

# State of California Proposed Action Plan for Disaster Recovery

June 2020

For submission to the U.S. Department of Housing and Urban Development to fulfill requirements related to Community Development Block Grant (CDBG-DR) Funds in Response to 2018 Disasters (FEMA DR-4382 and DR-4407)



Department of Housing and Community Development  
State of California



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## **EXECUTIVE SUMMARY**

2018 was the deadliest year for wildfires in California’s history. In August 2018, the Carr Fire and the Mendocino Complex Fire erupted in northern California, followed in November 2018 by the Camp and Woolsey Fires. These were the most destructive and deadly of the dozens of fires to hit California that year. In total, it is estimated over 1.6 million acres burned during 2018.<sup>1</sup> The Camp Fire became California’s deadliest wildfire on record, with 85 fatalities.<sup>2</sup>

As a result, the Federal Emergency Management Agency (FEMA) made disaster assistance available for two presidentially declared disasters, DR-4407 covering Butte, Los Angeles, and Ventura counties, and DR-4382 covering Shasta and Lake counties. Many of these communities are now feeling the cumulative impact of several years of destructive fire activity, heightening the need for comprehensive, long-term recovery planning. 2017 and 2018 wildfires resulted in more wildfire-related property damage than the state has experienced in any two consecutive years.<sup>3</sup>

The impacts of these fires cannot be understated, many lives were lost, thousands of homes were destroyed, and residents, in some cases entire communities, have been forced to relocate. Billions of dollars in damage was caused to homes, businesses, and infrastructure throughout the state.

In recognition of the unmet recovery needs, an allocation of \$1,017,399,000 in Community Development Block Grant-Disaster Recovery (CDBG-DR) funds was granted to the State of California on January 27, 2020 through 85 FR 4681 under Public Laws 115–254 and 116–20, which cover DR-4382 and DR-4407. These funds are administered by the U.S. Department of Housing and Urban Development (HUD) and are intended primarily to assist housing recovery and to benefit low- and moderate-income households impacted by the fires.

The California Department of Housing and Community Development (HCD) is the lead and responsible agency for administering these CDBG-DR funds. Additionally, HCD has undertaken an extensive needs assessment to determine the specific priorities of the affected counties, which may include economic development and infrastructure activities in addition to housing. This assessment has included significant stakeholder outreach, including meetings and hearings with local government entities and residents of the impacted areas. The results of this needs assessment and the corresponding program areas and activities are outlined in this Action Plan, and stakeholder outreach will be ongoing throughout the life of this grant.

### **1. JULY-SEPTEMBER 2018 WILDFIRES (DR-4382)**

At the end of July 2018, several fires ignited in northern California, eventually burning over 680,000 acres. The Carr Fire, which began on July 23, 2018, was active for 164 days and burned 229,651 acres in total, the majority of which were in Shasta County. It is estimated that 1,614 structures were destroyed, and eight fatalities were confirmed.

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<sup>1</sup> California Department of Forestry and Fire Protection, 2018 Statistics and Events, <https://www.fire.ca.gov/stats-events/>. Retrieved 3/2/2020.

<sup>2</sup> California Department of Forestry and Fire Protection – Deadliest California Wildfires [https://www.fire.ca.gov/media/5512/top20\\_deadliest.pdf](https://www.fire.ca.gov/media/5512/top20_deadliest.pdf). September 27, 2019.

<sup>3</sup> 2019 Wildfire Risk Report. CoreLogic. [https://www.corelogic.com/downloadable-docs/wildfire-report\\_0919-01-screen.pdf](https://www.corelogic.com/downloadable-docs/wildfire-report_0919-01-screen.pdf)

The damage caused by this fire is estimated at approximately \$1.659 billion. Over a year since the fire, the county and residents are still struggling to rebuild, with the construction sector pressed beyond its limit with the increased demand.

The Mendocino Complex Fire, which began on July 27, 2018 and was active for 160 days, is the largest fire in California's history, burning a total of 459,123 acres. It was comprised of the River Fire and Ranch Fire, and impacted Mendocino, Lake, Colusa, and Glenn counties. Lake County was identified as a designated county by FEMA in its DR-4382 disaster declaration. The majority of the fire burned forested areas however 246 structures were destroyed and there was one fatality. It is believed the fires caused damages upwards of \$267 million. Lake County is experiencing the compounding impact of over 10 disasters since 2015, with over 60 percent of the county's land mass burned in the last few fire seasons.

## **2. NOVEMBER 2018 WILDFIRES (DR-4407)**

On November 8, 2018, the Camp and Woolsey wildfires ignited in Butte, Los Angeles, and Ventura counties. Together, the Camp and Woolsey wildfires claimed 89 lives and burned over 250,000 acres. These fires became some of the most destructive in California's History.

The Woolsey Fire spread quickly due to the southern blowing Santa Ana winds and destroyed 1,643 structures in Los Angeles and Ventura counties. This fire caused between \$3.5 billion and \$5.5 billion in damage to residential properties, according to a report released by CoreLogic. This is in a region already struggling with a housing shortage.

The Camp Fire in Butte County has become California's deadliest and most destructive wildfire on record and destroyed approximately 19,000 structures, including 14,000 homes. Tragically, 85 lives were lost. Nearly the entire Town of Paradise was destroyed in this fire, which moved quickly and was fueled by high winds. Some of the impacted residents are attempting to stay and rebuild, others to relocate within their county, to neighboring communities, or even further. This will all take place under the effects of a housing crisis already impacting California, with low vacancy rates and ever-increasing costs to rebuild.

## **3. ONGOING THREAT**

The intensity and scale of the 2018 wildfires were fueled by high temperatures, strong winds, and dry conditions. Dead and dying trees also continue to pose a wildfire risk, a condition largely brought on by years of drought. The United States Forest Service estimated that 18 million trees had died in California in 2018, bringing the total to over 147 million trees since droughts began in 2010. And while the rate of mortality has slowed in recent years since the drought officially ended in 2017, Thom Porter, CAL FIRE Director and California's state forester stated, "...the forests of California are still under significant stress. The stress of drought, insects, disease, and prolific wildfire will continue to challenge the resilience of the state's forests."

Extreme weather conditions brought on by climate change, such as the droughts of previous years, will continue to heighten the risk of wildfire activity in California. A study out of Columbia University in 2019 found that California's wildfire activity has increased eightfold in summertime forest-fire area, largely driven by the dry conditions brought on

by human-caused warming.<sup>4</sup> The resulting tree mortality contributed to the fast-moving and intense nature of the fires that devastated California in 2018.

It is estimated that nearly 650,000 residences in California are at either high or extreme risk of wildfire, and the reconstruction cost value of those properties is valued at over \$280 billion.<sup>5</sup> A McClatchy analysis identified more than 75 towns and cities with populations over 1,000 where, like Paradise, at least 90 percent of residents live within the Cal Fire “very high fire hazard severity zones,” and the total population living in these very high fire hazard severity zones is believed to be over 2.7 million.<sup>6</sup>

While agencies such as Cal Fire and U.S Forest Service make strides in fire and forest management, the state must plan and prepare for future events such as the disasters that hit in 2018. 2019 was a quieter wildfire season, but still saw several fires, including the Kincade Fire, which burned over 77,000 acres in Sonoma County.

#### **4. ANTICIPATED UNMET RECOVERY NEEDS**

The Needs Assessment section details quantified losses resulting from the disasters, resources available to address the identified losses (as of the publication of this document), and the remaining unmet recovery needs. As shown in the table below, the recovery needs far exceed the available resources.

Recognizing the requirement included in the Federal Register Notice to address housing needs first, HCD has determined that repairing and rebuilding owner-occupied and rental housing is the priority for CDBG-DR funding currently available to California.

HCD is committed to pursuing additional resources and leveraging other resources to support the statewide recovery effort. In addition, HCD is continuing to coordinate closely with local, state, and federal partners with respect to ongoing data collection efforts, identifying resources, and understanding how unmet needs evolve over time.

Federal Register Notice 85 FR 4681 outlines the methodology HUD used to determine serious unmet needs for the major disasters covered by Public Laws 115-254 and Public Law 116-20, HUD’s methodology typically uses FEMA Individual Assistance and SBA home loan registrations to calculate serious unmet needs. For its part, HCD recognizes the importance of using a more granular and locally informed unmet needs methodology to build the foundation for an equitable distribution of recovery funds. To accomplish this, HCD has elected to utilize more detailed information and alternative data sources, particularly CAL FIRE damage assessments, to qualify both the impacts and remaining unmet needs for disaster declared areas. HCD also takes very seriously a commitment to not just anti-discrimination of protected classes, but also to support for those individuals who may be disparately impacted. Therefore, HCD used demographic analyses to determine allocation methodologies and scoring priorities.

The following figure provides a summary of disaster impacts from DR-4382 and DR-4407 across three categories: housing, infrastructure, and economic revitalization.

<sup>4</sup> “Observed Impacts of Anthropogenic Climate Change on Wildfire in California.” Earth’s Future, Volume 7, Issue 8. July 15, 2019. <https://doi.org/10.1029/2019EF001210>

<sup>5</sup> 2019 Wildfire Risk Report. CoreLogic. [https://www.corelogic.com/downloadable-docs/wildfire-report\\_0919-01-screen.pdf](https://www.corelogic.com/downloadable-docs/wildfire-report_0919-01-screen.pdf)

<sup>6</sup> “These California communities could be the next Paradise. Is yours one of them?” April 11, 2019. The Sacramento Bee. <https://www.sacbee.com/news/california/fires/article227589484.html>



Funding awarded or obligated represents funding already made available to address these impacts; this includes FEMA, Small Business Administration, and insurance funding. The gap between total impact and available funding make up the unmet need. CDBG-DR funds must be used to address this unmet need and not duplicate or supplant other recovery funding. The availability of data shifts over the course of recovery; the unmet needs analysis uses the best available data at the time of analysis. As illustrated below, the major wildfires in California in 2018 caused approximately \$23 billion in total need, including housing, infrastructure, and economic factors. Almost \$16 billion of that need is covered through currently available funding sources, leaving an unmet need of \$7.2 billion.

**FIGURE 1: 2018 CDBG-DR ACTION PLAN: UNMET RECOVERY NEEDS SUMMARY**

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

## 5. PROPOSED USE OF CDBG-DR FUNDS

CDBG-DR is a flexible funding source, and may be spent on a variety of housing, infrastructure and economic revitalization projects and programs. However, per the Federal Register and HUD guidance, the state will prioritize housing and housing related needs first.

Due to federal regulations, all funds must be spent in areas that were impacted by the July-September 2018 and November 2018 fires. Of this, 80 percent must be spent in locations HUD has identified as the Most Impacted and Distressed (MID) Areas (these are all of Butte, Lake, Los Angeles, and Shasta counties). Finally, CDBG-DR requires at least 70 percent of funds must be spent to benefit low-to-moderate income (LMI) persons.

Using the unmet needs analysis as a guide, HCD proposes the following programs to be funded through this Action Plan:

**FIGURE 2: 2018 CDBG-DR BUDGET SUMMARY**

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%



Program	Program Allocation	Percentage of Total Program Allocation
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%

The majority of funds will be allocated to **housing** recovery programs. This includes the state-run **Owner-Occupied Rehabilitation and Reconstruction** Program which allows affected residents to apply directly to the state for grants up to \$200,000. The **multifamily housing** program will allow local governments to identify, select and submit potential projects to the state for eligibility and compliance review, approval, and funding. Local governments that receive funds will work with qualified developers and contractors to construct the developments. Assistance will also be available for the rehabilitation and reconstruction of **small rental properties** (properties with under five units total). Both the multifamily program and the small rental program are aimed at assisting renters impacted by the disasters.

With over \$2.8 billion in unmet **infrastructure** needs resulting from the 2018 fires, HCD determined that a significant investment in this program area was warranted. HCD has allocated funding for a Hazard Mitigation Grant Program (HMPG) match and for local infrastructure projects in support of housing.

Though **economic revitalization** made up only about 16 percent of the total unmet recovery need, it still resulted in an unmet need of over \$1 billion. HCD is therefore allocating \$40.7 million toward workforce development and grant program to address economic impacts of the 2018 fires.

**Planning** efforts at a local, regional, and state level are necessary to ensure fire-impacted areas rebuilt in a thoughtful and more resilient manner. HCD will allocate \$86.2 million toward planning efforts and to support local capacity building. Finally, HUD allows grantees to allocate up to five percent of the CDBG-DR grant to **administration**. HCD will use four percent to perform necessary grant administration functions such as required reporting, administering the single-family housing program and managing public engagement and hearings. The other one percent will be allocated to subrecipients to assist them in their local administration of projects.



## **6. CONCLUSION**

The State of California suffered tremendous devastation due to the 2018 wildfires. To assist in its recovery, over \$1 billion in CDBG-DR has been allocated through Public Law 115–254 and 116–20. HCD will administer these funds on behalf of the State of California and submits this Action Plan for Disaster Recovery to HUD as is required by the allocation. The Action Plan identifies disaster impacts and unmet recovery needs, provides an overview of the rules and regulations associated with CDBG-DR funding, outlines the proposed uses of the funds and how funds will be distributed to impacted residents and communities, and affords citizens with an opportunity to comment on the state’s recovery plan. The following Action Plan outlines HCD’s proposed activities to support recovery efforts across the State of California for DR-4382 and DR-4407. The proposed recovery activities include the state operated Owner-Occupied Housing Rehabilitation and Reconstruction program, assistance for small rentals and multifamily housing, FEMA HMGP match, dedicated infrastructure assistance for localities, and planning funds for state, regional, and local planning efforts.



## NEEDS ASSESSMENT

### 1. UNMET NEEDS ASSESSMENT

Although California has experienced an acute increase in wildfire activity in recent years, 2018 gains an unfortunate distinction as both the most destructive and deadliest season ever recorded. A total of 7,639 fires wrought destruction on over 2 million acres, a gross area larger than the state of Delaware. To fully understand the impacts and to better develop a long-term recovery strategy, the State of California has completed a comprehensive needs assessment for the 2018 disaster impact areas. The assessment specifically identifies the effects, long-term unmet needs, and priorities for the U.S. Department of Housing and Urban Development (HUD) allocated CDBG-DR funding intended to aid in recovery, resiliency, and future mitigation. As a vehicle of delivery, these funds have been allocated specifically to address unmet needs from two Presidentially declared disasters. The Major Disaster Declaration for [DR-4382](#) was issued on August 4, 2018 and covers Lake and Shasta Counties. The Major Disaster Declaration for [DR-4407](#) was issued on November 12, 2018 and covers Butte, Los Angeles, and Ventura Counties.

This assessment incorporates a comprehensive set of data sources that cover multiple geographies and sectors and was completed according to guidelines set forth by HUD in the January 27, 2020, Federal Register Notice (85 FR 4681). The assessment is based on data provided by State and federal agencies, the U.S. Federal Emergency Management Agency (FEMA), the U.S. Small Business Administration (SBA), the Census Bureau, the California Department of Insurance, impacted jurisdictions, local nonprofits, among other sources.

The Unmet Needs Assessment specifically concentrates analysis on the five counties covered in the Federal Disaster Declaration, with added emphasis on the HUD identified Most Impacted & Distressed (MID) areas of Shasta County, Lake County, Butte County and Los Angeles County. The analysis evaluates impacts and needs concentrated in three major areas: Housing, Infrastructure, and Economic Impact / Revitalization.

Figure 3 below summarizes the four major fires, the nine counties impacted by the disasters, the five counties identified by the Federally-Declared Disaster Declarations, and the four counties identified by HUD as Most Impacted & Distressed (MID).

**FIGURE 3: DISASTER DESIGNATIONS**

Event	Impacted Counties	Federally Declared Disaster	HUD Most Impacted & Distressed Area
Carr	Shasta County	DR-4382	●
	Trinity County		
Mendocino Complex (Ranch & River Fires)	Lake County	DR-4382	●
	Colusa County		
	Mendocino County		
	Glenn County		
Camp	Butte County	DR-4407	●
Woolsey	Los Angeles County	DR-4407	●

Event	Impacted Counties	Federally Declared Disaster	HUD Most Impacted & Distressed Area
	Ventura County	DR-4407	

Figure 4 and Figure 5 below show the counties under the two Federal Disaster Declarations. FEMA Individual Assistance (IA) and Public Assistance (PA) funding is flowing to these designated counties.

**FIGURE 4: FEMA 4382 DECLARATION**

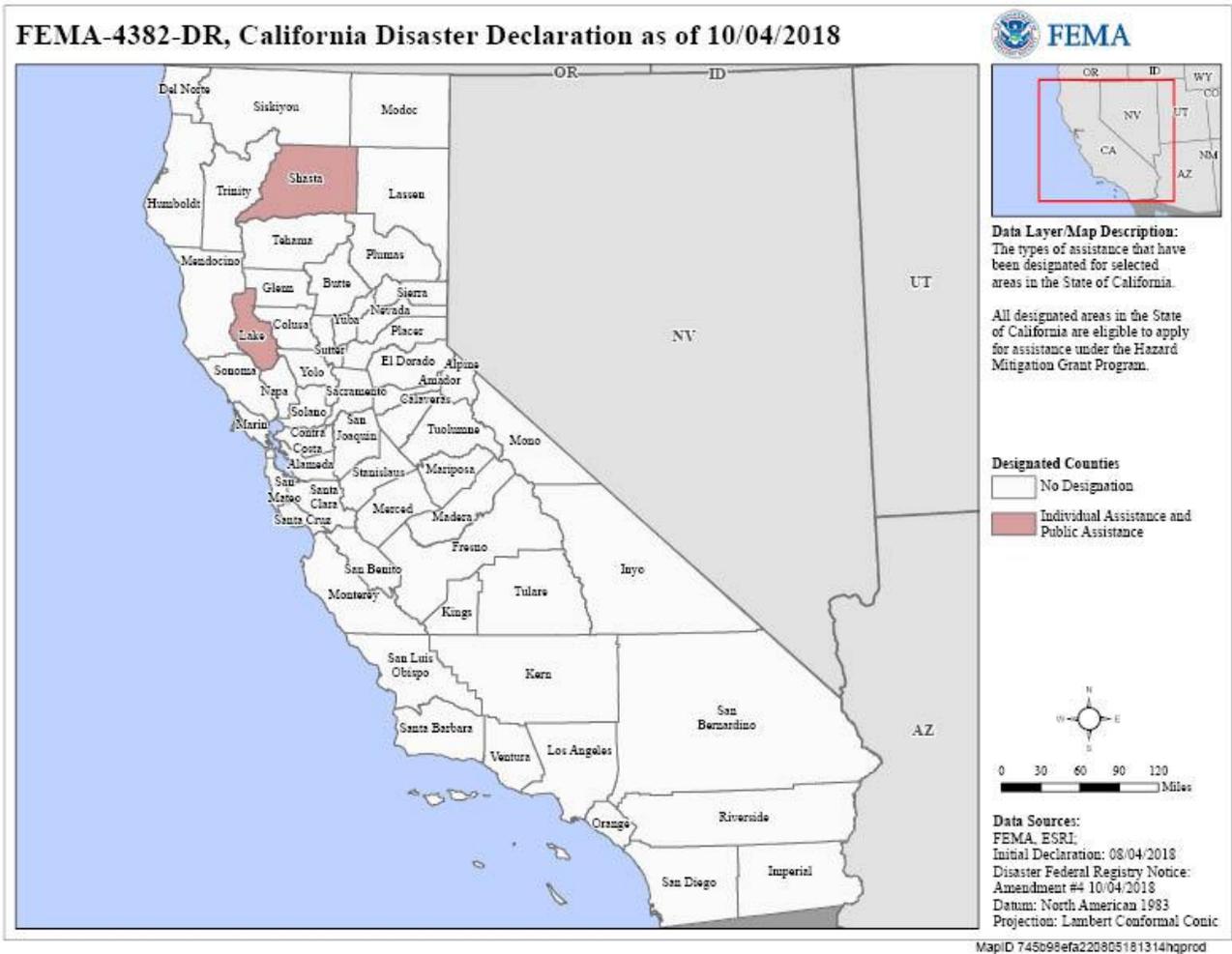
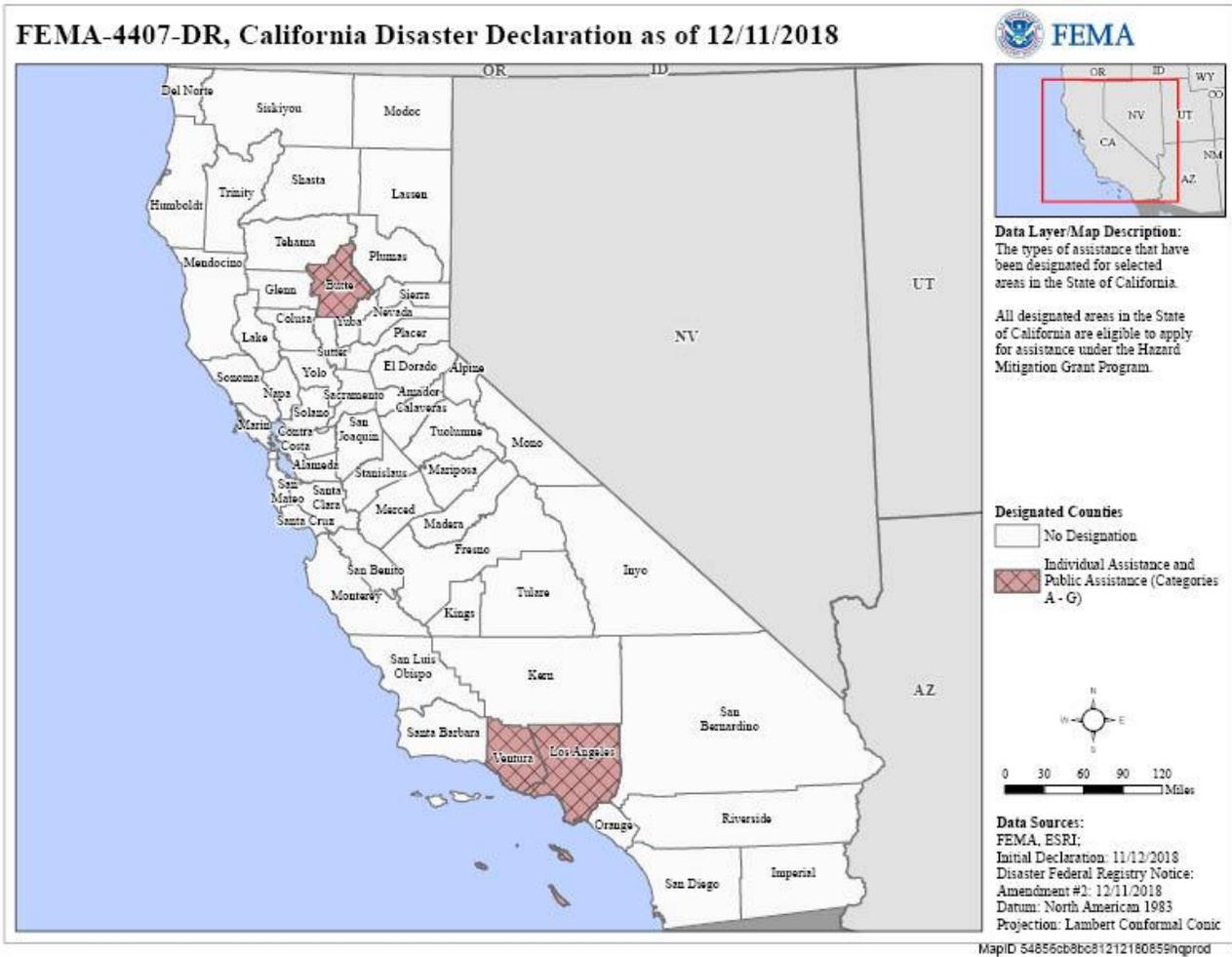


FIGURE 5: FEMA 4407 DECLARATION



### A. Unmet Needs Summary

The major wildfires in California in 2018 caused approximately \$23 billion in total need, including housing, infrastructure, and economic factors. Almost \$16 billion of that need is covered through currently available funding sources, leaving an unmet need of \$7.2 billion. As additional loss estimates are determined and made available, this need is expected to grow.<sup>7</sup> Of the total unmet need, housing accounts for 45 percent, infrastructure 39 percent, and economic revitalization 16 percent of the need. These proportions may shift as additional needs are identified, additional sources of funds are determined, and as replacement/repair estimates become more refined.

