte County</b>	<b>3,135</b>	<b>2,014</b>	<b>722</b>	<b>988</b>	<b>1,822</b>	<b>727</b>	<b>-1,631</b>	<b>7,777</b>	<b>60.9%</b>	<b>\$ 152,610,073.24</b>
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
<b>Total</b>	<b>3,567</b>	<b>2,588</b>	<b>963</b>	<b>1,309</b>	<b>2,568</b>	<b>1,780</b>	<b>12,775</b>	
<b>Lake County</b>	<b>150</b>	<b>131</b>	<b>45</b>	<b>52</b>	<b>73</b>	<b>60</b>	<b>511</b>	<b>4.0%</b>
Lake County	125	101	30	40	49	42	387	3.0%
Lakeport	25	30	15	12	24	18	124	1.0%
<b>Los Angeles County</b>	<b>297</b>	<b>199</b>	<b>95</b>	<b>117</b>	<b>385</b>	<b>405</b>	<b>1,498</b>	<b>11.7%</b>
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%
<b>Shasta County</b>	<b>287</b>	<b>217</b>	<b>87</b>	<b>132</b>	<b>251</b>	<b>209</b>	<b>1,183</b>	<b>9.3%</b>
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%
<b>Ventura County</b>	<b>41</b>	<b>27</b>	<b>15</b>	<b>20</b>	<b>36</b>	<b>36</b>	<b>175</b>	<b>1.4%</b>
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
<b>Total</b>	<b>\$352,340,623</b>



# 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%
<b>Housing</b>	<b>\$455,794,752</b>	<b>45%</b>
Owner-Occupied Rehabilitation and Reconstruction	\$205,107,638	20%
Multifamily/Small Rental Housing	\$250,687,114	25%
<b>Infrastructure</b>	<b>\$317,428,488</b>	<b>31%</b>
Local Infrastructure/FEMA Match	\$317,428,488	31%
<b>Economic Revitalization</b>	<b>\$40,695,960</b>	<b>4%</b>
Workforce Development	\$40,695,960	4%
<b>Planning</b>	<b>\$86,217,000</b>	<b>8.5%</b>
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%
<b>Administration</b>	<b>\$50,869,950</b>	<b>5%</b>





# 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

January – May  
6, 2020

- DR Kick-off
- Engagement with local governments (in-person & webinar meetings)
- Unmet needs analysis
- Agency Briefings (Feb & March)

May 6, 2020 –  
July 7, 2020

- Refine Program Design
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- Post Proposed AP for 30-day public comment period
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August 31,  
2020

- Final Action Plan incorporating public comments due to HUD

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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
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