<sup>7</sup> This is particularly true of infrastructure costs due to the size and complexity of those projects.



FIGURE 6: UNMET NEEDS SUMMARY

2018 CDBG-DR Action Plan: Unmet Needs Summary

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

Housing

	Loss/Need (-)	Funding Awarded or Obligated (+)	Unmet Need (=)
Residential Property Loss	\$14,876,576,401		\$14,876,576,401
Public Housing Loss	\$-		\$-
FEMA Individual Assistance (IA)		\$98,316,794	\$(98,316,794)
<i>FEMA Housing Assistance (HA)</i>		\$64,381,734	\$(64,381,734)
<i>FEMA Other Needs Assistance (ONA)</i>		\$33,935,059	\$(33,935,059)
FEMA Rental Assistance		\$23,382,303	\$(23,382,303)
SBA Loans: Residential		\$132,915,500	\$(132,915,500)
CalHome		\$57,008,200	\$(57,008,200)
Community Housing Improvement Program (CHIP) Grant for Paradise Community Village		\$580,000	\$(580,000)
Private Insurance Payments		\$11,338,993,359	\$11,338,993,359
<b>Total Housing</b>	<b>\$14,876,576,401</b>	<b>\$11,651,196,156</b>	<b>\$3,225,380,246</b>

Infrastructure

	Loss/Need (-)	Funding Awarded or Obligated (+)	Unmet Need (=)
Response: Debris Removal	\$4,083,130,524		\$4,083,130,524
Response: Fire Suppression	\$559,232,614		\$559,232,614
Infrastructure & Public Facilities Damage/Need	\$1,001,265,361		\$1,001,265,361
Cal Fire Funds		\$440,000,000	\$(440,000,000)
FEMA Public Assistance		\$1,922,796,522	\$(1,922,796,522)

# State of California 2018 CDBG-DR Action Plan

Department of Housing and Community Development



	Loss/Need (-)	Funding Awarded or Obligated (+)	Unmet Need (=)
(PA)			
FEMA PA Emergency Work		\$1,694,517,544	\$(1,694,517,544)
FEMA PA Permanent Work		\$190,253,583	\$(190,253,583)
FEMA PA Admin Costs		\$38,025,394	\$(38,025,394)
FEMA HMGP		\$110,663,253	\$(110,663,253)
FEMA Mission Assignments		\$313,720,350	\$(313,720,350)
California Legislature Backfill		\$14,600,000	\$(14,600,000)
Insurance Payments (Paradise Irrigation District)		\$3,500,000	\$(3,500,000)
<b>Total Infrastructure</b>		<b>\$2,805,280,125</b>	<b>\$2,838,348,374</b>

## Economic Revitalization

	Loss/Need (-)	Funding Awarded or Obligated (+)	Unmet Need (=)
Commercial Property Loss	\$1,566,536,326		\$1,566,536,326
Business Interruptions	\$600,000,000		\$600,000,000
Government Revenue Loss	\$192,800,000		\$192,800,000
Agricultura Loss	\$77,489,208		\$77,489,208
Tourism Loss	\$15,000,000		\$15,000,000
SBA Loans: Business/Economic Injury Disaster Loans (EIDL)		\$61,755,900	\$(61,755,900)
U.S. Department of Commerce: workforce training and emergency management grant		\$7,400,000	\$(7,400,000)
California Employment Development Department: grant for Butte County		\$999,500	\$(999,500)
U.S. EDA Disaster Relief		\$200,000	\$(200,000)
Disaster Unemployment Assistance (DUA)		\$2,077,255	\$(2,077,255)
Private Insurance Payments		\$1,210,414,962	\$(1,210,414,962)
<b>Total Economic Revitalization</b>	<b>\$2,451,825,534</b>	<b>\$1,282,847,617</b>	<b>\$1,168,977,918</b>

Source: California Department of Insurance, FEMA Individual Assistance, CalHome, Paradise Community Village, CAL FIRE, FEMA Public Assistance, FEMA HMGP, Paradise Irrigation District, US SBA, US EDA, US Department of Commerce, California Employment Development Department

## B. Data Availability and Scope of Analysis

To understand the totality of response and recovery needs for disaster impacted communities, the use of quantitative and qualitative data analysis is critically important but somewhat challenging. Specifically, the availability of data shifts over the course of a recovery and complicates the ability to paint an accurate and all-encompassing portrait of how a community was impacted by a disaster event. It is for this reason that HCD uses the best available data at the time of the analysis, and qualifies results as solely based on the data utilized, at the time it was used. HCD will amend the Unmet Needs Assessment and the Action Plan as required to account for updated circumstances and new data. The foundation of this Unmet Needs Assessment is based on data sources that provide consistent, replicable data across all four of the MID areas to ensure the most accurate comparisons across the MID areas. HCD strives to provide the most detailed analysis reasonably achievable, accounting for the variability in data availability from community to community. However, efforts were made to ensure consistent or comparable data was used across counties wherever possible. An overview of the core data sources is outlined below, followed by a discussion of the methodology utilized to perform this Unmet Needs Assessment.

### A Note on Covid-19

To comply with HUD requirements, this unmet needs analysis and any programming resulting from this analysis must be tied to the impacts of only the DR-4407 and DR-4382 disasters. Without knowing the full impacts, the unprecedented and evolving COVID-19 crisis will have on the State of California, the demographics and trends outlined in this Action Plan must be based on verified data, which will ultimately be based previous years' information. While this may no longer reflect the felt reality of the State's economy, workforce, or housing, it is the most accurate data from the time of the fires and the immediate aftermath and reflects the impact of the scope of the applicable disasters allowed by HUD per the Federal Register Notice, 85 FR 4681.

## C. Overview of National and State-Wide Data Sources

The following provides an overview of the core data sources used in the Unmet Needs calculation. These data sets are available either at the national or state-wide level.

*U.S. Federal Emergency Management Agency Individual Assistance (FEMA IA)* – FEMA provides direct assistance to individuals and households through the IA program. Individuals and households must voluntarily register for IA assistance. FEMA IA registrations are based on information provided by disaster survivors applying for assistance from the program and from information collected by a FEMA inspector responsible for determining loss based on FEMA's standard loss verification method, including inspection (onsite or geospatial), and may include review of available documentation. The FEMA IA data includes information on both renters and owners. FEMA IA provides Housing Assistance (HA) awards to homeowners to repair or replace an owner-occupied residence to a habitable condition, not to return a home to its pre-disaster condition. HA awards also aid owners and renters for short term lodging and rental assistance for temporary housing when they are displaced from their primary residence. In addition, individuals may be eligible for Other Needs Assistance (ONA), which can assist with various expenses ranging from loss of personal property to transportation to funeral and medical expenses.



*U.S. Small Business Administration (SBA)* – Despite the Administration’s name, the SBA Disaster Loan Assistance program also assist impacted homeowners, renters, and businesses. Like FEMA IA, this is a voluntary program and therefore applicant information is based on individuals who pursue assistance through this program. The program provides low-interest loans to renters and homeowners to repair or replace personal property damaged or destroyed in the disaster. In addition, homeowners may receive low-interest loans to repair or replace their primary residence to pre-disaster condition. As a low-interest loan program, SBA residential loans tend to be used more by homeowners than renters as they are often those who feel able to take out a loan. Compared to FEMA loss values, which only cover the cost for repair and replacement, SBA verified loss amounts tend to be higher as they are based on the full cost to restore a home. Rental properties may be eligible for business loans through SBA. SBA also provides businesses and non-profits with Business Physical Disaster Loans to use to repair or replace real property, inventory, machinery, etc. and Economic Injury Disaster Loans (EIDL), which can provide working capital for operating expenses.

*CAL FIRE Damage Inspection* – As the state fire agency, CAL FIRE deploys inspectors after all disasters within the State of California. Using ArcGIS, inspectors use parcel maps to document damage by property. The damage inspection includes parcel, address, structure type, construction type, damage categories, and vegetation clearance information for all impacted properties. This parcel by parcel survey includes conventionally built homes, mobile homes, manufactured homes, outbuildings and detached structures, and commercial structures. This parcel level assessment provides a more robust picture of structural damage but does not include information on the occupants. The CAL FIRE data proved most effective at identifying destroyed structures,<sup>8</sup> which account for 94 percent of all damaged structures identified in the data.

*California Department of Insurance Claims* – While floods and hurricanes can rely on National Flood Insurance Program data, fire damage must be collected from individual insurance companies as there is no comparable national fire insurance program. The CA Department of Insurance, however, collected data from private insurance companies in California specific to the 2018 wildfires, and provided information aggregated at the county level on the number of claims and privately insured losses for homeowners and businesses for the 2018 fires.<sup>9</sup>

Ultimately, no single data source accurately captures the population impacted by DR-4382 and DR-4407. This Action Plan and Unmet Needs analysis captures a point in time and reflects the best available data at the time of its publication, using data available state-wide as the foundation for the calculation and supplementing the data sources with locally available information.

## **D. Data Analysis Methodology**

When determining the method of aid distribution to disaster impacted communities, HUD typically uses a combination of data sources to calculate serious unmet needs. Federal Register Notice 85 FR 4681 outlines the methodology HUD used to determine serious unmet needs for the major disasters covered by Public Laws 115-254 and Public Law

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<sup>8</sup> Destroyed structures are those that are more than 50 percent damaged.

<sup>9</sup> HCD requested address level insurance claim information for disaster impacted households but household level information on claims was not available.



116-20. Specific to the disaster events covered under this Action Plan, HUD's unmet need calculation utilized a combination of FEMA Individual Assistance, Public Assistance and Small Business Administration (SBA) data to qualify impacts to housing, the economy and infrastructure of Presidentially declared disaster areas. Specific to Housing, HUD utilized home inspection data from the FEMA Individual Assistance Program and the Small Business Administration (SBA) disaster loan programs. For estimating serious unmet economic revitalization needs, HUD relied on data from SBA disaster loans to business; and for infrastructure needs, HUD used data from the FEMA Public Assistance program on permanent public infrastructure projects (FEMA Category C-G) costs.

For its part, HCD recognizes the importance of using a more granular and locally informed unmet needs methodology to build the foundation for an equitable distribution of recovery funds. To accomplish this, HCD has elected to utilize more detailed information and alternative data sources to qualify both the impacts and remaining unmet needs for disaster declared areas.

While the use of FEMA IA and SBA data has overwhelmingly been used as the acceptable standard for quantifying damage and need in disaster impacted areas, our review of the available data from these agencies found it to be inadequate. Specifically, the number of Individual Assistance and SBA loan applications was significantly less than the known number of substantially damaged or destroyed properties within these areas. Our analysis found that FEMA also did not inspect the overwhelming majority of applicants' homes due to their policy of denying the assistance requests of applicants that indicated that they either had insurance or they were initially approved for SBA loans. Regardless of approval numbers, the aggregate total of eligible FEMA IA recipients and SBA Loan recipients still appears to dramatically under-represent the universe of fire-impacted properties, both owner- and renter-occupied.

To qualify this disparity, HCD utilized data provided by the California Department of Insurance (CDOI) and the Department of Forestry and Fire Protection (CAL FIRE) to more completely ascertain the impact to owner-occupied, rental and commercial properties within the Presidentially declared counties.

The CDOI data indicates 42,880 claims were made for residential personal properties with direct insured losses in excess of \$11.4 billion. Commercial property losses (which include apartments and condominium complexes) totaled 3,195 with direct insured losses in excess of \$1.36 billion. The SBA losses are significantly less, with 12,877 applications and only 8,178 applications determined to have verified loss; the total loss captured in the SBA home loan data totals \$2.26 billion. That loss amount is less than 20 percent of the total insurance loss value, demonstrating how significantly the SBA data underrepresents the personal property losses associated with California's 2018 wildfires.

The FEMA IA data appears to be even more disparate. It shows the program received 31,338 applications, of which only 10,475 had a FEMA Verified Loss (FVL) greater than \$0. The total FVL for all FEMA IA applicants is \$0.4 billion, which is only three percent of the insured loss total for residential personal property reported by the CDOI. Regarding commercial property, the SBA data includes 2,425 applicants and only 1,659 with verified loss. The total verified loss is \$0.8 billion according to the SBA, which is



only 59 percent of the loss demonstrated in the CDOI data. For the commercial business loss calculation, HCD relied on the CDOI data as it appears to provide the most complete accounting of the business loss.

While the data gathered from CAL FIRE does not include monetary loss estimates, it does represent the greatest number of damaged structures among the available datasets, and further outlines structure type and level of damage for each. The dataset includes 17,400 residential structures with some level of damage; more than twice the number in the SBA home loan dataset and nearly 70 percent more than represented in the FEMA IA dataset.

In the calculation of unmet needs, CAL FIRE data was only used for the housing calculation, using the residential structures information, including Single Family, Multifamily, and Mobile Home structures to establish a baseline of known damage within the impacted areas.

HCD understands that HUD and the public is accustomed to the use of both FEMA IA and SBA data when performing unmet needs analyses and thus provides further detail on its use of alternate data sources in the corresponding sections.

## 2. BACKGROUND

The State of California completed the unmet needs assessment to identify the long-term needs and priorities for CDBG-DR funding allocated as a result of the wildfire events in 2018. The needs assessment evaluates the effects of four major wildfire events. In 2018, California had the following major wildfires: Camp, Carr, Mendocino Complex (a combination of the River and Ranch Fires), and the Woolsey fires. These fires affected 9 counties in total. Five of the nine were disaster-declared counties and four are considered MID areas per the HUD Federal Register Notice of January 27, 2020.

**FIGURE 7: DISASTER DECLARED AREAS**

Event	FEMA Presidentially Declared Disaster Areas		HUD CDBG-DR Most Impacted & Distressed Areas
Fire Name	Declaration	County	County
Mendocino Complex	DR-4382	Lake County	Lake County
Carr Fire		Shasta County	Shasta County
Camp Fire	DR-4407	Butte County	Butte County
Woolsey Fire		Los Angeles County	Los Angeles County
		Ventura County	

Source: FEMA Disaster Declarations, HUD Federal Register Notice 85 FR 4681

Depending on the scale of the information available, the analysis may present data for the four major wildfires, for the five Presidentially declared disaster counties, and/or for the four MID counties. As specified in Federal Register Notice (85 FR 4681), 80 percent

of all allocated funds are required to be spent in the four HUD identified Most Impacted and Distressed (MID) areas. However, the State is committed to also addressing unmet needs in Ventura County and will do so within the budgetary allotment allowed by HUD.

Three of the four declared areas, the Camp Fire, Carr Fire, and Mendocino Complex, were in more rural areas of Northern California. The Woolsey Fire was in Southern California, west of the City of Los Angeles, was much closer to large urban centers. As can be seen in Figure 87, for each of the fires or complexes, the MID areas were designated county-wide but did not necessarily encompass all counties with impacted communities. Woolsey Fire, for example, burned in Ventura County, but Ventura County was not included in the MID.

**FIGURE 8: MOST IMPACTED AND DISTRESSED AREAS – NORTHERN COUNTIES**



Source: CAL FIRE

**FIGURE 9: MOST IMPACTED AND DISTRESSED AREAS – SOUTHERN COUNTIES**



Source: CAL FIRE

### 3. THE DISASTERS

Four major wildfires ripped through northern and southern California in 2018: Camp, Carr, Mendocino Complex, and Woolsey Fires. The Camp Fire was the most destructive wildfire in recorded history and world’s costliest natural disaster in 2018 according to a report by Munich Re, a reinsurance fund. It was also California’s deadliest wildfire, resulting in 85 fatalities. In total, 939,059 acres burned from the four wildfires, an area 1.2 times the size of the state of Rhode Island. Sadly, 22,341 structures were damaged or destroyed, the vast majority of them (18,804) in the Camp Fire. The remaining wildfires in California in 2018 covered a larger footprint of 1,024,042 acres, but only resulted in 1,885 damaged or destroyed structures. Thus, over 92 percent of the structural damaged for 2018 was in less than half of the total affected acreage for all fires in 2018.

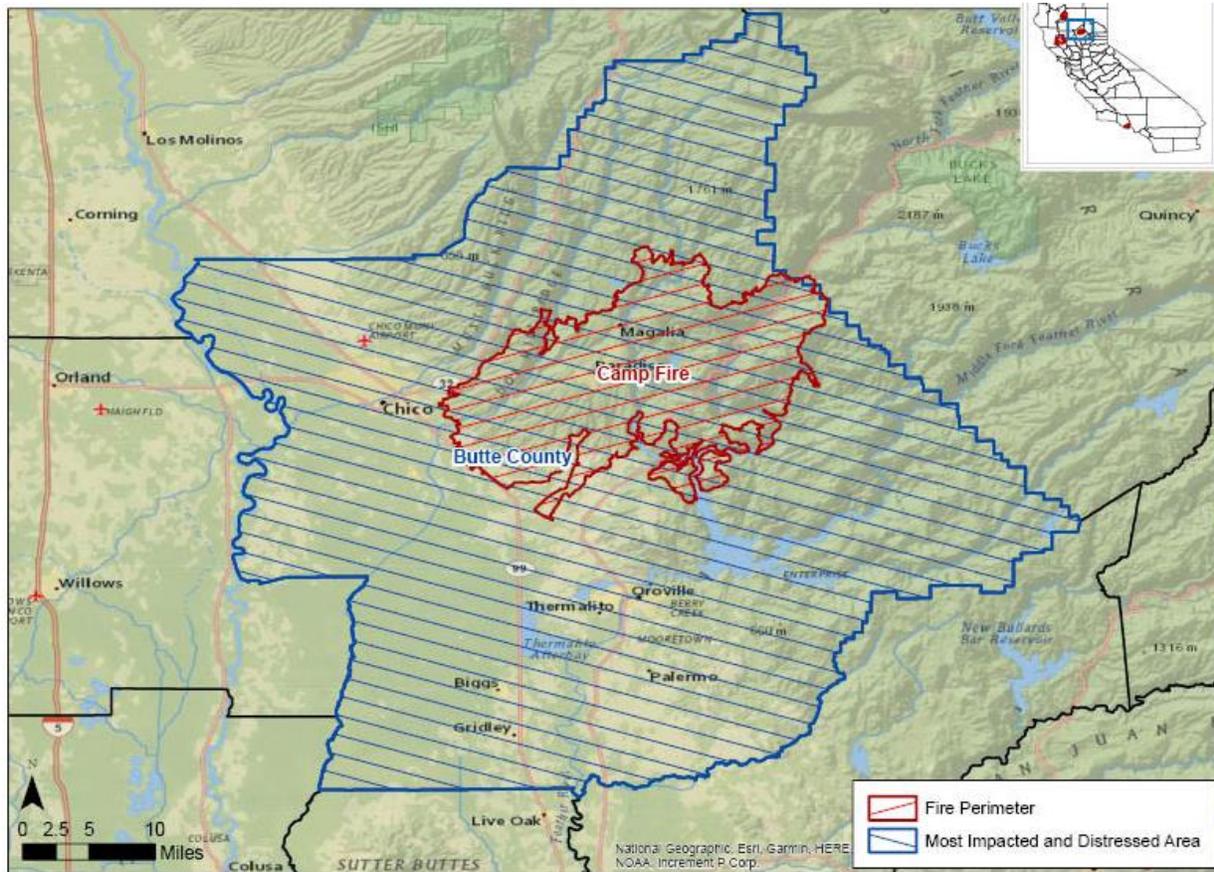
Tragically, 97 people lost their lives as a result of these four fires. Considering that the

other 7,635 California fires in 2018 caused only three fatalities, the gravity and severity of these major wildfires is apparent.

### A. The Camp Fire

The Camp Fire in northern California was centered in Butte County and was the deadliest and most destructive fire in California history. The fire burned 153,336 acres and destroyed 18,804 structures, including nearly 14,000 residences. Over 52,000 people were evacuated because of the fire.<sup>10</sup> Tragically, the fire claimed 85 lives. The majority of the deaths were in Paradise, but according to Butte County Sheriff’s Office records, the towns of Concow, Magalia, and Chico also reported deaths. An additional 50 deaths have been attributed to the secondary impacts of the fire.<sup>11</sup> The fire burned almost entirely within Butte County, which was designated as MID (see Figure 9). Despite being outside the burn areas, nearby cities and town like Chico and Oroville were significantly impacted by the fire, from impacts on resident health as smoke settled into the area for weeks, to increased pressure on the already limited housing stock, to significant wear and tear on road infrastructure due to significant increases in volume of heavy machinery on their roads.

FIGURE 10: CAMP FIRE



<sup>10</sup> “Camp Fire: Latest Numbers and Information,” *Action News Now*, November 8, 2018, updated December 17, 2018, <https://www.actionnewsnow.com/content/news/CAL-FIRE-Butte-County--500045591.html>

<sup>11</sup> “Camp Fire: Official tally is 85 deaths, but we found 50 more” *Mercury News*, February 15, 2020, <https://www.mercurynews.com/2020/02/15/official-camp-fire-tally-is-85-deaths-but-we-found-50-more/>

The fire started the morning of November 8, 2018, on Camp Creek Road in Butte County. The towns of Paradise and Concow were mostly burned to the ground in the first day of the fire. The fire spread so quickly that many residents were unable to evacuate to safety before the fire arrived. As such, getting people out alive was the critical priority, putting aside efforts to control and contain the fire. Dry and windy conditions made containment all the more challenging.<sup>12</sup> The fire lasted 17 days until it was contained on November 25, 2018. On that date, 296 people were still unaccounted for by the Butte County Sheriff.<sup>13</sup> Malfunctioning Pacific Gas & Electric (PG&E) electrical transmission lines near Pulga, California, were ultimately determined as a cause of the Camp Fire.<sup>14</sup> Additionally as a result of this fire, the State of California's Department of Toxic Substance Control (DTSC)<sup>15</sup> removed household hazardous waste from 13,328 parcels.<sup>16</sup>

## B. The Carr Fire

The Carr Fire was centered in the western edge of Shasta County, crossing into Trinity County. The Carr Fire first ignited on July 23, 2018, after a trailer's tire blew out. The rim of the tire made contact with the pavement, shooting sparks into the dry brush, and igniting a blaze that ran up California's Highway 299. The blaze was exacerbated by triple-digit temperatures and dry winds.<sup>17</sup> On July 26, the fire jumped the Sacramento River, reaching the city of Redding, where 38,000 people were evacuated. In addition, evacuations took place in Summit City, Keswick, Lewiston, Shasta Lake City, Igo, Ono, and French Gulch. The Carr Fire was the seventh-largest, eighth-most destructive, and fourteenth-deadliest California wildfire in history, with 1,614 structures destroyed, 229,651 acres burned in two counties, and two deaths. In the small town of Keswick (2010 population: 451), only 2 of its approximately 50 homes remained standing; the rest were completely destroyed or heavily damaged. The DTSC removed household hazardous waste from 1,180 parcels.<sup>18</sup>

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<sup>12</sup> "Camp Fire and Woolsey Fire" Homeland Security Digital Library, <https://www.hsdl.org/c/tl/camp-woolsey-fire/>

<sup>13</sup> Butte County Sheriff Twitter feed, <https://twitter.com/ButteSheriff/status/1066896571248259072>

<sup>14</sup> "PG&E power lines to blame for California's deadliest wildfire ever, officials say," The Washington Post, May 15, 2019, <https://www.washingtonpost.com/nation/2019/05/15/camp-fire-caused-by-electrical-lines-owned-operated-by-pge-authorities-say/>

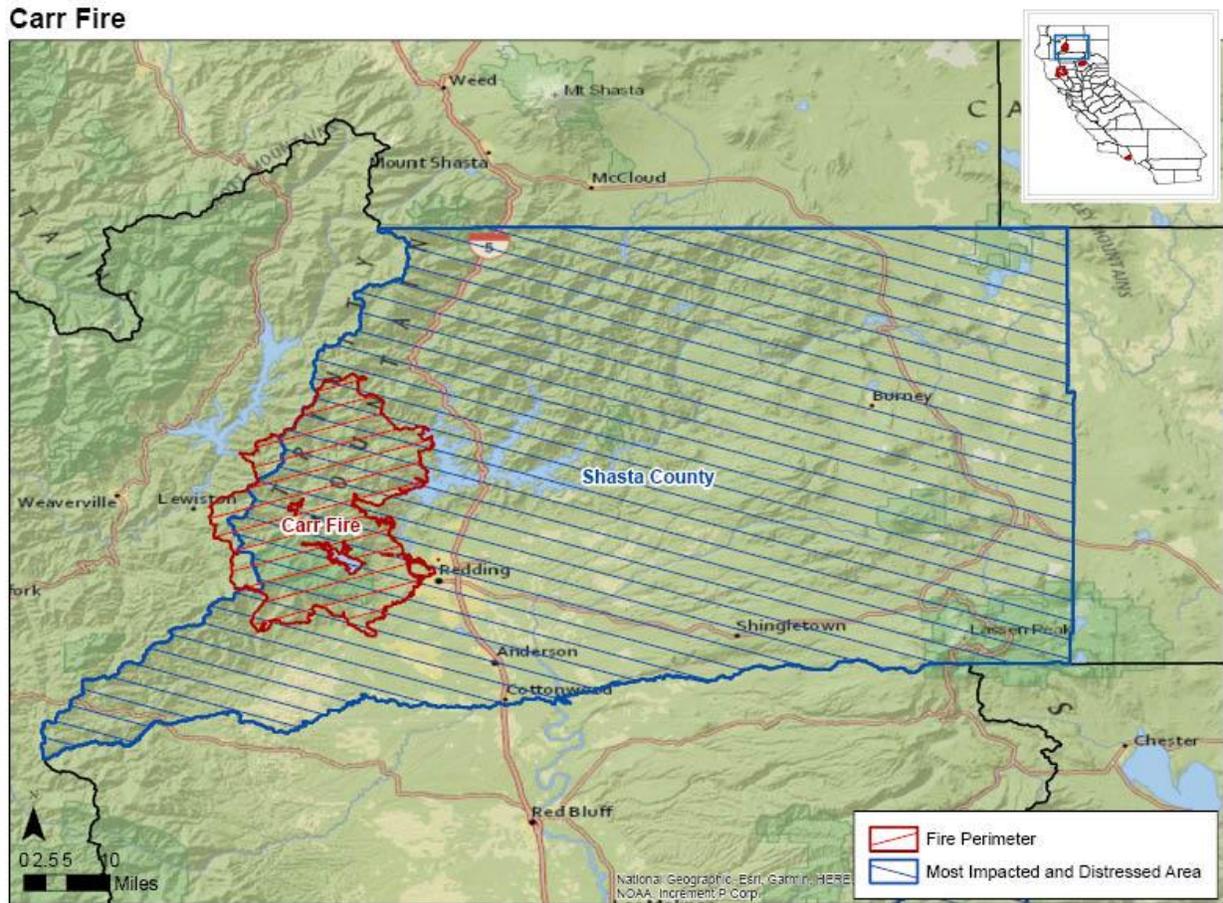
<sup>15</sup> "Disaster Related Hazardous Waste Removal," California Department of Toxic Substances Control, <https://dtsc.ca.gov/erp/disaster-related-hazardous-waste-removal/>

<sup>16</sup> <https://maps.arcgis.com/apps/webappviewer/index.html?id=3b84da0eedd24c6a97e25d994d81f226>, accessed 3/5/20.

<sup>17</sup> "The fire that caused widespread devastation in Northern California was started by a flat tire" The Business Insider, August 6, 2018, <https://www.businessinsider.com/california-fire-caused-by-flat-tire-officials-say-2018-8>

<sup>18</sup> <https://dtsc.maps.arcgis.com/apps/opsdashboard/index.html#/ac68be696d0d46688349a9d31c62205f>

FIGURE 11: CARR FIRE

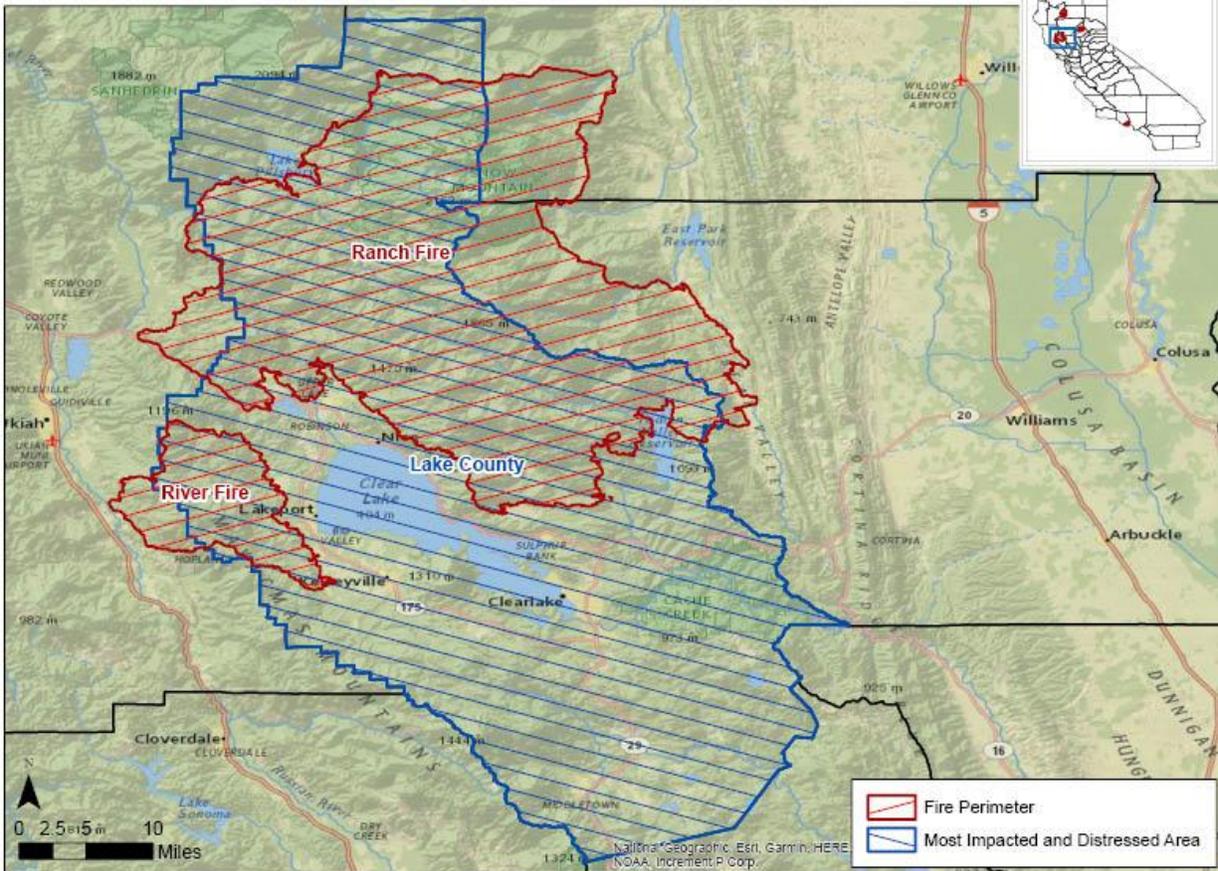


### C. The Mendocino Complex (Ranch Fire and River Fire)

The Mendocino Complex Fire was the largest California wildfire in history, with 459,123 acres burning in four counties, 63 percent bigger than the second-largest fire in history. It was composed of the Ranch Fire, which burned north of Clear Lake including large portions of the Mendocino National Forest, and the River Fire, which burned west of Clear Lake. Both were centered in Lake County. Lake County was designated as MID (see Figure 12), where most of the commercial and residential structure damage occurred. However, the fire burned in surrounding counties as well including Colusa and Glenn Counties, where it primarily burned National Forest land, and in Mendocino County, where a dozen residential structures were burned. Over the last 5 years, Lake County – which has had fires in 2015, 2016, 2017, and 2018 – has seen over 70 percent of its land mass burned.

FIGURE 12: MENDOCINO COMPLEX

Mendocino Complex



Source: CAL FIRE, HUD 2015 ACS Low- and Moderate-Income data, Federal Register Notice 85 FR 4881

The Ranch Fire alone burned a total of 410,203 acres, destroyed 280 structures, and caused one firefighter fatality and three firefighter injuries. It was caused by a “spark or hot metal fragments landing in a receptive fuel bed the spark or hot metal fragment came from a hammer that was driving a metal stake into the ground.”<sup>19</sup> DTSC removed household hazardous waste from 194 properties.<sup>20</sup>

**D. The Woolsey Fire**

The Woolsey Fire burned near the boundary of Los Angeles County and Ventura County. The fires threatened Thousand Oaks and Malibu, burning 96,949 acres. More than 250,000 people were evacuated, larger than the entire population of Fremont, CA.<sup>21</sup> The Woolsey Fire was the seventh most destructive fire wildfire in California history, with 1,643 structures destroyed. In the Seminole Springs Mobile Home Park, 110 of 215 mobile homes burned.<sup>22</sup> The Woolsey Fire burned 83 percent of National Park Lands in

<sup>19</sup> “CAL FIRE investigators release cause of 2018 Ranch Fire,” KCRA, June 6, 2019, <https://www.kcra.com/article/cal-fire-investigators-release-cause-2018-ranch-mendocino-fire/27793658>

<sup>20</sup> <https://dtsc.maps.arcgis.com/apps/opsdashboard/index.html#/3645207a4501464ea51d138a34c0e750>, accessed 3/5/20

<sup>21</sup> “County of Los Angeles: After Action Review of the Woolsey Fire Incident,” Citygate Associates, LLC, November 17, 2019, <https://lacounty.gov/wp-content/uploads/Citygate-After-Action-Review-of-the-Woolsey-Fire-Incident-11-17-19.pdf>

<sup>22</sup> “The Woolsey Fire destroyed 110 homes in this mobile home park. No one has moved back yet,” VC Star, November 5, 2019, <https://www.vcstar.com/story/news/2019/11/05/woolsey-fire-seminole-springs-mobile-home-park-california-wildfire/3909997002/>

the Santa Monica Mountains National Recreation Area. While the majority of the damage was in Los Angeles County, significant damage also occurred in Ventura County.

**FIGURE 13: WOOLSEY FIRE**



Source: CAL FIRE, HUD 2015 ACS Low- and Moderate-Income data, Federal Register Notice 85 FR 4881

Los Angeles County is included in the MID area; however, Ventura County is not. Due to the extent of the impacts to Ventura County, those impacts are included throughout this report.

After an investigation from the Ventura County Fire Department, a report said that utility company Southern California Edison's electrical equipment caused the fire.<sup>23</sup> DTSC removed household hazardous waste from 1,422 properties for Los Angeles<sup>24</sup> and 297 properties for Ventura.<sup>25</sup>

### E. Smoke and Air Quality

The 2018 fires resulted in air quality in Northern California ranking among the worst in the world, with higher pollution levels than many of the most polluted cities in China and India. Air quality got so bad during the fires that on November 16, San Francisco, Stockton, and Sacramento ranked as the world's three "most polluted cities."<sup>26</sup> The smoke, however, did not stay just in Northern California; it reached as far east as New

<sup>23</sup> "Power company says it is likely responsible for starting one of the most destructive fires in California history," CNN, October 30, 2019, <https://www.cnn.com/2019/10/30/us/southern-california-edison-responsible-woolsey-fire/index.html>  
<sup>24</sup> <https://dtsc.maps.arcgis.com/apps/webappviewer/index.html?id=54356b4935134203a0f5f5838ff6aca>, accessed 3/5/20  
<sup>25</sup> <https://dtsc.maps.arcgis.com/apps/webappviewer/index.html?id=d6b1f73678c843bc986ed9fb26b86b96>, accessed 3/5/20  
<sup>26</sup> "Camp Fire and Woolsey Fire," Homeland Security Digital Library, November 8, 2018, <https://www.hsdl.org/c/tl/camp-woolsey-fire/>

York City. NASA Worldview Satellite Imagery (see Figure 14 through Figure 16) clearly shows the extent of the smoke from the day the Camp Fire started on November 8, 2018 as it began to blanket much of Northern California, growing in size and remaining for weeks.<sup>27</sup>

In California, the smoke impacts were extensive. At least 27 colleges and universities were closed, including California State University Chico, Stanford University, UC Davis, UC Berkeley, and numerous other California State Universities, city colleges, and private colleges.<sup>28</sup> Transit operations were impacted including removing cable cars from operation in San Francisco, 150 miles from the source of the smoke. Residents across California, from Los Angeles to Chico, were advised to stay indoors and wear protective masks to reduce the health impacts of the wildfire smoke. Even when wildfire smoke is strictly from woodsmoke and does not contain smoke from burnt industrial and household structures, it contains some of the same toxic chemicals found in city pollution.<sup>29</sup>

Despite the impacts to everyday life they caused, school closures and expansive calls for people to remain indoors were important safety recommendations as exposure to wildfire can have serious health impacts. During the 2018 fires, hospitals saw an increase in patients with breathing problems, with as much as a 43 percent increase in respiratory diagnoses reported at Adventist Health Clear Lake, near the Mendocino Complex.<sup>30</sup> Exposure to wildfire smoke can result in headaches, irritation of eyes, nose sinuses, throat, and bronchi resulting in sneezing, coughing, and shortness of breath. These symptoms can impact healthy populations but are particularly concerning among the very young, the elderly, and individuals who already have health conditions that impair breathing, such as asthma. In some instances, research indicates that smoke may lead to increased mortality.<sup>31</sup> Very small particulates contained in smoke, less than 2.5 micrometers, pose the most concerning risk and may increase heart risk by getting into the respiratory system and crossing into the bloodstream.<sup>32</sup> The long-term health impacts of prolonged wildfire smoke exposure are still being studied, but researchers like Dr. Nadeau, a Stanford University pediatric allergy and asthma specialist, warn that short-term exposure to wildfire can lead to a lifetime of asthma, allergy, and constricted breathing.<sup>33</sup>

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<sup>27</sup> NASA Worldview Satellite Imagery, accessed 3/15/20: <https://worldview.earthdata.nasa.gov>

<sup>28</sup> "College Closures Due to Poor Air Quality," *Inside Higher Ed*, November 19, 2018, <https://www.insidehighered.com/news/2018/11/19/colleges-cancel-class-due-poor-air-quality-california-fires>

<sup>29</sup> "Air Quality in California; Devastating Fires Lead to a new Danger," *New York Times*, November 16, 2018, <https://www.nytimes.com/2018/11/16/us/air-quality-california.html>

<sup>30</sup> "The Smoke's Gone, But Hearts and Lungs Still May Be in Danger Months After Wildfires," *Mother Jones*, December 1, 2018, <https://www.motherjones.com/environment/2018/12/the-smokes-gone-but-hearts-and-lungs-still-may-be-in-danger-months-after-wildfires/>

<sup>31</sup> "Here's How Smoke from California Wildfires Affects the Human Body" *Live Science*, November 21, 2018, <https://www.livescience.com/64144-wildfire-smoke-health-effects.html>

<sup>32</sup> Wildfires pose new threats as homes burn, releasing toxic fumes," *National Geographic*, October 31, 2019, <https://www.nationalgeographic.com/science/2019/10/airborne-health-concerns-emerge-from-california-wildfire/>

<sup>33</sup> "Air Quality in California; Devastating Fires Lead to a new Danger," *New York Times*, November 16, 2018, <https://www.nytimes.com/2018/11/16/us/air-quality-california.html>

**FIGURE 14: CAMP FIRE SMOKE NOVEMBER 8, 2018**



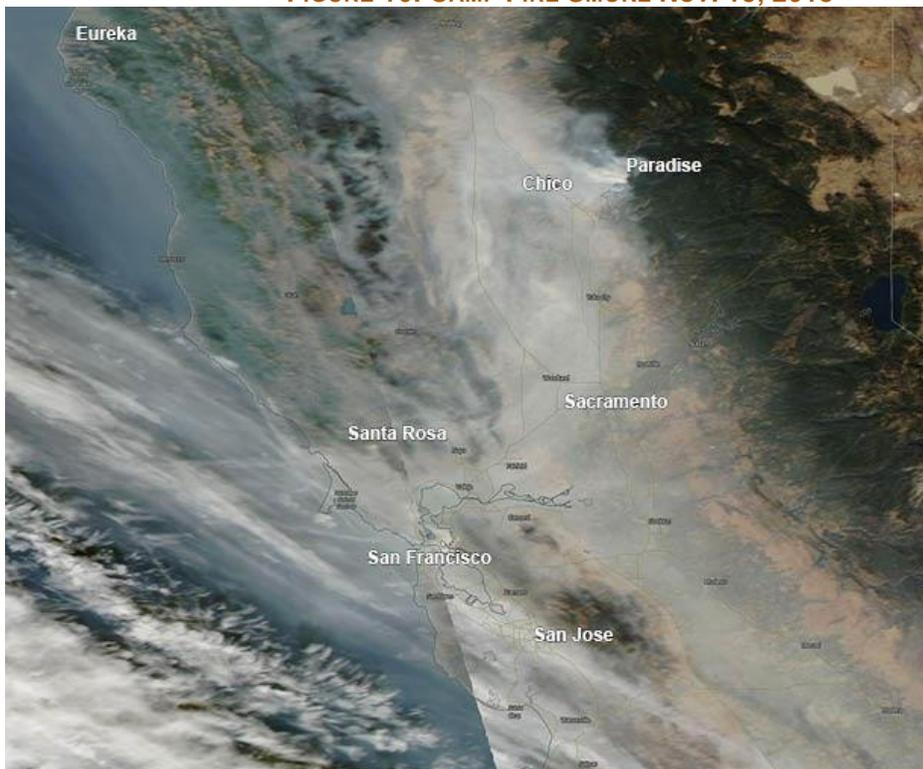
Source: NASA Worldview Satellite Imagery

**FIGURE 15: CAMP FIRE SMOKE NOV. 9, 2018**



Source: NASA Worldview Satellite Imagery

**FIGURE 16: CAMP FIRE SMOKE NOV. 18, 2018**



Source: NASA Worldview Satellite Imagery



## 4. THE RESPONSE

The response to these fires was immense, involving federal, State, and local agencies, many non-profits, houses of worship, and volunteers. It was not without substantial challenges.

Downed trees and infrastructure damage caused some evacuation routes to be blocked or cut off, as was most tragically the case in the Camp Fire. “Road closures greatly impeded emergency response movements,” during the Woolsey Fire.<sup>34</sup> During the Camp Fire, it was reported that at one point over 1,000 people on the road were trapped by fire.<sup>35</sup> This also meant that ingress for first responders was challenged. In some areas, such as Paradise and Upper Ridge (Camp Fire) as well as Topanga Canyon (Woolsey), limited access and steep terrain posed a challenge for the egress of victims and ingress of responders.

Other infrastructure losses also impacted the response. Telecommunications were either knocked out or were overwhelmed. A loss of cellular data networks led to fire crews having challenges locating victims of the fires.<sup>36</sup>

The extent of damage for these four fires was immense. Cumulatively, over 22,000 structures were destroyed and over 900,000 acres burned. For the Woolsey Fire, nine victim shelters and six animal sheltering sites opened. For the Camp Fire, at least seven evacuation shelters and three animal shelter were opened.<sup>37</sup>

**FIGURE 17: PROFILES OF THE MAJOR 2018 WILDFIRES**

### Major Wildfire in California, 2018

Fire Name	Camp	Carr	Mendocino Complex (Ranch & River Fires)	Woolsey
<b>Date (started – extinguished)</b>	November 8-25, 2018	July 23, 2018 – January 4, 2019	July 27, 2018 – January 4, 2019	November 8, 2018 – January 4, 2019
<b>Days Active</b>	17	164	160	56
<b>Cause</b>	Powerlines	Human Related	Under Investigation	Under Investigation
<b>Acres</b>	153,336	229,651	459,123	96,949
<b>Structures</b>	18,804	1,614	280	1,643
<b>Deaths</b>	85	8	1	3
<b>Top 20 Most Destructive CA Wildfire</b>	#1	#8		#7
<b>Top 20</b>	#16	#7	#1	

<sup>34</sup> “Los Angeles County: After Action Report for the Woolsey Fire Incident” Citygate Associates, LLC, November 17, 2019, <https://lacounty.gov/wp-content/uploads/Citygate-After-Action-Review-of-the-Woolsey-Fire-Incident-11-17-19.pdf>

<sup>35</sup> “Camp Fire” presentation, David Hawks, Fire Chief Cal Fire Butte County Fire Department, November 8, 2018, <http://forestry.nv.gov/wp-content/uploads/2019/05/Camp-Fire-Presentation-Fire-Adapted-Nevada-Final.pdf>

<sup>36</sup> Ibid.

<sup>37</sup> “Map: Here are the current Camp Fire evacuation centers,” *Curbed San Francisco*, November 13, 2018, <https://sf.curbed.com/maps/map-camp-fire-evacuation-centers>

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Fire Name	Camp	Carr	Mendocino Complex (Ranch & River Fires)	Woolsey
<b>Largest CA Wildfire</b>				
<b>Top 20 Deadliest CA Wildfire</b>	#1	#14		

## Totals

	TOTAL: Camp, Carr, Mendocino, Woolsey	Other 2018 Fires	GRAND TOTAL 2018
<b>Acres</b>	939,059	1,024,042	1,963,101
<b>Structures</b>	22,341	1,885	24,226
<b>Deaths</b>	97	3	100

Source: CAL FIRE (<https://www.fire.ca.gov/stats-events/>), accessed 2/15/20; California Department of Insurance (Direct Incurred Loss column)

The four fires included a significant level of response. For each fire, there were a minimum of seven federal, State, and local agencies involved, including over 5,600 personnel. CAL FIRE assigned over 170 crews to battle the fires. Sadly, there were six injuries reported, three for the Camp Fire and three for the Mendocino Complex Fire.

**FIGURE 18: LEVEL OF RESPONSE**

## Level of Response for 4 Major Wildfires in 2018

Fire Name	Agencies (Federal, State, Local)	Firefighter Personnel	Engines Deployed	CALFIRE Crews Assigned	Personnel & Civilian Injuries
<b>Camp</b>	9	5,000	630	11	3
<b>Woolsey</b>	16	3,000	768	69	0
<b>Carr</b>	7	4,766	390	5	0
<b>Mendocino Complex (Ranch &amp; River Fires)</b>	20	3,900	441	89	3
<b>TOTAL: Camp, Carr, Mendocino, Woolsey</b>	<b>52</b>	<b>16,666</b>	<b>2,229</b>	<b>174</b>	<b>6</b>

Source: CalFIRE Incidents reports, County of Los Angeles After Action Review of the Woolsey Fire Incident, Homeland Security Digital Library, redding.com, time.com, mercurynews.com

## 5. THE AFTERMATH

In the aftermath of the disaster, tens of thousands of individuals' lives were altered, some in minor ways and some profoundly. Some residents were displaced temporarily and able to return to their homes in a matter of days, others lost their homes entirely and face rebuilding their homes from the ashes left by the fires, while others still were



permanently displaced, relocating across the county or across the country.

Due to the Camp Fire, eight of the nine schools in the region were damaged or destroyed, and only one of them had reopened six months after the fire.<sup>38</sup> Approximately 80 percent of the Town of Paradise was destroyed by the Camp Fire. In 2017, the population of Paradise was 26,437.<sup>39</sup> A California State University, Chico study mapped out where survivors of Paradise ended up. Researchers found new mailing addresses for about a third of former Paradise residents. After the fire, Paradise lost a lot of its older population, with half of the 65 and older population moving beyond 30 miles of the fire.<sup>40</sup> The receiver communities for those displaced by the Camp Fire were Chico (population 93,293), Oroville, Biggs (pop. 1,707), and Gridley (pop. 7,224). While Chico is the largest community in the northern Central Valley, the rural town of Gridley is home to the largest FEMA group site of approximately 1,100 survivors. In Chico, the increased population will mean approximately \$1 million per year for additional wastewater. In addition, because of increased traffic, the city is reprogramming many of the traffic lights.

As show in Figure 19: Insured Losses from the 2018 California Wildfires, insured losses for the four major wildfires topped \$13 billion, with \$12.4 billion (or 95 percent) of that in the four MID Counties. Of those insured losses, \$11.4 billion (88 percent of the total) were for residential personal property. Almost \$1.4 billion of the insured losses were commercial property losses.

**FIGURE 19: INSURED LOSSES FROM THE 2018 CALIFORNIA WILDFIRES**

**California Department of Insurance Insured Losses from the 2018 California Wildfires**

**Grand Total**

Date	Fire Name	County	Total # of Claims	# of Claims Resulting in Total Loss	Direct Incurred Loss
July 2018 Wildfires		<b>Subtotal</b>	<b>10,322</b>	<b>1,026</b>	<b>\$980,758,847</b>
	Carr Fire	Shasta	6,690	928	\$892,553,941
		Trinity	156	5	\$789,872
		Other	730	14	\$8,910,683
	Mendocino Complex Fire	Colusa	17	2	\$707,700
		Lake	1,813	62	\$58,181,423
		Mendocino	61	8	\$5,546,984
Other		855	7	\$14,068,246	
November 2018 Wildfires		<b>Subtotal</b>	<b>48,001</b>	<b>13,449</b>	<b>\$12,043,834,734</b>
	Camp Fire	Butte	28,118	12,047	\$8,473,363,059
		Other	2,157	49	\$168,737,571
	Woolsey	Los Angeles	12,025	1,193	\$2,932,132,215

<sup>38</sup> “Six Months Later, How Are the Communities Affected By the Camp Fire and Woolsey Fire Recovering?” *Pacific Standard*, May 9, 2019, <https://psmag.com/news/six-months-later-how-are-the-communities-affected-by-the-camp-fire-and-woolsey-fire-recovering>

<sup>39</sup> “Camp Fire in Paradise: A Housing Assessment,” Housing Recovery Support Function, May 8, 2019.

<sup>40</sup> “Where Did All the Camp Fire Survivors Go?” *KQED*, January 22, 2020, <https://www.kqed.org/news/11797124/where-did-all-the-camp-fire-survivors-go>.

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Date	Fire Name	County	Total # of Claims	# of Claims Resulting in Total Loss	Direct Incurred Loss
	Fire	Ventura	4,551	148	\$387,897,062
		Other	1,150	12	\$81,704,826
<b>Grand Total</b>			<b>58,323</b>	<b>14,475</b>	<b>\$13,024,593,581</b>

## Residential Personal Property

Date	Fire Name	County	Total # of Claims	# of Claims Resulting in Total Loss	Direct Incurred Loss
<b>July 2018 Wildfires</b>		<b>Subtotal</b>	<b>8,888</b>	<b>1,015</b>	<b>\$910,201,852</b>
	Carr Fire	Shasta	5,798	920	\$850,497,135
		Trinity	151	5	\$666,638
		Other	696	13	\$3,865,926
	Mendocino Complex Fire	Colusa	6	2	\$104,227
		Lake	1,557	62	\$45,011,003
		Mendocino	27	6	\$2,388,282
	Other	720	7	\$7,668,639	
<b>November 2018 Wildfires</b>		<b>Subtotal</b>	<b>33,992</b>	<b>12,962</b>	<b>\$10,500,979,373</b>
	Camp Fire	Butte	18,533	11,646	\$7,439,591,231
		Other	566	47	\$34,791,060
	Woolsey Fire	Los Angeles	10,024	1,125	\$2,659,114,911
		Ventura	4,091	135	\$344,779,079
	Other	778	9	\$22,703,092	
<b>Grand Total</b>			<b>42,880</b>	<b>13,977</b>	<b>\$11,411,181,225</b>

Homeowners; Condominium Unit Owners; Mobile Home; Tenants/Renters; Dwelling Fire and Allied Lines; and Lender/Force-Placed and Real Estate Owned (REO)

## Commercial Property

Date	Fire Name	County	Total # of Claims	# of Claims Resulting in Total Loss	Direct Incurred Loss
<b>July 2018 Wildfires</b>		<b>Subtotal</b>	<b>488</b>	<b>11</b>	<b>\$45,070,545</b>
	Carr Fire	Shasta	232	8	\$23,045,598
		Trinity	3	-	\$108,283
		Other	33	1	\$3,865,085
	Mendocino Complex Fire	Colusa	2	-	\$493,679
		Lake	160	-	\$9,551,643
		Mendocino	18	2	\$2,735,036
	Other	40	-	\$5,271,222	
<b>November 2018 Wildfires</b>		<b>Subtotal</b>	<b>2,707</b>	<b>487</b>	<b>\$1,317,134,956</b>
	Camp Fire	Butte	1,322	401	\$903,772,159
		Other	108	2	\$110,425,705
	Woolsey Fire	Los Angeles	913	68	\$236,192,833
		Ventura	290	13	\$37,852,729
	Other	74	3	\$28,891,530	



Date	Fire Name	County	Total # of Claims	# of Claims Resulting in Total Loss	Direct Incurred Loss
<b>Grand Total</b>			<b>3,195</b>	<b>498</b>	<b>\$1,362,205,501</b>

**Commercial Residential:** Apartment and Condominium Buildings; Condominium Association; and Homeowners Association.

**Commercial Non-Residential:** Commercial Multi-Peril; Fire and Allied Lines; and All other Commercial Property policies not specified above.

**All Others Lines & Auto**

Date	Fire Name	County	Total # of Claims	Direct Incurred Loss
<b>July 2018 Wildfires</b>		<b>Subtotal</b>	<b>946</b>	<b>\$25,486,450</b>
	Carr Fire	Shasta	660	\$19,011,208
		Trinity	2	\$14,951
		Other	68	\$1,179,671
	Mendocino Complex Fire	Colusa	9	\$109,794
		Lake	96	\$3,618,777
		Mendocino	16	\$423,666
	Other	95	\$1,128,384	
<b>November 2018 Wildfires</b>		<b>Subtotal</b>	<b>11,302</b>	<b>\$225,720,405</b>
	Camp Fire	Butte	8,263	\$129,999,668
		Other	1,483	\$23,520,806
	Woolsey Fire	Los Angeles	1,088	\$36,824,472
		Ventura	170	\$5,265,255
	Other	298	\$30,110,204	
<b>Grand Total</b>			<b>12,248</b>	<b>\$251,206,855</b>

**Other Lines – All Other Commercial:** Non-residential exposures (Ocean Marine, Inland Marine, Aircraft, Boiler and Machinery, etc.)

Source: California Department of Insurance

**A. Cleanup/Debris Removal**

In addition to the immediate cost of cleanup, there are concerns over the impact of the toxins released in the fire on the health of those assisting with the cleanup. According to research on the 2018 Carr Fire from National Institute for Occupational Safety and Health (NIOSH), the occupational safety agency of the Centers for Disease Control and Prevention agency, “clean-up workers were overexposed to crystalline silica. Each worker tested also tested positive for lead on their hands.”<sup>41</sup> These cleanup concerns may result in health impacts from the fire which are not-yet-known.

**B. Water Quality**

According to [USGS](https://www.usgs.gov/), “potential effects of wildfire on municipal water supplies and downstream aquatic ecosystems include the following:

<sup>41</sup>“Asbestos, Heavy Metals, Lead. Long After a Wildfire, Toxic Substances Linger.” DirectRelief.org, February 21, 2020, <https://www.directrelief.org/2020/02/asbestos-heavy-metals-lead-long-after-a-wildfire-toxic-substances-linger/>

- Changes in the magnitude and timing of snowmelt runoff, which influence filling of water-supply reservoirs
- Increased sediment loading of water-supply reservoirs, shortened reservoir lifetime, and increased maintenance costs
- Increased loading of streams with nutrients, dissolved organic carbon, major ions, and metals
- Post-fire erosion and transport of sediment and debris to downstream water-treatment plants, water-supply reservoirs, and aquatic ecosystems
- Increased turbidity (cloudiness caused by suspended material), or heightened iron and manganese concentrations, which may increase chemical treatment requirements and produce larger volumes of sludge, both of which would raise operating costs
- Changes in source-water chemistry that can alter drinking-water treatment.”<sup>42</sup>

### C. Power Lines

Power lines have been a major source of causing wildfires. Seven of the 10 most destructive wildfires between 2013 and 2018 were caused by power lines.<sup>43</sup> Pacific Gas and Electric Company (PG&E) has been blamed for over 1,500 fires since 2014. In January 2019, PG&E filed for bankruptcy after being sued by several law firms, and faced liability costs related to fire damages of \$30 billion. Investigators found “old PG&E equipment caused 17 wildfires. It didn't keep up with maintaining thousands of miles of aging power lines and trimming millions of trees in a service area larger than Florida. The company estimated it would cost [between \\$75 billion and \\$150 billion](#) to comply with a judge’s maintenance plan. To pay for the plan, it would have to increase rates by five times over a one-year period. It would have to remove 100 million trees on federal, state, and private property.”<sup>44</sup> It has yet to be seen how PG&E legal settlements will impact fire damaged communities and which entities will receive financial compensation as a result of the lawsuits. It will be important to monitor the PG&E suits to determine if there are any duplication of benefits issues and whether any compensation would need to be accounted for in future Unmet Needs Assessment updates.

## 6. THE BIGGER PICTURE

California is a fire prone state and has a long history of wildfires, which burn across most of the state. Figure 20 and Figure 21 below show the fires in Northern and Southern California that burned in the decade leading up to the 2018 fires. It is clear from these maps that fire is common and widespread across California, covering significant land areas even in a single decade.

The natural ecosystems in California are adapted to periodic wildfire, which is critical to maintaining the health of most ecosystems in California. Somewhat counterintuitively, frequent fires create more resilient ecosystems in California. California ecosystems rely

<sup>42</sup> “From the Ashes: Wildfire Effects on Water Quality,” Babcock Laboratories, Inc., August 29, 2018,

<https://www.babcocklabs.com/news/from-the-ashes-wildfire-effects-on-water-quality/2018>

<sup>43</sup> “A rising number of US companies are flagging wildfire risk as suppression costs climb,” CNBC, November 10, 2019,

<https://www.cnbc.com/2019/11/10/more-companies-are-flagging-wildfire-risk-as-suppression-costs-climb.html>

<sup>44</sup> “Wildfire Facts, Their Damage, and Effect on the Economy,” *The Balance*, July 8, 2019,

<https://www.thebalance.com/wildfires-economic-impact-4160764>

on fire for everything from clearing out underbrush and making room for new growth to reducing the buildup of organic material that creates fuel for fires. More frequent fires burn available fuel, mitigating the intensity and destructive force of wildfires.<sup>45</sup>

The Forest Service's understanding of the complex relationship between the ecosystem and fire however is relatively new. When the Forest Service was created, and for nearly a century thereafter, "the Forest Service pursued a single-minded goal regarding fire: minimize the size and number of wildland fires, if not eliminate them all together."<sup>46</sup> This was despite local resistance from diverse communities that lived in these fire-adapted ecosystems from the Southeast to the west coast.<sup>47</sup>

In Northern California, native people including the Yurok, Karuk, and Hupa used fire for millennia to manage the forest and protect the land from larger more devastating fire. This traditional knowledge however was often sidelined and prohibited in favor of the official Forest Service approach to fire elimination. The near century of fire suppression policy combined with the increasingly hot and dry conditions set the stage for larger and more destructive wildfires.<sup>48</sup>

A slow process of changing fire policy is underway. The National Park Service changed its prescribed fire policy in 1968, and in 1978 so did the U.S. Forest Service. Implementation of prescribed burns however has been uneven across the country and has been adopted slowly in California. The southeast leads the way, where Florida landowners and governments burn over 2 million acres a year. California's adoption has been slower. In 2018, following disastrous fire seasons, the state made plans to triple the prescribed burns, bringing the acreage to 125,000 acres a year.<sup>49</sup>

With 45 percent of California's land under Federal management, the policies of Federal agencies have very significant impacts on the overall management of California's forests. Nearly 45.5 million acres of land in California are managed by a combination of the Forest Service, the National Park Service, Bureau of Land Management, Fish and Wildlife Service, and Department of Defense.<sup>50</sup> Changing the approach to forest management therefore demands the cooperation of many large and complex federal agencies, in addition to coordination across local agencies, tribal governments and private landowners.

Despite the increasing understanding that prescribed burns are a critical tool to mitigating the destructive power of wildfires, limited funding for fire suppression has meant Federal agencies have had to use money slated for fire preparedness on fire suppression. Over the twelve-year period ending in FY2013, \$3.2 billion in U.S. Forest Service funds were transferred from forest management programs to fire suppression,

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<sup>45</sup> "Learning to Live with Fire" CAL FIRE, August 1999, [https://www.fire.ca.gov/media/8657/live\\_w\\_fire.pdf](https://www.fire.ca.gov/media/8657/live_w_fire.pdf)

<sup>46</sup> "Sustainability and Wildland Fire: The Origins of Forest Service Wildland Fire Research" (p. 2), *U.S. Forest Service*, May 2017, [https://www.fs.usda.gov/sites/default/files/fs\\_media/fs\\_document/sustainability-wildlandfire-508.pdf](https://www.fs.usda.gov/sites/default/files/fs_media/fs_document/sustainability-wildlandfire-508.pdf)

<sup>47</sup> Ibid.

<sup>48</sup> "Fire is medicine: the tribes burning California forests to save them," *The Guardian*, November 21, 2019, <https://www.theguardian.com/us-news/2019/nov/21/wildfire-prescribed-burns-california-native-americans>

<sup>49</sup> Ibid.

<sup>50</sup> "Federal Land Ownership: Overview and Data," *Congressional Research Service*, February 21, 2020, <https://fas.org/sgp/crs/misc/R42346.pdf>



resulting in many “cancelled” fire preparedness activities.<sup>51</sup>

In addition to the immediate risks posed by wildfire, high intensity fires create a cascading set of impacts over time. Particularly intense fires decimate the vegetation which protects the natural landscape and, if hot enough, even create hydrophobic soils that repel water. Vegetation slows water down, encourages water to seep into the soil, and stabilizes soils. When high intensity fires destroy the vegetation, particularly on hillsides and steeper slopes, these areas become particularly prone to flooding, debris flows and mudflows as water moves quickly from the hillsides into lower lying areas, carrying with it the debris left from the fire and destabilizing entire slopes.<sup>52</sup> Following the Woolsey Fire, heavy rains in December 2018 created dangerous conditions and prompted the evacuation of nearly 3,000 residents due to high risk of mudslides in burned areas.<sup>53</sup>

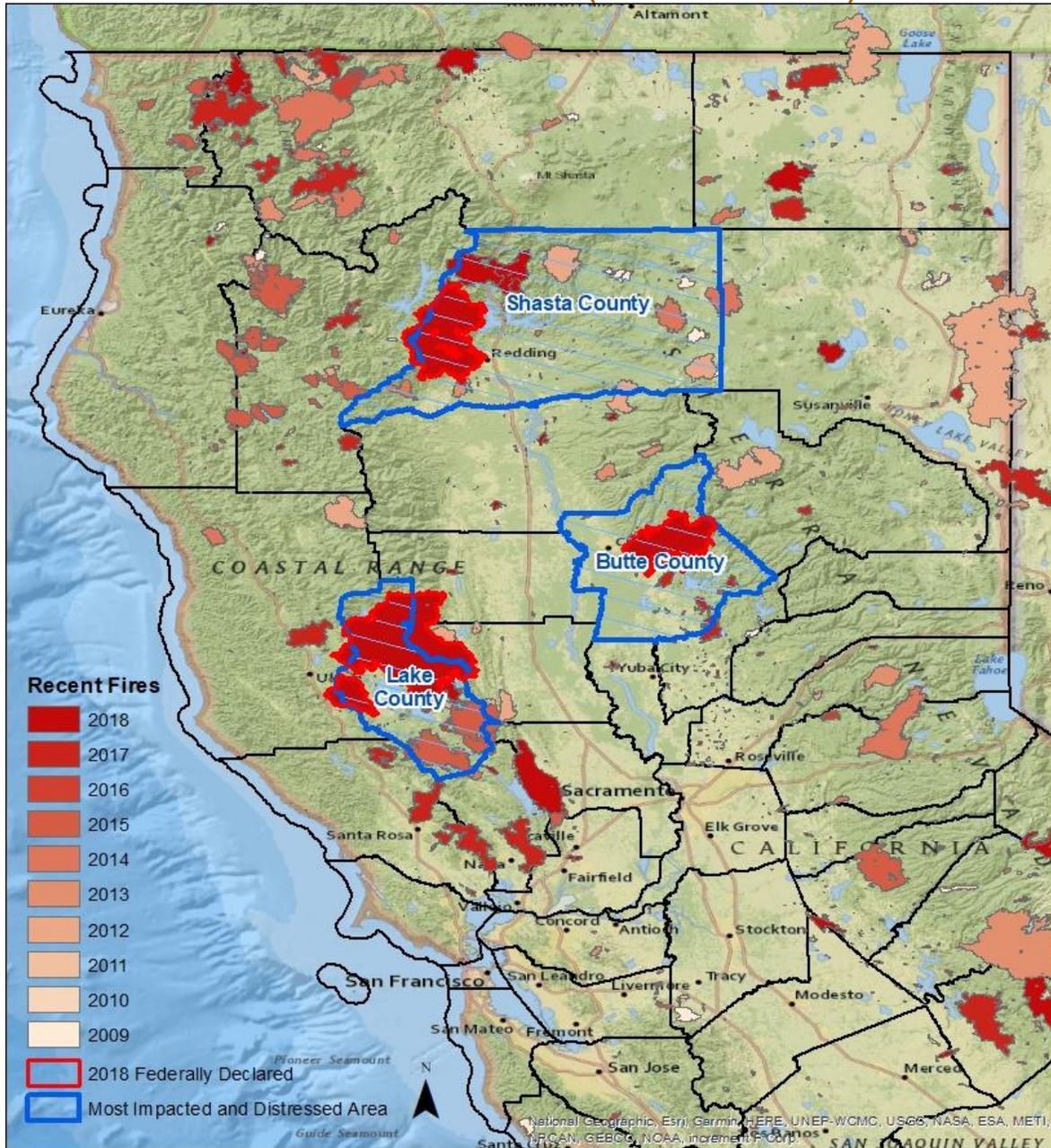
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<sup>51</sup> “USDA Releases State by State Impacts of Limited Wildfire Suppression In Recent Years,” United States Department of Agriculture, June 9, 2014, <https://www.fs.usda.gov/news/releases/usda-releases-state-state-impacts-limited-wildfire-suppression-recent-years>

<sup>52</sup> “Threat of mudslides returns to California after devastating fires. How do they work?” *Los Angeles Times*, November 28, 2019, <https://www.latimes.com/california/story/2019-11-27/threat-of-mudslides-returns-to-california-after-devastating-fires>

<sup>53</sup> “Mudslide risk in Southern California wildfire zones prompts evacuation of thousands,” *Reuters*, December 6, 2018, <https://www.reuters.com/article/us-california-wildfires-weather/mudslide-risk-in-southern-california-wildfire-zones-prompts-evacuation-of-thousands-idUSKBN1O603U>

FIGURE 20: FIRES IN THE PRIOR DECADE (NORTHERN CALIFORNIA)



Source: CAL FIRE

FIGURE 21: FIRES IN THE PRIOR DECADE (SOUTHERN CALIFORNIA)

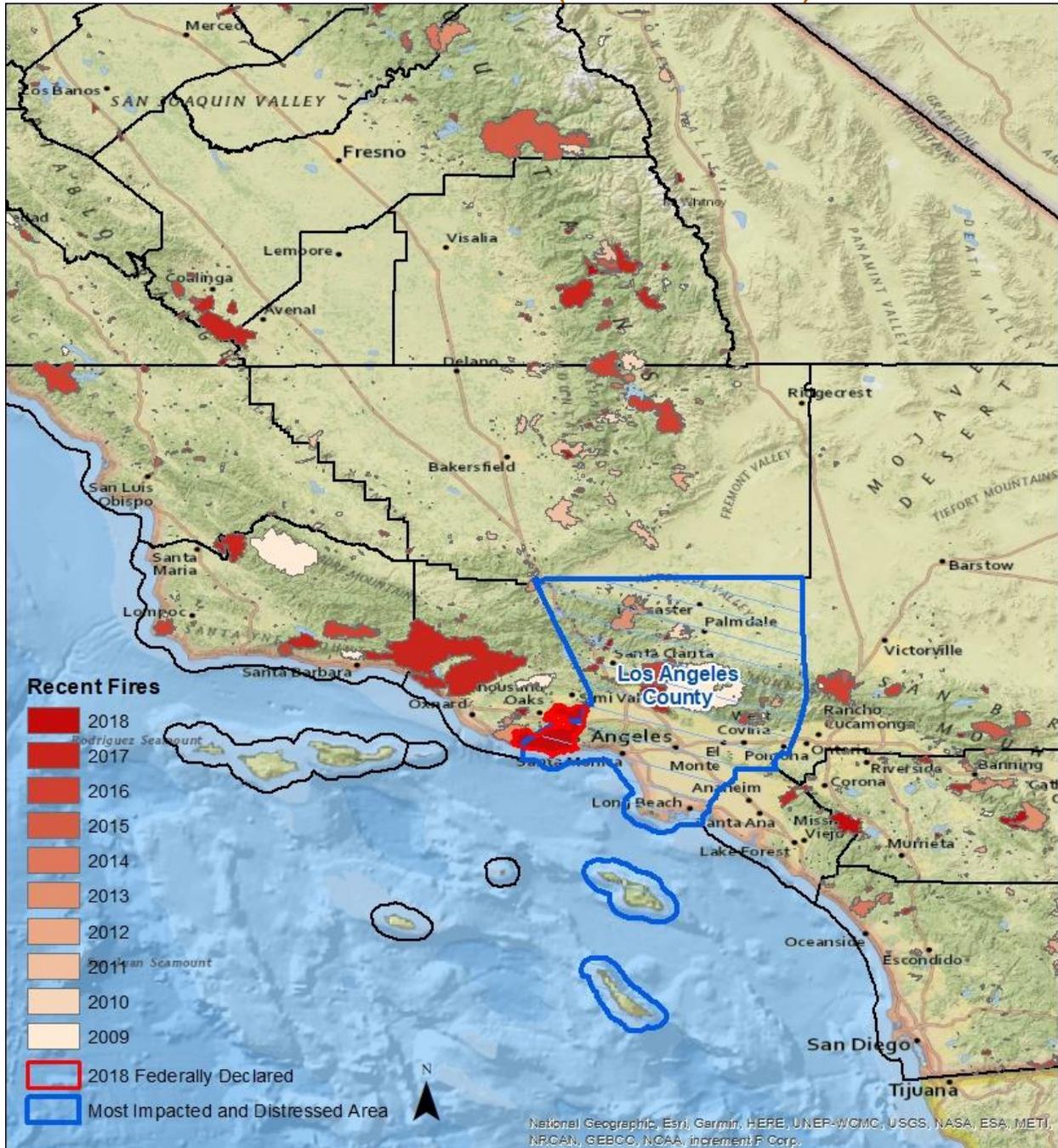
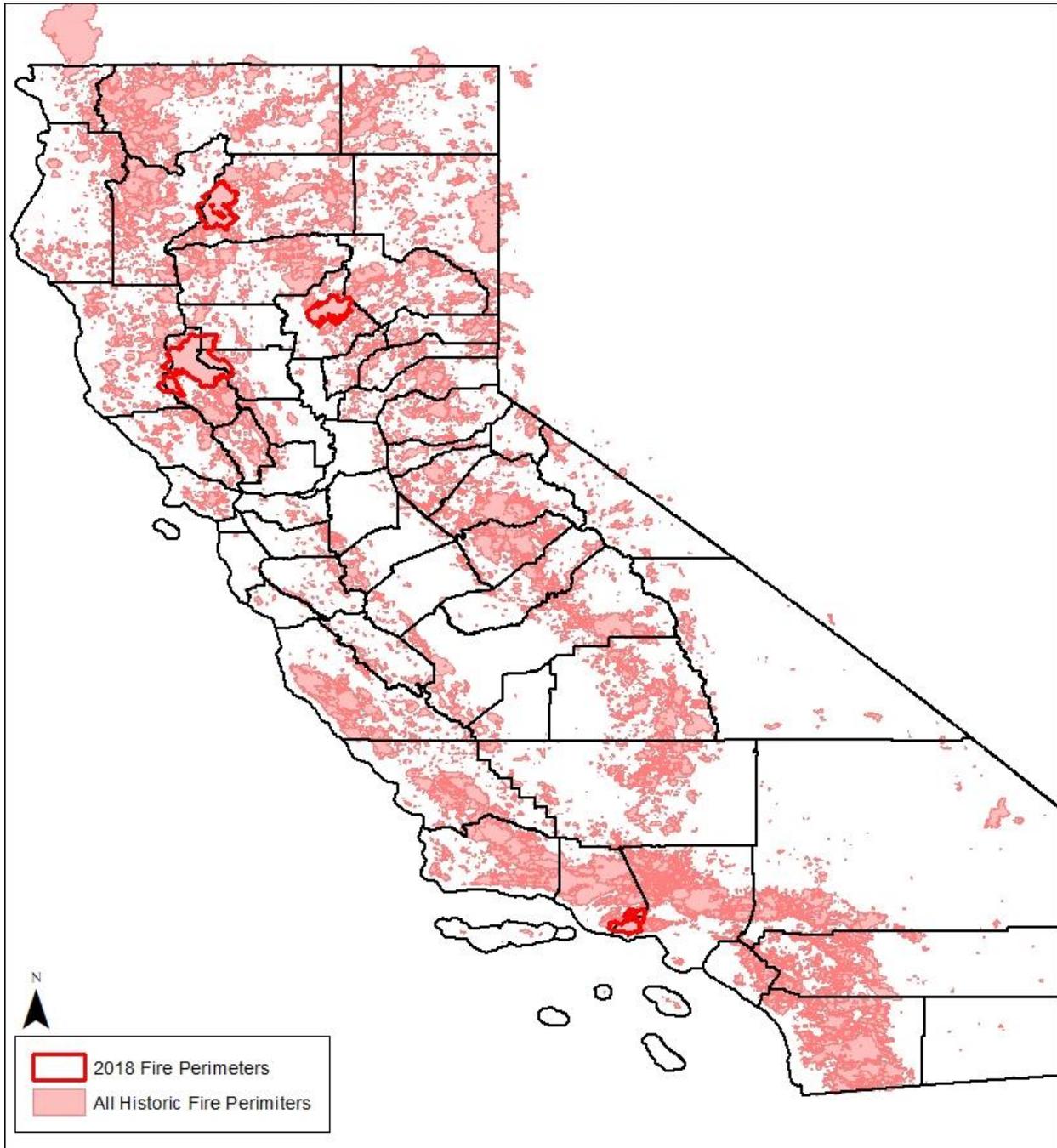


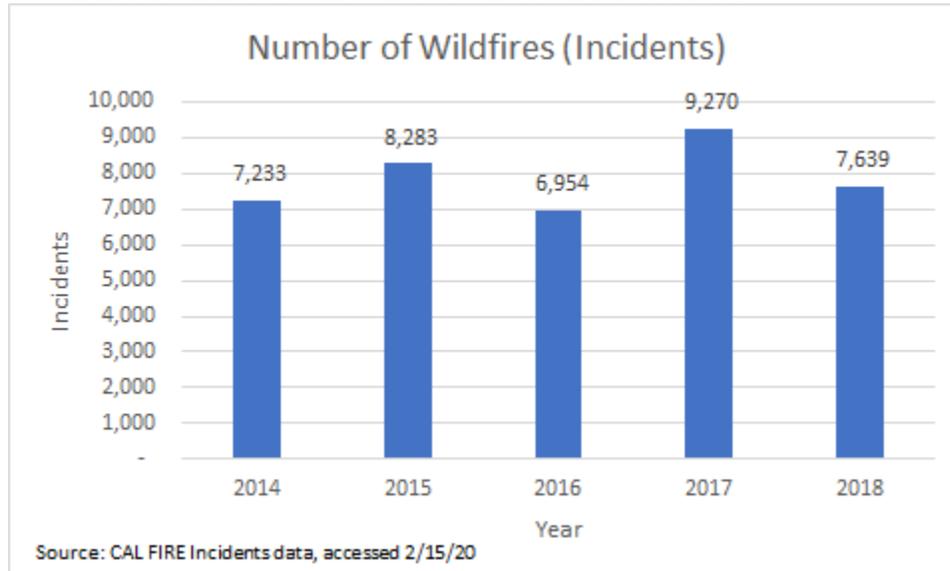
FIGURE 22: HISTORIC CALIFORNIA FIRES



Source: CAL FIRE

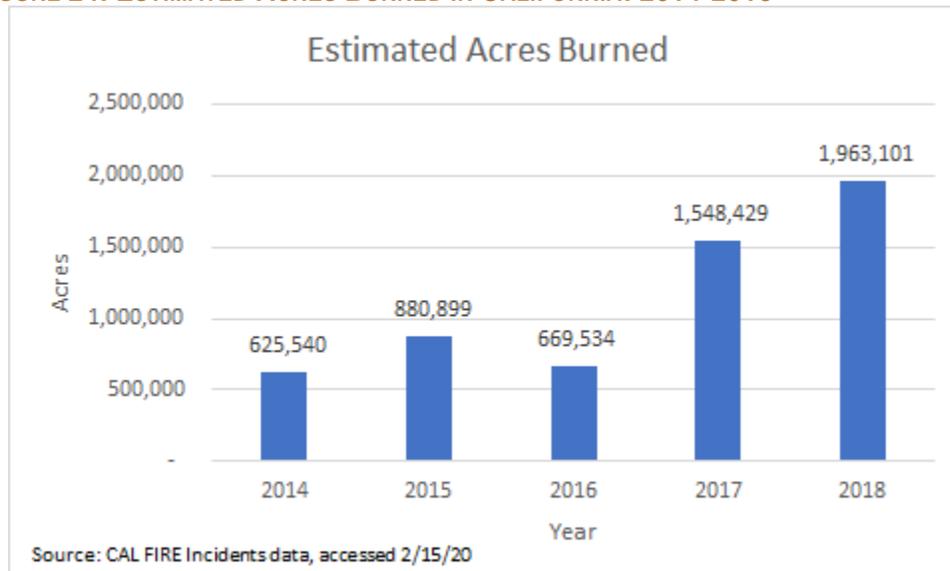
California is burning at an increasingly dangerous pace. Wildfires are a significant and growing problem in the state due in large part to drought exacerbated by climate change. The number of wildfire incidents in California has hovered around 7,000-9,000 per year for the past five years (see Figure 23).

**FIGURE 23: NUMBER OF WILDFIRES IN CALIFORNIA: 2014-2018**



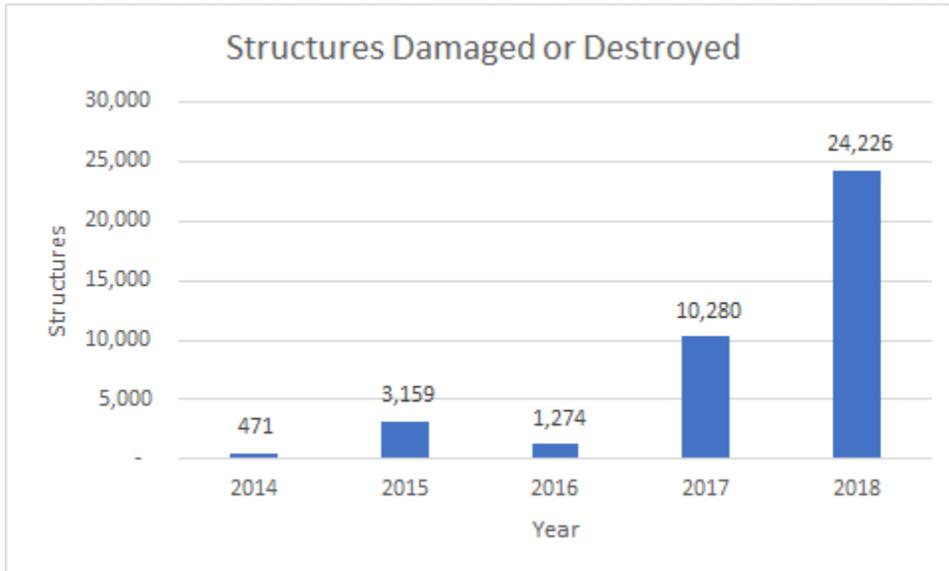
While the number of wildfires in 2018 was less than the previous year, they were more damaging. In the past five years, the number of acres that have annually burned in the State of California has tripled from 625,540 to 1,963,101 (see Figure 24).

**FIGURE 24: ESTIMATED ACRES BURNED IN CALIFORNIA: 2014-2018**



Structural damage or destruction has also increased between 2014-2018.

**FIGURE 25: DAMAGED OR DESTROYED STRUCTURES IN CALIFORNIA: 2014-2018**



Tragically, there has also been a significant increase in the loss of life from California wildfires in the past five years. In 2014, there were two fatalities from wildfires, but in 2018 there were 100. Of those fatalities, 97 were due to four major fires: Camp Fire, Carr Fire, Mendocino Complex, and Woolsey Fire.

Throughout California there is serious concern about natural disasters, including earthquakes and wildfires. As the numbers show for wildfires, they are increasingly larger, more dangerous, and more deadly.

## **7. RESILIENCE AND MITIGATION SOLUTIONS**

Although California is a national trendsetter in mitigation strategies designed to help cope with the impacts of climate change, the need to increase housing and infrastructure resilience goes beyond enacting stronger laws, policies, and building codes. Independent of severe weather events, earthquakes, and sea level rise impacting California coastlines, the State has also experienced over 17,600 wildfires in 2017 and 2018 alone. This has resulted in over 3,275,000 acres burned and the destruction of over 28,000 structures. In these two years alone, 44 of California’s 58 counties experienced a fire event, punctuating the need for wildfire housing resiliency throughout the State. The Governor issued an executive order in March 2019, prioritizing fuel break projects and other fire reduction projects to mitigate against future fire damage. The resulting priority fuels reduction projects strategically targets high impact fuels reductions projects, using data to identify areas with existing vetted fire plans which would mitigate risks to particularly vulnerable populations including those with high poverty rates, many residents with disabilities, language barriers, elderly, non-white, and households reliant on public transportation. According to CAL FIRE reports, in 2019, 35 priority projects were identified, reducing risk for over 200 communities by removing hazardous trees and vegetation, creating fuel brakes, creating ingress and egress corridors, and defensible space.

## 8. HOUSING RESILIENCE

It is critical to build more resilient housing in California, which prior to the devastating fires was already struggling to meet housing demands due to economic pressures. When wildfires erupt, their wind-borne embers can blow miles ahead of the direct fire line, igniting untreated flammable materials they interact with. An “ember attack,” where burning parts of branches or leaves become airborne, can not only be carried to the exterior of properties, but can also enter vents, windows or crawl spaces. As a result, these embers can create burn conditions from within a home, reducing the effect of exterior water treatment.

Wildland-Urban Interface (WUI) building codes were developed specifically to incorporate fire prevention elements into housing construction on properties built in areas where there is a certain amount of wildland fuel. Although adhering to WUI standards is already mandated for any substantial rehabilitation or new construction by state law, many existing structures built in the last 30-40 years lack these lifesaving elements. In fact, the average age of a housing unit in California is between 40 and 49 years old.<sup>54</sup>

While the primary resiliency strategy for mitigating wildfire risk continues to be creating a defensible space around the immediate structure, additional considerations should be given to including fire-prevention elements into the structure itself. Accommodation for incorporating these life-saving elements should be available to all homes deemed to meet high risk criteria, including:

- A high volume and density of young, flammable vegetation in their immediate geographical proximity
- The flammability of the structures (homes, businesses, outbuildings, decks, fences)
- The average age of structures in the area, and an associated assessment of fire-proofing components incorporated into their construction
- Weather patterns and topography that could accelerate or increase the severity of burn events in the area
- Availability of and ease of distribution for water, retardant and other fire-fighting techniques

It is recommended that special consideration be applied to expansion of the CAL FIRE wildfire prevention grant programs that are specifically designed to retrofit structures in high risk areas<sup>55</sup>, in addition to training and planning for homeowners in these areas.

Additional consideration should be given to evacuation, communication, staging and implementation planning for residents in high risk areas. This includes strategic emergency management initiatives targeted at ensuring communication of impending threats is improved, transportation is available to vulnerable populations, and that critical evacuation routes are hardened to ensure safe passage immediately prior to and during large burn events.

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<sup>54</sup> 2015 American Communities Survey: <http://eyeonhousing.org/2017/01/age-of-housing-stock-by-state/>

<sup>55</sup> “Fire Prevention Grants Program,” CAL FIRE: <https://www.fire.ca.gov/grants/fire-prevention-grants/>

## 9. INFRASTRUCTURE RESILIENCE

As is the case with housing resilience, all recovery infrastructure programs will build on the foundation set by the State of California to account for current and future climate conditions, including the increased probability of natural disasters. Infrastructure resilience must account for various risks California faces, including but not limited to wildfires, earthquakes, floods, heat, droughts, and sea level rise.

Two key pieces of California law are particularly important to guiding recovery infrastructure investments in the State. In 2015, California’s Governor Jerry Brown signed Executive Order B-30-15, which directed State agencies to account for current and future climate conditions and integrate climate change into all planning and infrastructure investments. This led to the development of “Planning and Investing for a Resilient California: A Guidebook for State Agencies.”<sup>56</sup> This provides guidance for California agencies on integrating climate change considerations into infrastructure planning and investing. All recovery projects undertaken will be reviewed for long-term viability and resilience of infrastructure investments.

In 2016, California passed AB 2800 Climate-Safe Infrastructure Bill, which requires the Natural Resources Agency “to update the state’s climate adaptation strategy to identify vulnerabilities to climate change by sectors and priority actions needed to reduce the risks in those sectors” and established the Climate-Safe Infrastructure Working Group.<sup>57</sup> As a result, a report was published in 2018 that includes guidance on addressing climate change impacts on infrastructure design, with particular attention paid to improving architectural and engineering tools and practices.<sup>58</sup>

The fires in 2018 made clear that investments in infrastructure must be planned and designed to increase resilience to meet the needs of the local communities. Paramount among local infrastructure needs is the creation of additional roads serving isolated communities to provide for safe ingress and egress during a fire event. Additionally, the fires created infrastructure needs in impacted communities where septic systems were heavily relied up on, creating significant challenges to rebuilding those neighborhoods absent significant wastewater infrastructure investments. In Paradise, the extreme heat of the Camp Fire led to water pollution issues in the town which may require costly infrastructure repairs to ensure the long-term safety and resilience of the potable water systems.

In addition, there is a need for matching funds for Federal grants such as FEMA Public Assistance Category C-G permanent repairs, which have a 25 percent Non-Federal Share requirement. These funds will go to important recovery projects such as repairing damaged roads due to unusually heavy use during fire suppression, and debris removal in areas in and around the fires. These impacts extend beyond the immediate burn scars and include communities such as Chico, which provided much needed support during the fire and recovery period.

<sup>56</sup> “Planning and Investing for a Resilient California: A Guidebook for State Agencies,” Governor’s Office of Planning and Research, March, 2018, <http://opr.ca.gov/planning/icarp/resilient-ca.html>

<sup>57</sup> “California Report Plots Path for Climate-Safe Infrastructure,” Infrastructure Report Card, September 6, 2018, <https://www.infrastructurereportcard.org/california-report-plots-path-for-climate-safe-infrastructure/>

<sup>58</sup> “Paying it Forward: The Path Toward Climate-Safe Infrastructure in California,” Climate-Safe Infrastructure Working Group, 2018, [https://resources.ca.gov/CNRALegacyFiles/docs/climate/ab2800/AB2800\\_ES\\_FINAL.pdf](https://resources.ca.gov/CNRALegacyFiles/docs/climate/ab2800/AB2800_ES_FINAL.pdf)



## 10. DEMOGRAPHIC PROFILE OF IMPACTED COMMUNITIES AND DISASTER IMPACTS

### A. Demographic Profile of Impacted Counties

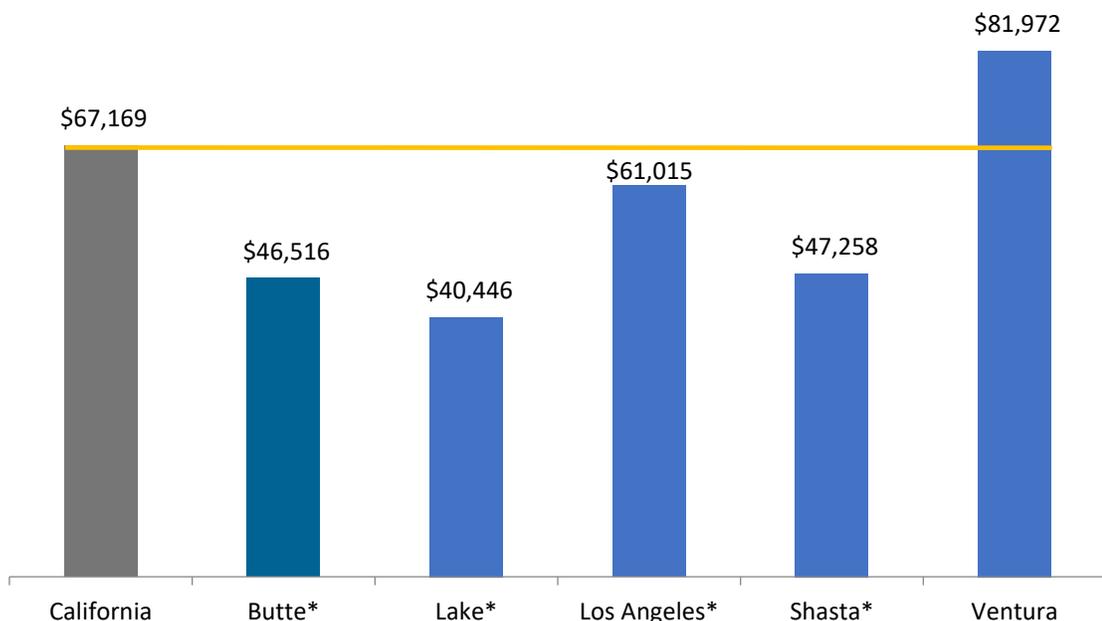
The State of California is home to approximately 39 million people. Of that, approximately 11.4 million live in the five disaster-impacted counties, almost 30 percent of the state. The majority of this population call Los Angeles County home (approximately 10.1 million people). The 2018 fires, while the largest in California’s history, mostly impacted less densely populated counties. Butte, Lake, and Shasta counties each have populations under 250,000 people and Lake County’s population stands around 64,000 people.

The following demographic profile for the State of California, as well as the federally declared disaster areas and MID counties, was compiled using 2013-2017 American Community Survey (ACS) Five-Year Estimates. This data provides the most relevant five-year data, available at the block group level at the time of analysis.

#### 1. Income

All four of the MID areas had a median household income lower than the statewide median household income. As seen in Figure 26, Butte County’s median household income stood more than \$20,000 below the statewide value at \$46,516. The difference was even greater in Lake County, with a median household income of \$40,446, more than \$26,000 below the statewide value. Of the impacted counties, only Ventura County has a higher median household income than the statewide value, and Ventura is not considered a MID county.

**FIGURE 26: MEDIAN HOUSEHOLD INCOME (2017 DOLLARS)**

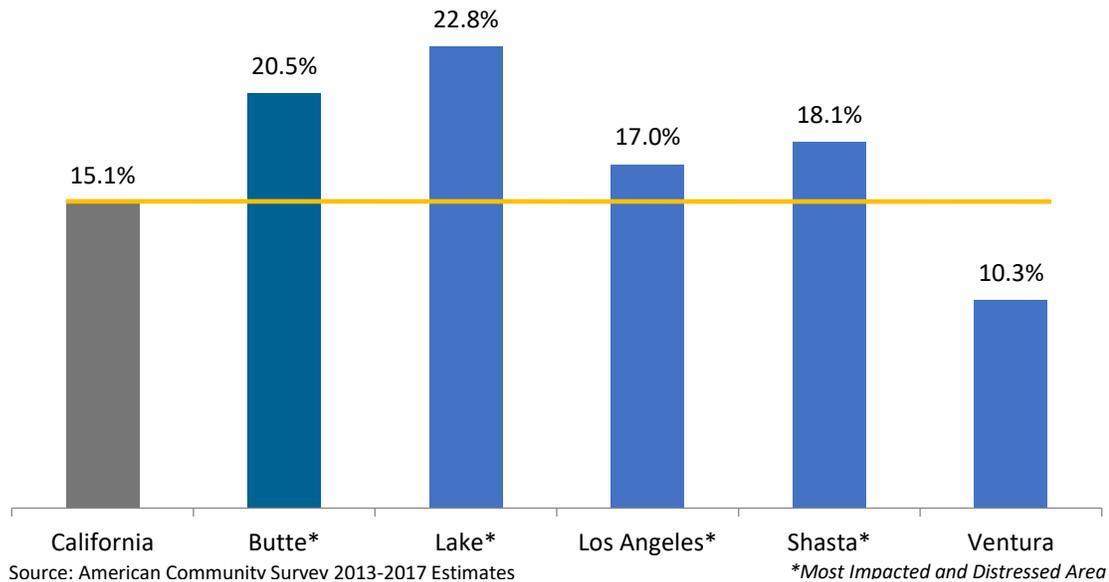


Source: American Community Survey 2013-2017 Estimates

\*Most Impacted and Distressed Area

As illustrated in Figure 27, the poverty level in all four MID counties is above the statewide average. In both Butte and Lake counties, over 20 percent of the population is below 100 percent of the poverty level.

**FIGURE 28: POPULATION BELOW THE POVERTY LEVEL**



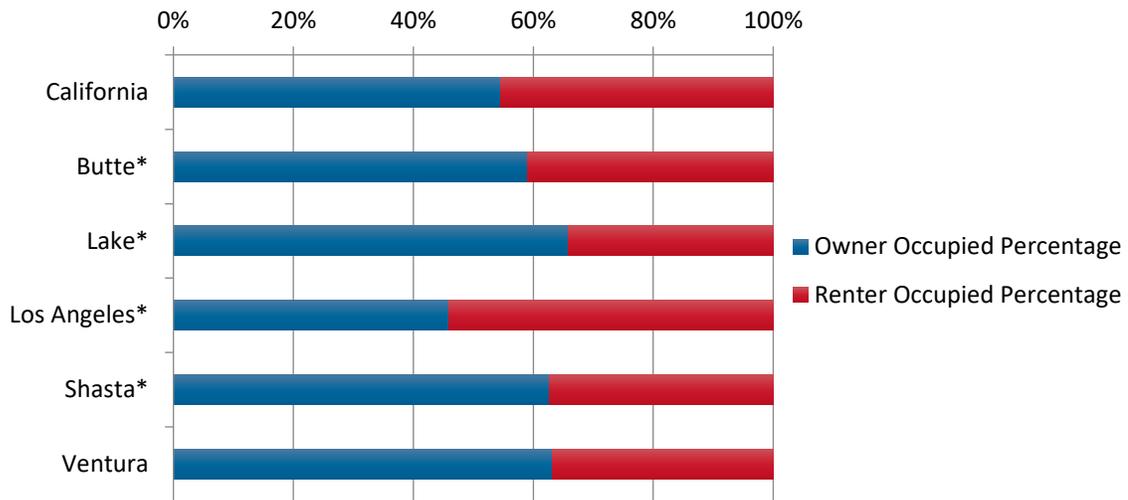
These disability and income figures help to illustrate the immense financial pressure the impacted counties and their residents will have during the recovery process. These populations will be strained to rebuild or relocate, with increasing construction, insurance, and housing costs.

**2. Housing & Cost Burden**

To best serve the housing recovery needs of the impacted areas, it is essential to have a clear understanding of the housing stock and occupant types. The state of California has a total of almost 14 million housing units. The impacted counties make up about 4 million of those units (however, if L.A. County is removed, the figure stands at close to 500,000). As captured in Figure 29, housing tenure is fairly evenly split between rental and ownership. Statewide, 54.5 percent of housing units are owner-occupied (45.5 percent being renter occupied). Most of the impacted counties have a slightly higher percentage of owner-occupied units, close to 60-65 percent. Los Angeles is the only county to have a higher percentage of renter-occupied units than owner-occupied.



**FIGURE 29: HOUSING TENURE**



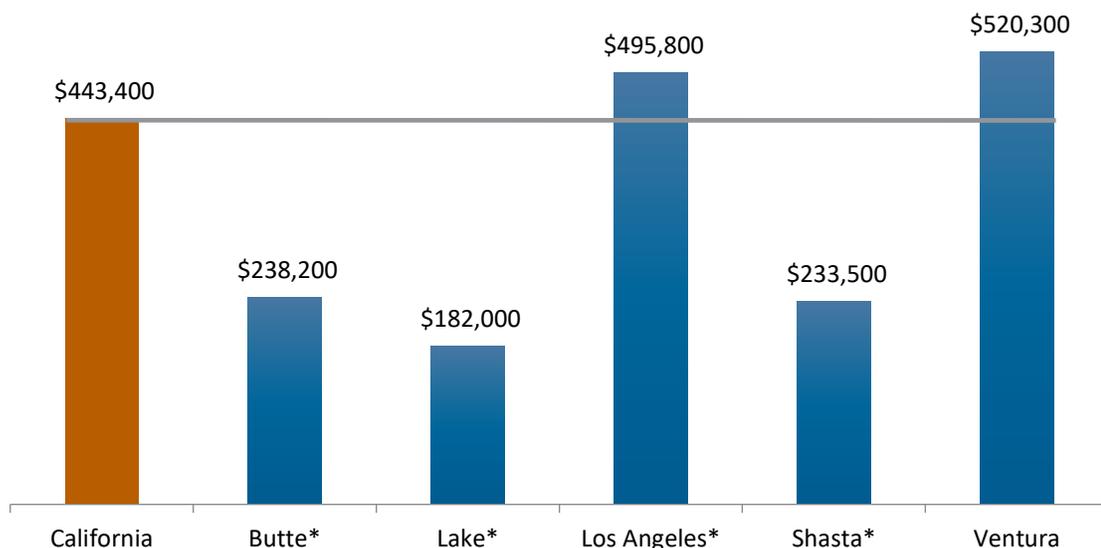
Source: American Community Survey 2013-2017 Estimates

\*Most Impacted and Distressed Area

HCD is specifically concerned about housing affordability and the high proportion of households statewide, and in the affected areas, considered to be cost burdened. Housing is considered “affordable” if the household rent (including utilities) is no more than 30 percent of its pre-tax income. Households spending more than 30 percent are “cost burdened” or “rent-stressed.” Those spending more than 50 percent of income on housing are “severely cost burdened” or “severely rent-stressed.”

For homeowners, the median value of owner-occupied housing units varies greatly across counties and disasters. Figure 30 shows that in Butte, Lake, and Shasta counties, the median values of owner-occupied units are close to half of the statewide median. Los Angeles and Ventura counties’ median values surpass the statewide median.

**FIGURE 30: MEDIAN VALUE OF OWNER-OCCUPIED HOUSING**



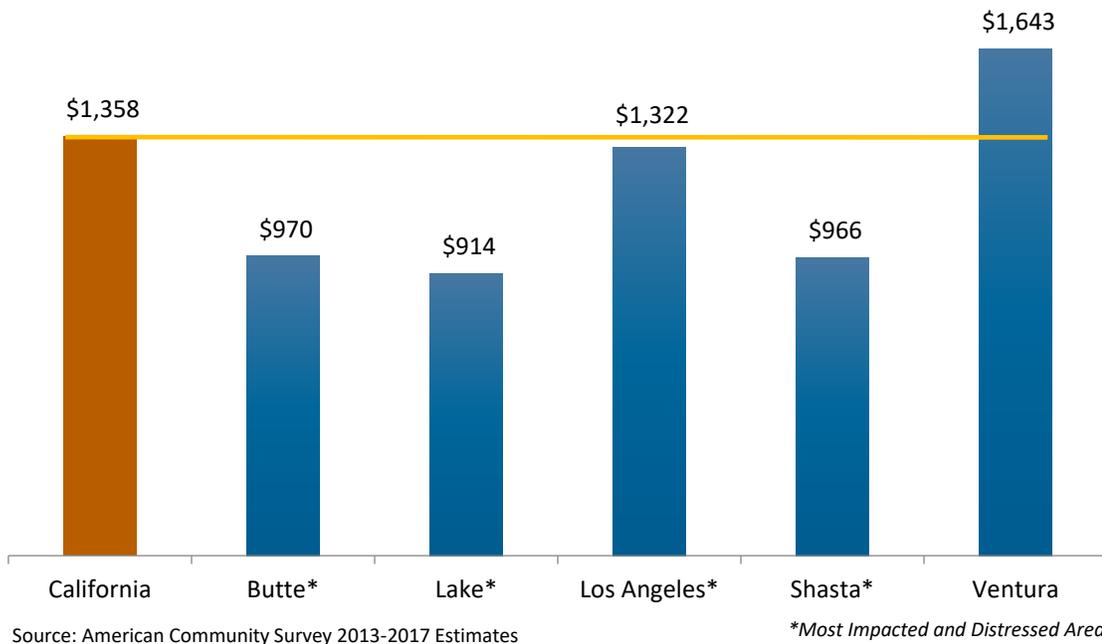
Source: American Community Survey 2013-2017 Estimates

\*Most Impacted and Distressed Area



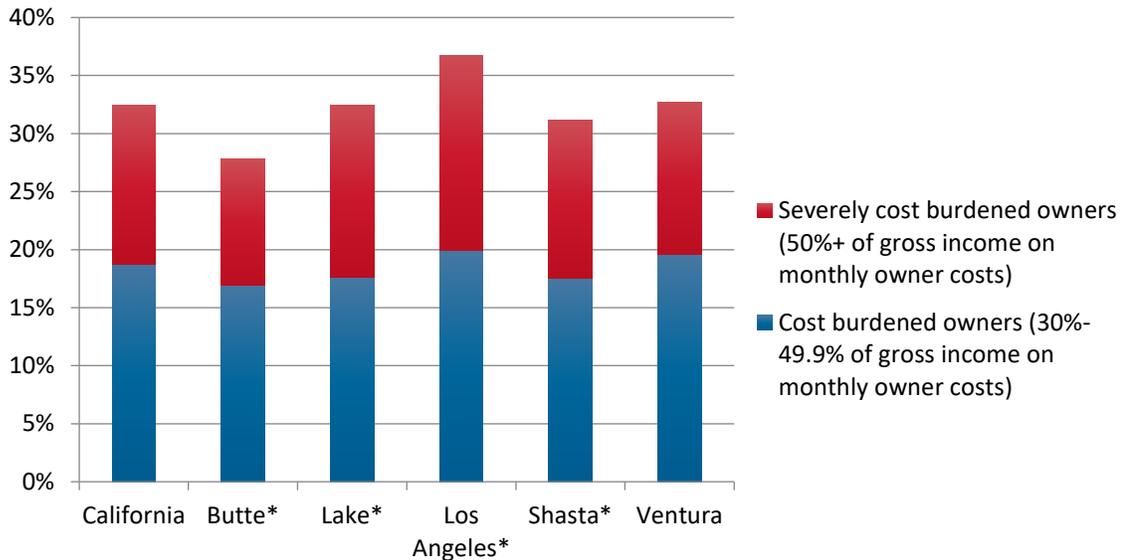
Related, cost burden is an issue for many homeowners in California. As seen in Figure 32, about 32.5 percent of homeowners statewide are cost burdened (30 percent or more of monthly income spent on housing costs) or severely cost burdened (50 percent or more of monthly income spent on housing costs). Homeowners in Los Angeles and Ventura counties are more cost burdened than their counterparts in the other impacted counties, as may be expected in counties where the median value of the housing unit is around \$500,000.

**FIGURE 31: MEDIAN GROSS RENT**



In the State of California, there are about 5.8 million renter-occupied housing units, 33 percent of which are located in the five impacted counties (this number drops to only 3 percent when L.A. county is removed). These renters face similar, sometimes more extreme financial pressures related to the cost of housing. Figure 32 shows the median gross rent in the Most Impacted and Distressed counties falls below the statewide average; in Lake County the median gross rent is 33 percent below the statewide value. However, it should not be misconstrued that lower gross rent values equates to affordability. All five impacted counties have a higher level of cost-burdened and severely cost-burdened renters than the statewide percentage (see Figure 32 and Figure 33: Cost Burdened Renters (as a percentage of all renters).) In Butte County, 58.3 percent of renters are cost-burdened or severely cost-burdened.

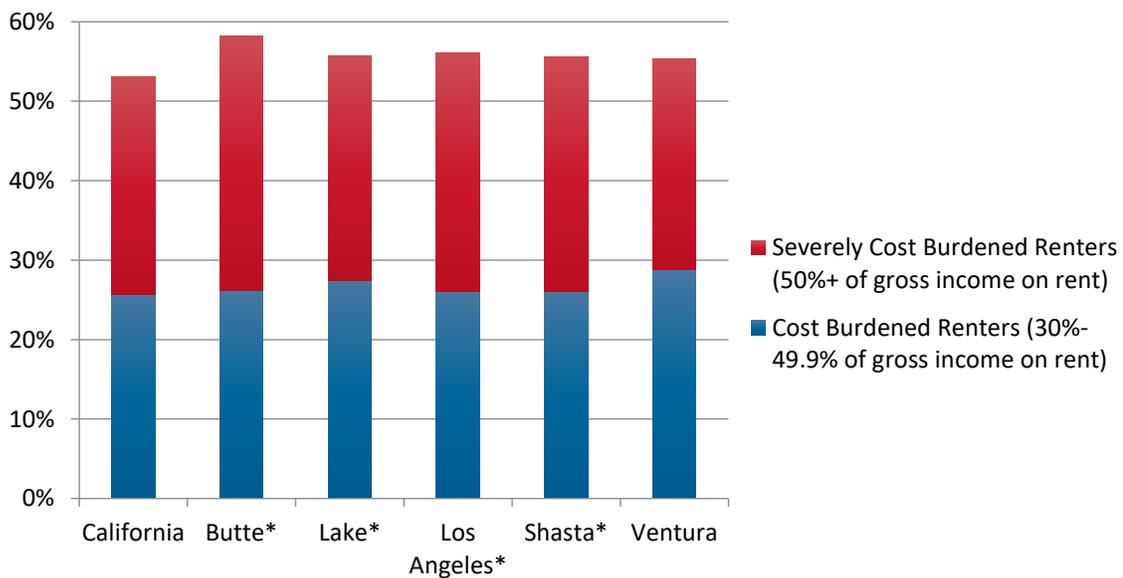
**FIGURE 32: COST BURDENED HOMEOWNERS**



Source: American Community Survey 2013-2017 Estimates

\*Most Impacted and Distressed Area

**FIGURE 33: COST BURDENED RENTERS (AS A PERCENTAGE OF ALL RENTERS)**



Source: American Community Survey 2013-2017 Estimates

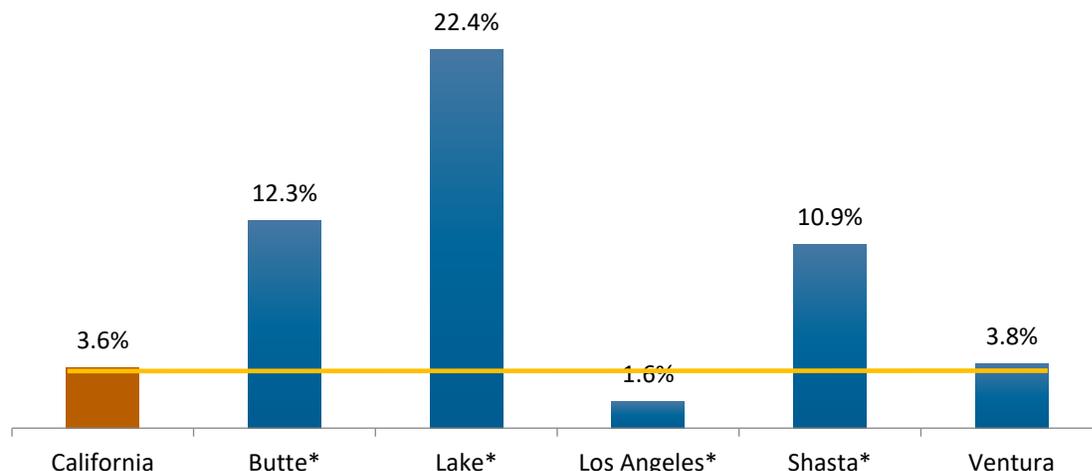
\*Most Impacted and Distressed Area

### 3. Mobile Housing Units

The DR-4382 and DR-4407 fires destroyed a total of 4,082 mobile homes. This accounts for nearly 25 percent of all residential units destroyed in the fires. Ninety percent of all mobile homes destroyed were in Butte County (3,695 mobile homes in total), a devastating result of the Camp Fire.

Mobile units make up a disproportionately large percentage of the total housing units in Butte, Lake, and Shasta counties (see Figure 34), well above the statewide percentage. And even though Los Angeles has a comparatively smaller percentage of mobile homes, they are no less vulnerable to wildfire risk. The Woolsey Fire tore through the Seminole Springs Mobile Home Park in Los Angeles County, destroying 110 homes. By the end of 2019, none of the impacted residents had been able to return.

**FIGURE 34: MOBILE HOME UNITS (AS A PERCENTAGE OF TOTAL HOUSING)**



Source: American Community Survey 2013-2017 Estimates

\*Most Impacted and Distressed Area

#### 4. Population Demographics

In considering the populations to be served, Figure 35 demonstrates that three of the impacted and Most Impacted and Distressed areas – Butte, Lake, and Shasta Counties – have higher White and elderly (65 and over) populations than average for the State of California as a whole. Los Angeles and Ventura counties stay closer to statewide percentages, generally younger and with the Hispanic or Latino population making up closer to 40-50 percent of the population.

**FIGURE 35: POPULATION DEMOGRAPHICS (PERCENTAGE OF TOTAL POPULATION)**

Characteristic	California	Butte	Lake	Los Angeles	Shasta	Ventura
<b>Age</b>						
Under 5	6.4%	5.5%	5.6%	6.3%	5.9%	6.2%
65 and over	13.2%	17.3%	21.2%	12.5%	19.4%	14.1%
<b>Race</b>						
White alone	60.6%	82.2%	77.8%	51.8%	86.9%	79.9%
Black or African American alone	5.8%	1.5%	2.3%	8.2%	1.1%	1.7%
Asian alone	14.1%	4.5%	1.5%	14.5%	3.0%	7.2%
Native Hawaiian or Pacific Islander	0.4%	0.2%	0.05%	0.3%	0.1%	0.2%
American Indian or Alaskan Native	0.7%	1.2%	3.4%	0.7%	2.5%	0.8%
Two or more races	4.7%	6.1%	2.5%	3.8%	4.4%	4.4%
Hispanic or Latino	38.8%	15.7%	19.4%	48.4%	9.6%	42.3%

Source: American Community Survey 2013-2017 Estimates



Educational attainment amongst the impacted counties varies, however it should be noted that the percentage of the population over 25 that has completed a bachelor’s degree or higher is lower in all of the Most Impacted and Distressed counties, compared to the statewide percentage (Figure 36). Butte, Lake, and Shasta counties have the lowest levels attaining a bachelor’s degree or above, however these counties exceed the statewide average in attaining some college or an associates degree.

**FIGURE 36: EDUCATIONAL ATTAINMENT (PERCENTAGE OF POPULATION OVER 25 YEARS)**

Education Level Attained	California	Butte	Lake	Los Angeles	Shasta	Ventura
Less than high school graduate	17.5%	11.2%	15.3%	21.8%	9.3%	16.0%
High school graduate (includes equivalency)	20.6%	22.6%	30.3%	20.7%	25.7%	18.9%
Some college, Associates degree	29.3%	39.5%	39.1%	26.2%	43.6%	32.5%
bachelor’s degree or higher	32.6%	26.6%	15.3%	31.3%	21.4%	32.6%

Source: American Community Survey 2013-2017 Estimates

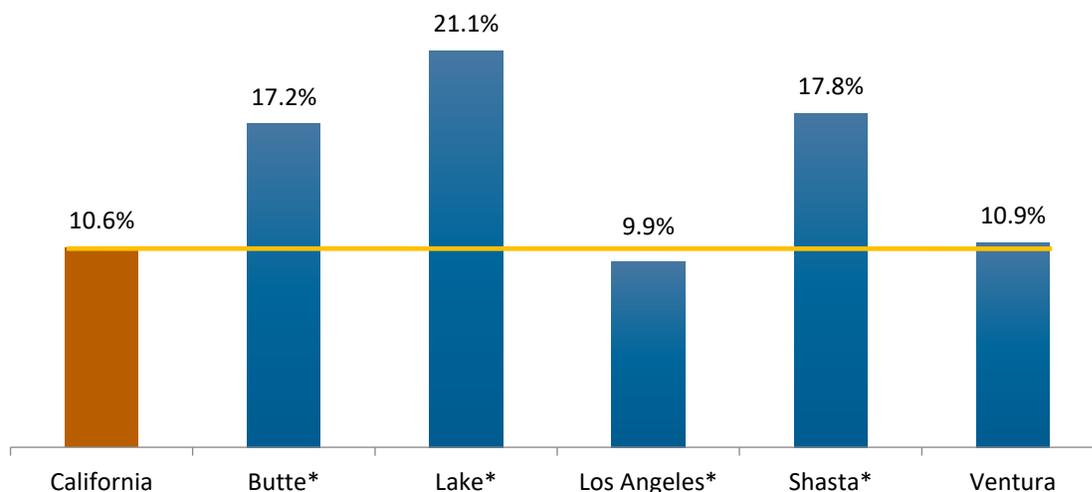
## B. Impact on Vulnerable Populations

### 1. Population with Disabilities

Persons with disabilities are among the groups considered as being more at risk of suffering negative effects from natural disasters. They may not be reached in time by early warning systems that alert the public, which contributes to their vulnerability. Additionally, they may have more difficulty immediately evacuating disaster zones and may not have an individual preparedness plan. These populations may also rely on the availability of another to help them evacuate.

Butte, Lake, and Shasta counties have populations with a disability over 17 percent, which is well above the statewide percentage of 10.6 percent. These populations would require special monitoring, outreach, and services before, during, and after disasters.

**FIGURE 37: ESTIMATE OF NON-INSTITUTIONALIZED POPULATION WITH A DISABILITY**



Source: American Community Survey 2013-2017 Estimates

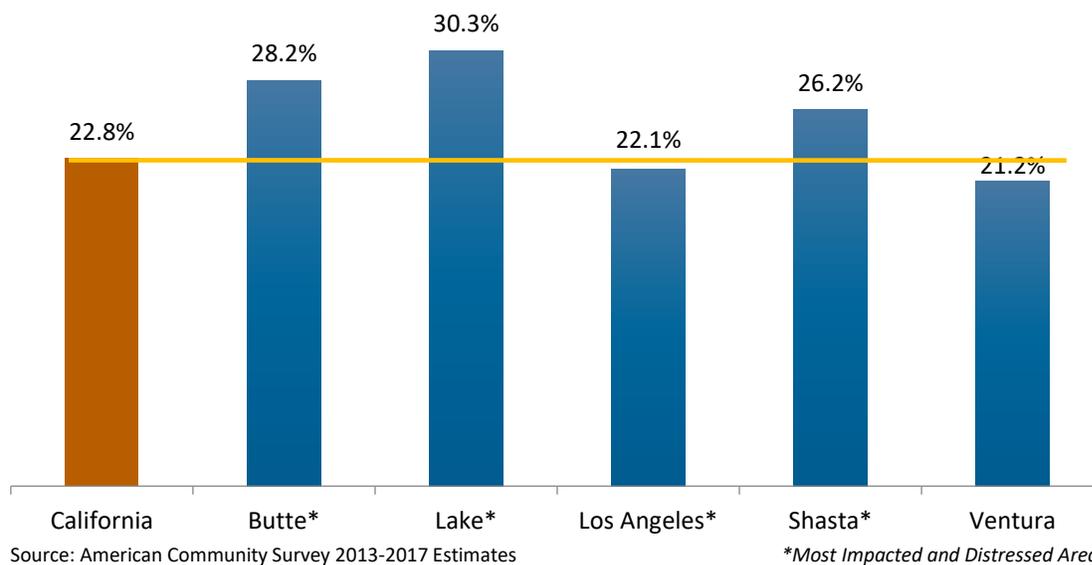
\*Most Impacted and Distressed Area

## 2. Elderly Population

Senior households also face special challenges and are disproportionately affected in the face of disaster. Challenges range from owner-occupied households not having insurance as the mortgage is likely paid off, to persons unable to take medication due to lack of electricity which is needed to properly store medications, to those with limited mobility or who may no longer drive.

As previously discussed, Butte, Lake and Shasta counties all have populations over 65 years well above the statewide average. An additional risk is presented when these populations live alone. Figure 38 shows that amongst these three counties with larger proportional elderly populations, these seniors also live alone at higher rates.

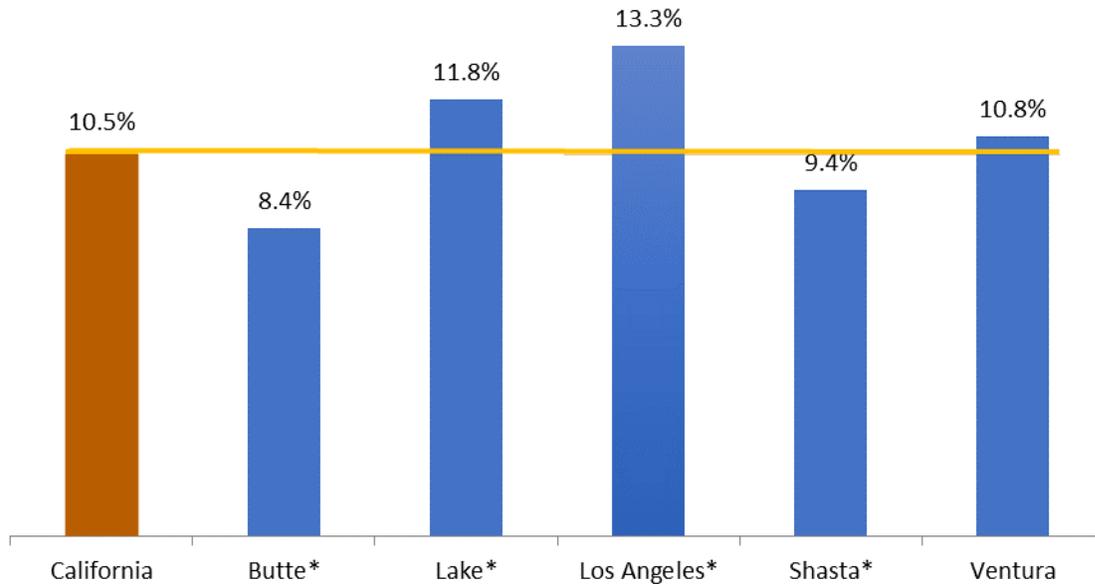
**FIGURE 38: ELDERLY POPULATION LIVING ALONE (PERCENT OF POPULATION 65 YEARS AND OVER)**



## 3. Uninsured

Lake, Los Angeles, and Ventura Counties all have above 10 percent of their civilian non-institutionalized population without health insurance, above the State average. Butte County (8.4 percent) and Shasta County (9.4 percent) are below the State average of 10.5 percent.

**FIGURE 39: NON-INSTITUTIONALIZED POPULATION WITHOUT HEALTH INSURANCE**



Source: American Community Survey 2013-2017 Estimates

\*Most Impacted and Distressed Area

#### 4. Population with Limited English Proficiency

Limited English Proficiency (LEP) persons are people who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English. LEP persons are especially vulnerable in the face of disaster, as they may not be able to effectively participate in or benefit from federally assisted programs. Title VI of the Civil Rights Act of 1964 requires recipients of federal financial assistance to take reasonable steps to ensure meaningful access of LEP persons.

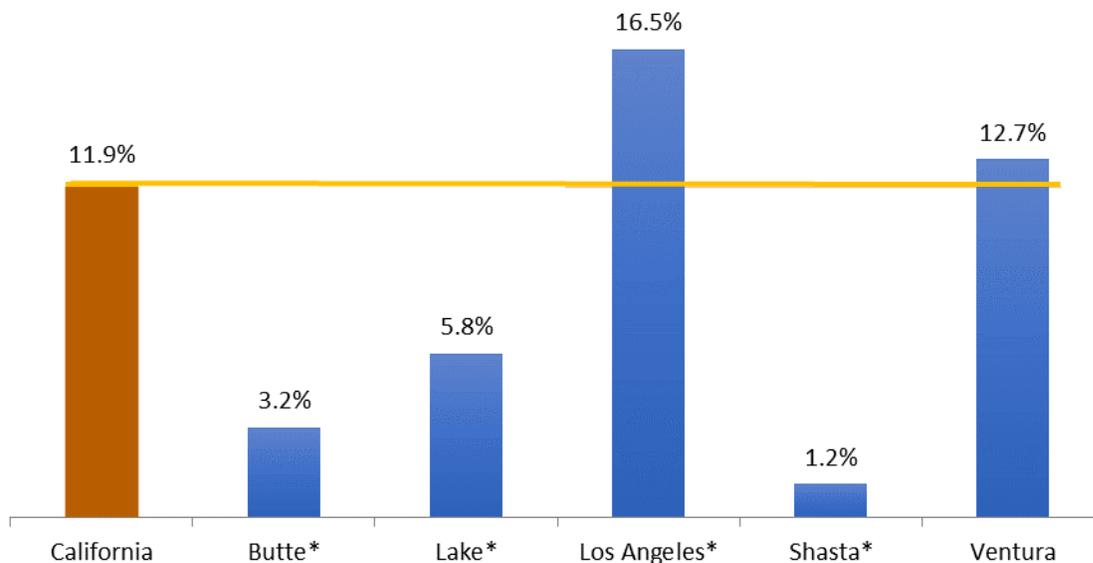
HCD conducted a four-factor analysis using 2017 ACS 5-year estimates data to determine the proportion of populations within impacted counties that were LEP. The analysis uses thresholds of a minimum of 1,000 persons or at least five percent of the population who speak a language other than English at home and also speak English less than “very well” to determine the proportion of persons who are LEP.

Results of the analysis showed that all five affected counties (Butte, Lake, Los Angeles, Shasta, and Ventura) met the 1,000 persons or five percent LEP persons threshold for Spanish. In addition, Butte, Los Angeles, Shasta, and Ventura counties met the 1000 persons, but not the five percent threshold for languages other than English and Spanish.

Los Angeles and Ventura counties have the highest populations of Spanish-speaking LEP persons, both exceeding 10 percent of the total county population. These two counties also have the largest number of additional languages spoken by more than 1,000 people who also speak English less than “very well”. These persons may require special attention and outreach for participation in federal assistance programs. HCD will ensure that all citizens have equal access to information about the programs, including persons with disabilities (vision and hearing impaired) and LEP.

A Spanish version of the Action Plan will be available. For Butte, Los Angeles, Shasta, and Ventura counties, HCD will work collaboratively with county officials and community-based organizations to identify if there is a need, as well as the best approaches for conducting targeted outreach in any additional languages, which may include translating pertinent materials and having language translators available at public meetings if requested in advance. Language access services and the availability of accessible features and reasonable accommodations for persons with disabilities will be provided to individuals for all public meetings as well as applicants during program case management of housing programs. HUD LEP Guidance will be included within program policies (<https://www.hud.gov/sites/documents/FINALLEP2007.PDF>).

**FIGURE 40: SPANISH SPOKEN AT HOME BY ABILITY TO SPEAK ENGLISH LESS THAN "VERY WELL" (AGES 5+)**



Source: American Community Survey 2013-2017 Estimates

\*Most Impacted and Distressed Area

**FIGURE 41: SPANISH LANGUAGE SPOKEN AT HOME**  
**SPANISH LANGUAGE SPOKEN AT HOME BY ABILITY TO SPEAK ENGLISH (AGES 5+)**

	Estimate Speak English Less than "Very Well"	Percent Speak English Less than "Very Well"
Butte County	6,789	3.20%
Lake County	3,508	5.80%
Los Angeles County	1,565,418	16.52%
Shasta County	1,998	1.19%
Ventura County	100,584	12.65%

Source: American Community Survey, 2017 5-Year Estimates



## C. Homeless Population

### 1. Homeless population pre-disaster

In 2018, the Chico, Paradise/Butte County Continuum of Care (COC) reported 1,125 homeless persons, made up of 919 households.<sup>59</sup> About two-thirds of all homeless persons (745) were unsheltered. Forty-five percent of all homeless persons (506 persons) were considered chronically homeless.

The Lake County COC reported 615 homeless persons, made up of 281 homeless households, in 2018.<sup>60</sup> The vast majority of those homeless persons (591) were unsheltered. Thirteen percent of all homeless persons (82 persons) were considered chronically homeless.

**FIGURE 42: HOMELESS POPULATION, 2018**

Continuum of Care	Wildfire	Homeless Persons	Homeless Households	Unsheltered Homeless Persons # and %		Chronically Homeless Persons # and %	
				#	%	#	%
<b>Chico, Paradise/Butte Counties</b>	Camp	1,126	919	919	82%	506	45%
<b>Lake</b>	Mendocino	615	218	591	96%	82	13%
<b>Los Angeles</b>	Woolsey	49,955	44,497	37,570	75%	13,275	27%
<b>Redding/Shasta, Siskiyou, Lassen, Plumas, Del Norte, Modoc, Sierra Counties</b>	Carr	1,149	937	690	60%	431	38%
<b>TOTAL</b>		<b>52,845</b>	<b>46,571</b>	<b>39,770</b>	<b>75%</b>	<b>14,294</b>	<b>27%</b>

Source: <https://www.hudexchange.info/programs/coc/coc-dashboard-reports/>, accessed 3/12/20

In 2018, the Los Angeles County COC reported 49,955 homeless persons in 2018, made up of 44,497 households. Seventy-five percent of homeless persons (37,570 persons) were unsheltered. Twenty-seven percent of all homeless persons (13,275 persons) were considered chronically homeless.

The Redding/Shasta, Siskiyou, Lassen, Plumas, Del Norte, Modoc, Sierra Counties CoC reported 1,149 homeless persons, made up of 937 households, in 2018.<sup>61</sup> About half of all homeless persons (690 persons) were unsheltered. Thirty-eight percent of all homeless persons (431 persons) were considered chronically homeless.

<sup>59</sup> “HUD 2018 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations: Chico, Paradise/Butte County CoC,” HUD Point in Time data, 2/21/18, [https://files.hudexchange.info/reports/published/CoC\\_PopSub\\_CoC\\_CA-519-2018\\_CA\\_2018.pdf](https://files.hudexchange.info/reports/published/CoC_PopSub_CoC_CA-519-2018_CA_2018.pdf)

<sup>60</sup> “HUD 2018 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations: Lake County CoC,” HUD Point in Time data, 1/23/18, [https://files.hudexchange.info/reports/published/CoC\\_PopSub\\_CoC\\_CA-529-2018\\_CA\\_2018.pdf](https://files.hudexchange.info/reports/published/CoC_PopSub_CoC_CA-529-2018_CA_2018.pdf)

<sup>61</sup> “HUD 2018 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations: Redding/Shasta, Siskiyou, Lassen, Plumas, Del Norte, Modoc, Sierra Counties CoC,” HUD Point in Time data, 1/22/18, [https://files.hudexchange.info/reports/published/CoC\\_PopSub\\_CoC\\_CA-516-2018\\_CA\\_2018.pdf](https://files.hudexchange.info/reports/published/CoC_PopSub_CoC_CA-516-2018_CA_2018.pdf)

## 2. Newly homeless

At the end of January 2019, almost three months after the Camp Fire, the final evacuation center for the fire was closed. Approximately 600 residents at the Silver Dollar Fair Grounds in Chico were displaced, adding to the homeless roles. Weeks before that closure, Dianna Van Horn of the American Red Cross said: “It is a humanitarian issue. We are trying to make sure that everyone has a place to go.”<sup>62</sup> It was reported that “some of the people at the shelter were homeless before the Camp Fire hit, and have taken advantage of the federally-aided effort to find a shelter with food, water, and other services. Some others were what officials refer to as being “precariously housed” prior to the fire. They may have lived in the hillside towns of Paradise, Concow and Magalia, but were struggling financially and did not own – or even rent – their homes.”<sup>63</sup> Ed Mayer, head of the Housing Authority of the County of Butte, added: “These hill communities are often very low-income and it attracts people who live on the margins. You may do odd jobs, and you cobble together a lifestyle where you might be sleeping in an extra room, a trailer or a shed. You pay some rent this month, but can’t sustain it, and you move on.”<sup>64</sup>

### D. Impacts on Low- and Moderate-Income Populations

All projects supported by CDBG-DR funds must meet one of the program’s three National Objectives:

- Benefiting Low- and Moderate-Income (LMI) persons
- Aiding in the prevention or elimination of slums or blight
- Meeting a need or having particular need (Urgent Need)

HUD uses Low- and Moderate-Income Survey Data (LMISD) to identify these populations based on block group. The most recent LMISD is based on 2011-2015 ACS Five-Year Estimates. HUD defines LMI households as households whose gross income is below 80 percent of Area Median Income (AMI), adjusted for family size. Programs and projects considered to benefit LMI persons may do so directly, such as through a homeowner assistance program, or by benefitting low- and moderate-income areas, where it is determined that at least 51 percent of a service area’s population is LMI, such as certain infrastructure projects.

In recognition of the responsibility to spend at least 70 percent of CDBG-DR funds to the benefit of LMI persons and households, it is important to identify where those populations live. As shown in Figure 43, most impacted counties hover around the statewide average of 47.9 percent LMI populations. This results in an LMI population of just over 6 million people throughout the five counties. If Los Angeles County is removed, the total LMI population drops to just over 564,000 people.

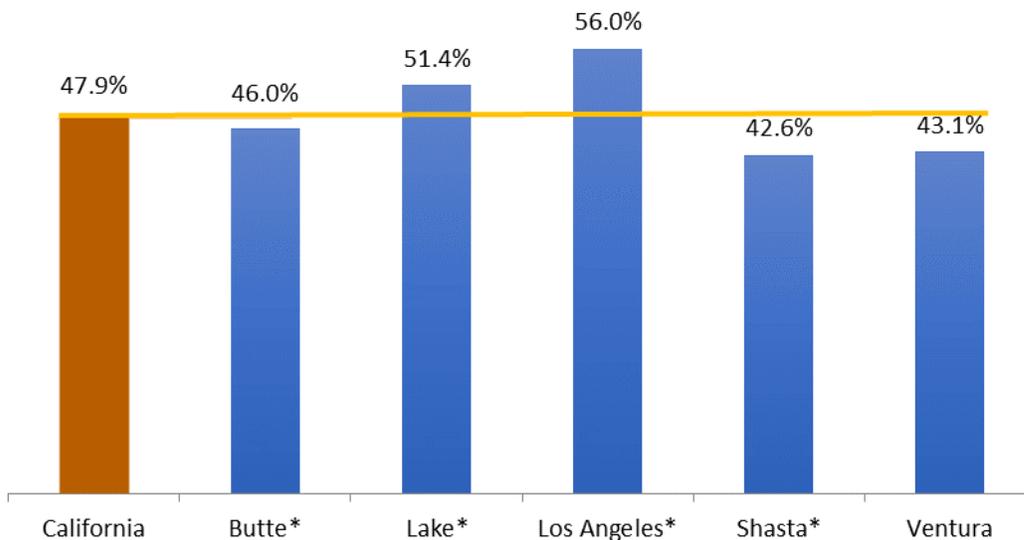
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<sup>62</sup> “A huge shelter for Camp Fire refugees is closing. ‘More are seniors. That breaks my heart’” *The Sacramento Bee*, January 18, 2019, <https://www.sacbee.com/latest-news/article224717220.html>

<sup>63</sup> Ibid.

<sup>64</sup> Ibid.

FIGURE 43: LOW- AND MODERATE-INCOME POPULATION



Source: HUD LMISD, based on 2011-2015 ACS data

\*Most Impacted and Distressed Area

FIGURE 44: HUD LOW- AND MODERATE-INCOME LIMITS (2018)

Income Limit Area	30% Median Income	50% Median Income	80% Median Income
Chico, CA MSA	\$18,150	\$30,250	\$48,400
Lake County, CA	\$17,900	\$29,850	\$47,750
Los Angeles-Long Beach-Glendale, CA FMR Area	\$29,050	\$48,450	\$77,500
Redding, CA MSA	\$18,400	\$30,700	\$49,100

Source: HUD

FIGURE 45: LMI POPULATIONS IN FIRE BURNED AREAS

County Name	LMI Population	LMI Universe	% LMI in Fire Burned Areas
Butte County	24,740	62,175	39.8%
Lake County	10,815	19,850	54.5%
Shasta County	12,160	31,610	38.5%
Los Angeles County	22,075	80,410	27.5%
Ventura County	15,135	71,740	21.1%
<b>Grand Total</b>	<b>84,925</b>	<b>265,785</b>	<b>32.0%</b>

Source: 2011-2015 ACS data from HUD



Despite the fact that there are very few census tracts that are predominantly LMI in the fire burned areas<sup>65</sup>, there are many households in those areas that are Low- and Moderate-Income. Notably, there are over 37,000 people who live in the area that was burned by the Woolsey Fire who are considered LMI (22,075 people in Los Angeles County and 15,135 people in Ventura County). Butte County, including the town of Paradise, has the highest percent of LMI individuals in the burn area, with nearly 25,000 people considered to be LMI, making up 40 percent of the population in the burn area.

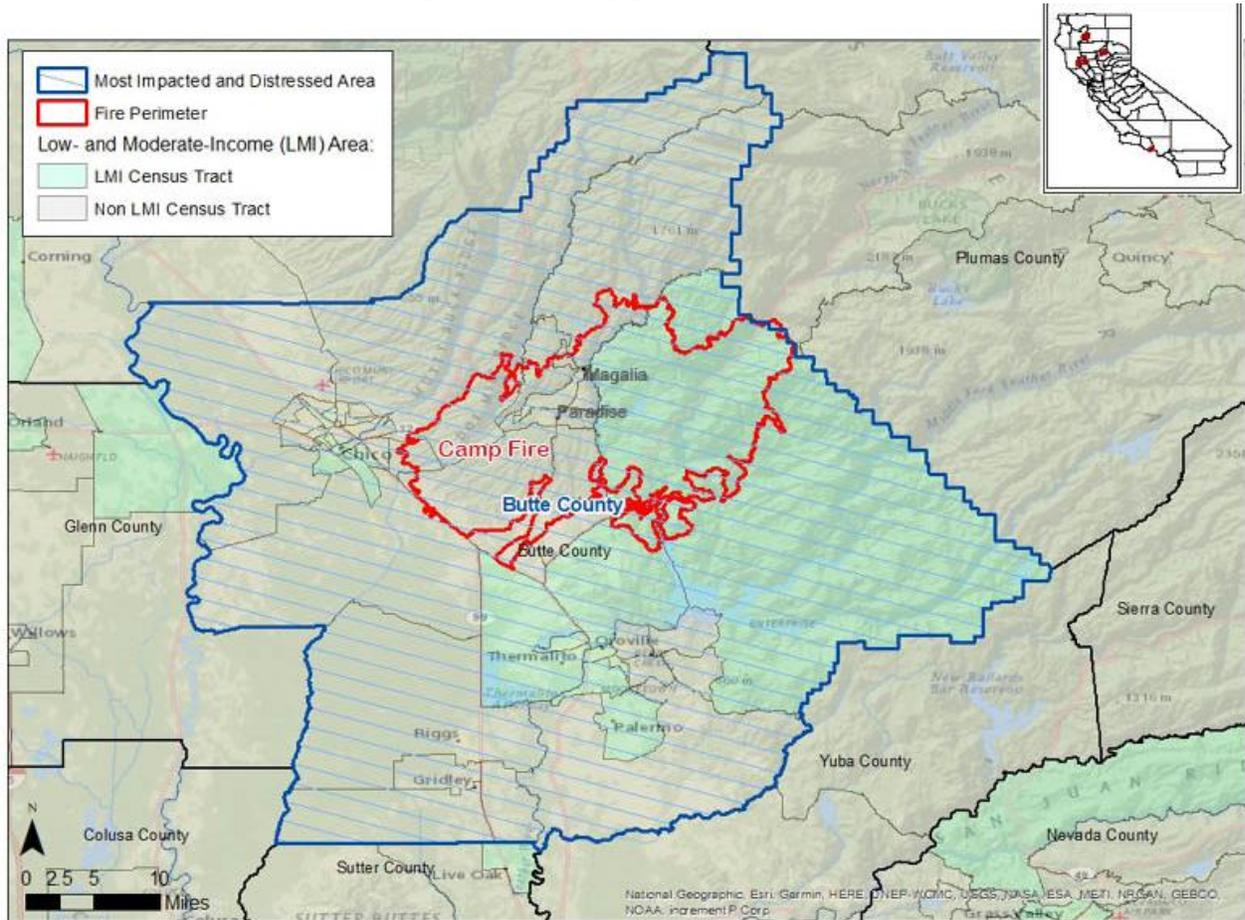
**FIGURE 46: LMI DISTRIBUTION ACROSS FIRE BURNED AREAS**

County Name	LMI Population	Portion of the Total Impacted LMI Population
Butte County	24,740	29.1%
Lake County	10,815	12.7%
Shasta County	12,160	14.3%
Los Angeles County	22,075	26.0%
Ventura County	15,135	17.8%
<b>Grand Total</b>	<b>84,925</b>	<b>100.0%</b>

Source: 2011-2015 ACS data from HUD

<sup>65</sup> Areas that fall within a Census tract that intersects the CAL FIRE mapped fire perimeters for the Camp Fire, Carr Fire, Mendocino Complex fires, and Woolsey Fire.

FIGURE 47: CAMP FIRE LMI MAP

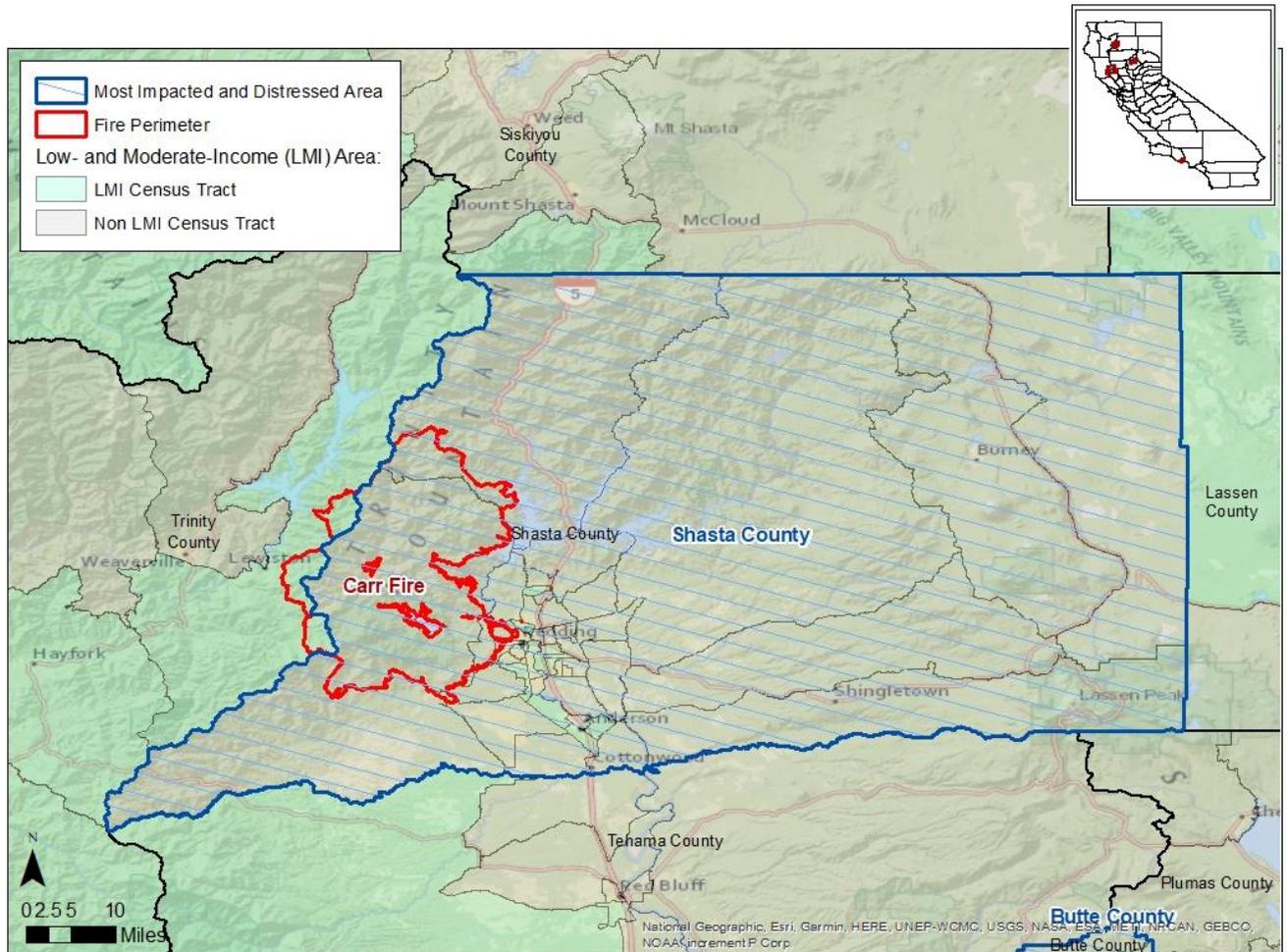


Source: CAL FIRE, HUD 2015 ACS Low- and Moderate-Income data, Federal Register Notice 85 FR 4681

The Camp Fire burned across census tracts that are a both predominantly LMI and predominantly Non-LMI. An analysis of the population in fire burned areas<sup>66</sup> show that there are 24,740 LMI individuals, making the LMI population 39.9 percent of the population in the burned area. When compared to the LMI populations across the three other fire burned areas, the LMI population in the Camp Fire burn area is 29.1 percent of the total LMI population.

<sup>66</sup> Analysis looked at the populations in Census tracts that intersect with the fire burned areas.

FIGURE 48: CARR FIRE LMI MAP

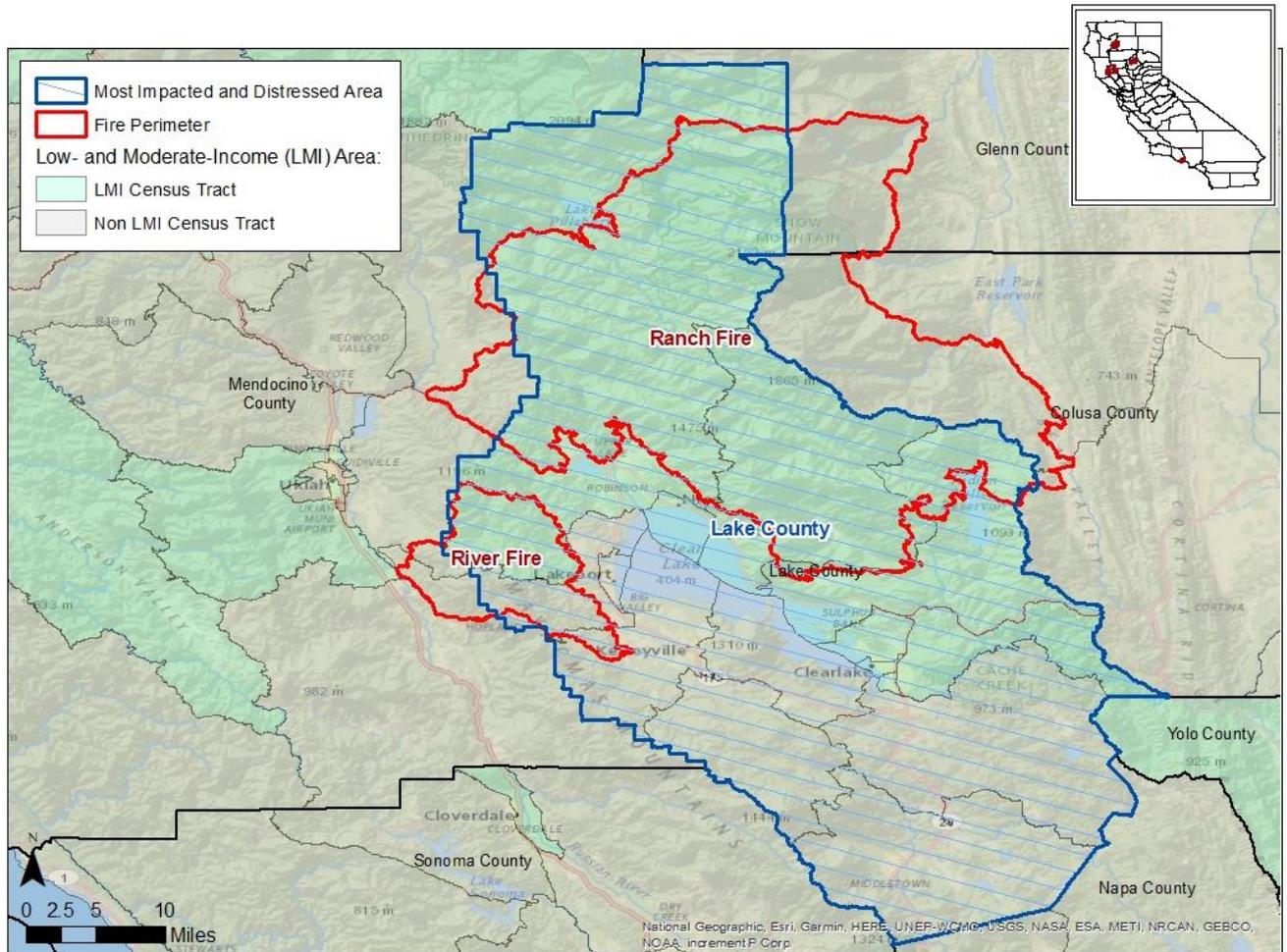


Source: CAL FIRE, HUD 2015 ACS Low- and Moderate-Income data, Federal Register Notice 85 FR 4681

The Carr Fire burned in predominantly non-LMI census tracts, but since LMI individuals live throughout the census tracts, that does not mean that LMI individuals were not in the burn area or directly impacted. Analysis of the population in fire burned areas<sup>67</sup> show that there are 12,160 LMI individuals, which translates to an LMI population of 38.5 percent in the burned area. When compared to the LMI populations across the three other fire burned areas, the LMI population in the Carr Fire burn area is 14.3 percent of the total LMI population.

<sup>67</sup> Analysis looked at the populations in Census tracts that intersect with the fire burned areas.

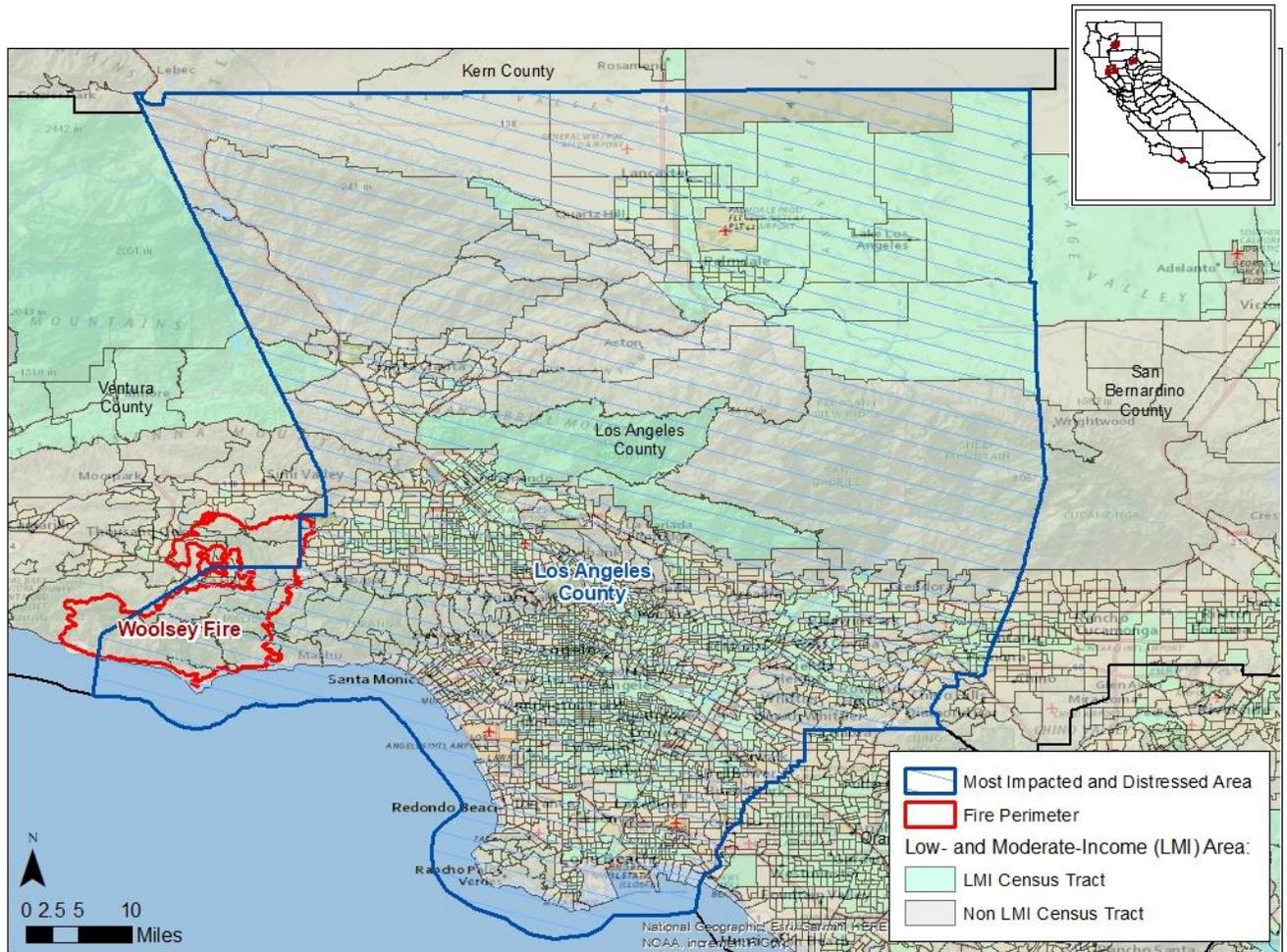
FIGURE 49: MENDOCINO COMPLEX LMI MAP



The Mendocino Complex (Ranch Fire and River Fire) burned mostly in census tracts that are predominantly LMI. Analysis of the population in fire burned areas<sup>68</sup> show that there are 10,815 LMI individuals, which translates to an LMI population of 54.5 percent in the burned area. When compared to the LMI populations across the three other fire burned areas, the LMI population in the Mendocino Complex burn area is 12.7 percent of the total LMI population.

<sup>68</sup> Analysis looked at the populations in Census tracts that intersect with the fire burned areas.

FIGURE 50: WOOLSEY FIRE LMI MAP



Source: CAL FIRE, HUD 2015 ACS Low- and Moderate-Income data, Federal Register Notice 85 FR 4681

The Woolsey Fire burned in predominantly non-LMI census tracts, but since LMI individuals live throughout the census tracts, that does not mean that LMI individuals were not in the burn area or directly impacted.

Analysis of the population in fire burned areas of Los Angeles County<sup>69</sup> show that there are 22,075 LMI individuals, which translates to an LMI population of 27.5 percent in the burned area. When compared to the LMI populations across the three other fire burned areas, the LMI population in the Woolsey Fire burn area is 26.0 percent of the total LMI population.

Analysis of the population in fire burned areas of Ventura County<sup>70</sup> show that there are 15,315 LMI individuals, which translates to an LMI population of 21.1 percent in the burned area. When compared to the LMI populations across the three other fire burned areas, the LMI population in the Woolsey Fire burn area is 17.8 percent of the total LMI population.

<sup>69</sup> Analysis looked at the populations in Census tracts that intersect with the fire burned areas.

<sup>70</sup> Analysis looked at the populations in Census tracts that intersect with the fire burned areas. Ventura County is not part of the MID but had significant damage and has significant LMI populations in the Woolsey Fire burn area and was therefore included in the analysis.



Taken together, the LMI population in the Woolsey Fire burned area is over 37,000 individuals and constitutes 43.8 percent of all LMI individuals in the fire burned areas of the 2018 fires.

## 11. SOCIAL VULNERABILITY INDEX

Social vulnerability is a measure of a community’s ability to withstand and recover from external stresses, including natural disasters such as wildfires. Communities that have high levels of social vulnerability are particularly vulnerable to natural or human caused disasters, while communities with low levels of social vulnerability tend to have greater resilience to these stressors. The Center for Disease Control and Prevention (CDC) publishes a Social Vulnerability Index (SVI), which is based on a combination of factors including poverty, lack of access to transportation, age, language and crowded housing. The SVI accounts for a variety of factors that make it more difficult for a community to prevent human suffering and financial loss in a disaster.<sup>71</sup>

The CDC’s SVI is intended to assist emergency response planners and public health officials identify communities that likely need additional support before, during, and after a disaster. This is a useful tool for assisting in the identification of areas of particular need for long-term recovery efforts as the index helps identify which communities likely need extra resources to be able recover and where those resources may have the most impact.

The SVI uses geographically located data from the U.S. Census on 15 social factors that address four key themes: socioeconomic status, household composition, race/ethnicity/language, and housing/transportation. This analysis is conducted at the census tract level across the nation. Each census tract gets a value for each theme, and then those values are combined to create a composite value. For each theme and for the composite value, a percentile ranking is then assigned relative to the values for the rest of the State.

**FIGURE 51: SOCIAL VULNERABILITY INDEX OF MOST IMPACTED & DISTRESSED COUNTIES**

County	Population	Composite Theme Value	Overall Percentile Ranking
Butte	223,877	7.42	51.7%
Lake	64,076	8.72	68.2%
Shasta	179,228	7.08	47.5%
Los Angeles	10,056,676	7.82	56.7%

Source: Centers for Disease Control and Prevention Social Vulnerability Index

At the county level, Lake County has the highest overall SVI, with a rank of 8.72 and overall percentile ranking of 68.2 percent ranking it as the most socially vulnerable of the four MID counties. This is largely due to a high value in the Household Composition Theme, which accounts for prevalence of disability (over 20 percent for Lake County). It also accounts for age, including the portion of children and elderly in the population, and single-parent households.

<sup>71</sup> “CDC’s Social Vulnerability Index (SVI): A tool to identify socially vulnerable communities” Agency for Toxic Substances and Disease Registry, Centers for Disease Control and Prevention, September 10, 2018, <https://svi.cdc.gov/factsheet.html>



Shasta County also a high ranking for household composition (79.7 percent), followed by Butte County (64.9 percent).

Lake County has the highest SVI rank in the Socioeconomic Theme, making it the most socioeconomically vulnerable among the MID counties. All four MID counties have a rank higher than 50 percent for their socioeconomic vulnerability, with Butte, Los Angeles, and Shasta Counties all in the 50-60 percent range. Lake County also leads the Household Type and Transportation Theme, with 13 percent of the population residing in mobile homes. Butte, Los Angeles, and Shasta all rank in the 50-60 percent range for this theme.

Los Angeles County has the highest percentile ranking (63.8 percent) for the Minority and Language Theme, with a large portion of the population, largely driven by a 73 percent minority population and 13 percent of the population with limited English proficiency. Lake, Butte, and Shasta are all in the bottom quarter of vulnerability for this theme.

The four SVI theme values and respective percentile ranking at the county level are listed for each of the MID counties in Figure 52, below.

**FIGURE 52: COMPONENT SOCIAL VULNERABILITY INDEX (SVI) VALUES**

		Butte	Lake	Los Angeles	Shasta
Population		<b>223,877</b>	<b>64,076</b>	<b>10,056,676</b>	<b>179,228</b>
Socioeconomic Theme	Theme Value	2.31	2.78	2.21	2.01
	Percentile Ranking	59.5%	73.1%	56.4%	51.0%
Household Composition Theme	Theme Value	2.26	2.74	1.93	2.54
	Percentile Ranking	64.9%	88.2%	46.7%	79.7%
Minority/Language Theme	Theme Value	0.36	0.47	1.26	0.17
	Percentile Ranking	16.6%	22.1%	63.8%	6.9%
Household Type/ Transportation Theme	Theme Value	2.48	2.73	2.41	2.36
	Percentile Ranking	56.4%	65.4%	54.2%	51.6%
<b>Composite of Themes</b>	<b>Theme Value</b>	<b>2.48</b>	<b>2.73</b>	<b>2.41</b>	<b>2.36</b>
	<b>Percentile Ranking</b>	<b>56.4%</b>	<b>65.4%</b>	<b>54.2%</b>	<b>51.6%</b>

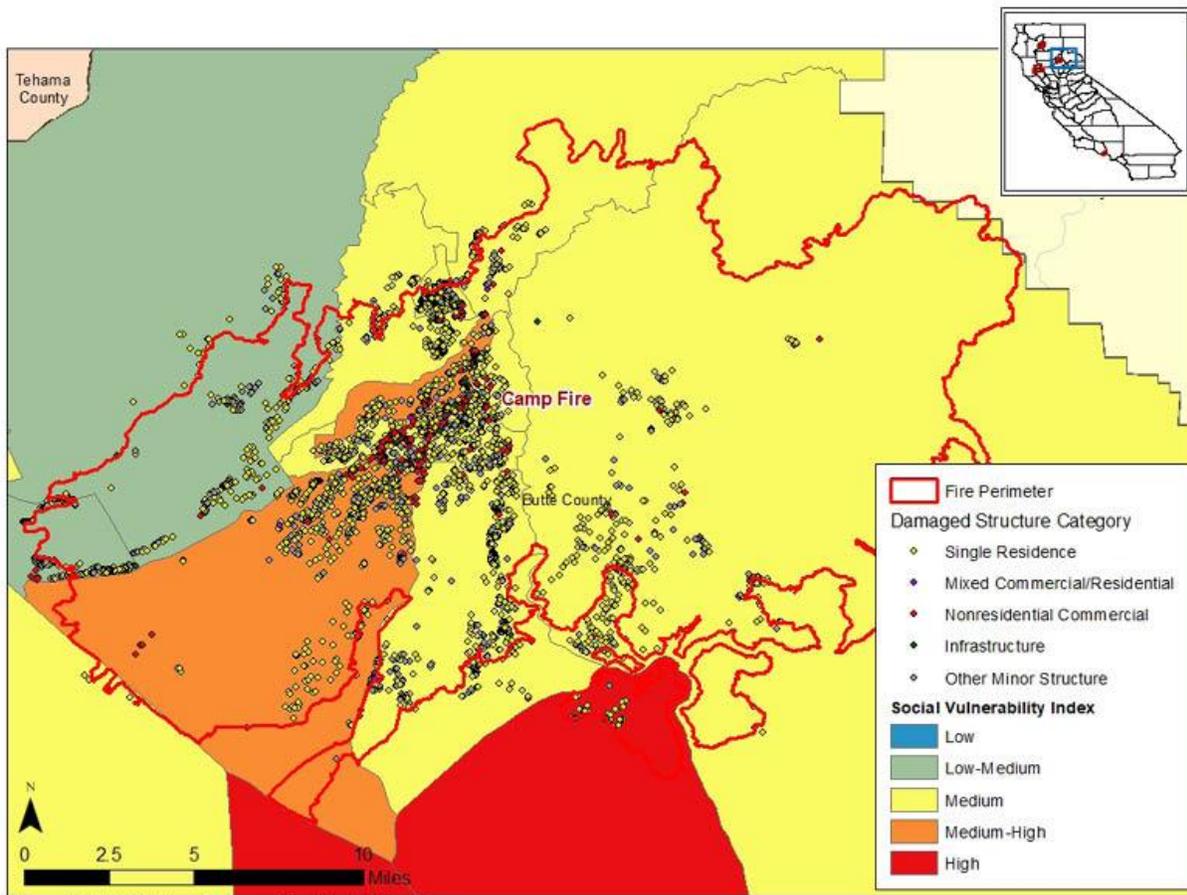
Source: Centers for Disease Control and Prevention Social Vulnerability Index

The figures show in Figure 52 overlay the overall SVI ranking (low, low-medium, medium, medium-high, and high) with the fire perimeter and damaged structure locations and structure types (residential, commercial, infrastructure, and others) for each of the fires. These maps show all structures which had reported damage based on the CAL FIRE data. Due to the destructiveness of the fires, 94 percent of all damaged structures were destroyed in the 2018 wildfires, and therefore most of the structures represented in these maps are considered destroyed. MID counties are shown with bright SVI rankings, while the SVI rankings for those areas outside the MID are shown in more muted versions of the same five colors corresponding to the overall SVI ranking.

As can be observed in the maps below (Figures 52, 53, 54, 55), and consistent with the SVI scores at the county level, the Mendocino Complex (including the Ranch Fire and River Fire), which burned primarily in Lake County, has more damage in areas with

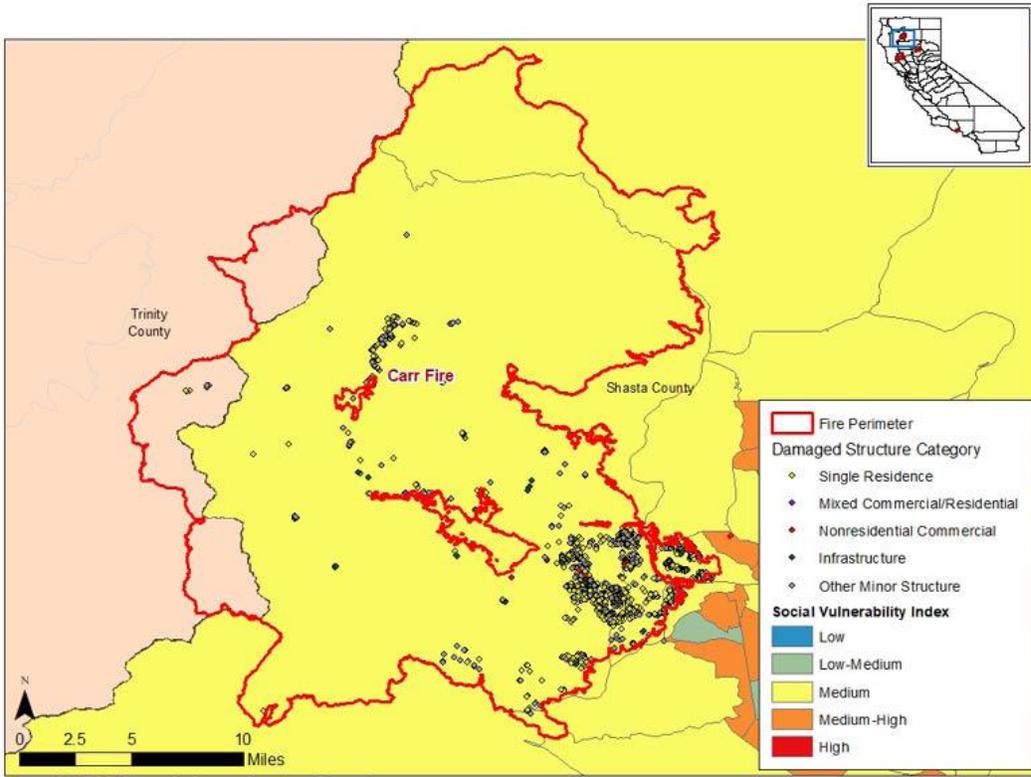
generally higher SVI values. The Camp Fire and River Fire were the only two fires to damage structures in census tracts with a “High” SVI ranking (greater than 75 percent). Paradise, burnt by the Camp Fire and clearly visible on the map in the area of high structure damage concentration, is a mix of “Medium” and “Medium-High” rankings, (rankings from 25-74.9 percent). The Carr Fire, which burnt primarily in Shasta County, burned almost exclusively in “Medium” SVI areas (25-49.9 percent). The Woolsey Fire, which burnt in Los Angeles and Ventura Counties, was primarily in “Low-Medium” and “Medium” SVI areas (1-24.9 percent ranking).<sup>72</sup>

**FIGURE 53: SOCIAL VULNERABILITY OF CAMP FIRE DAMAGED AREAS**



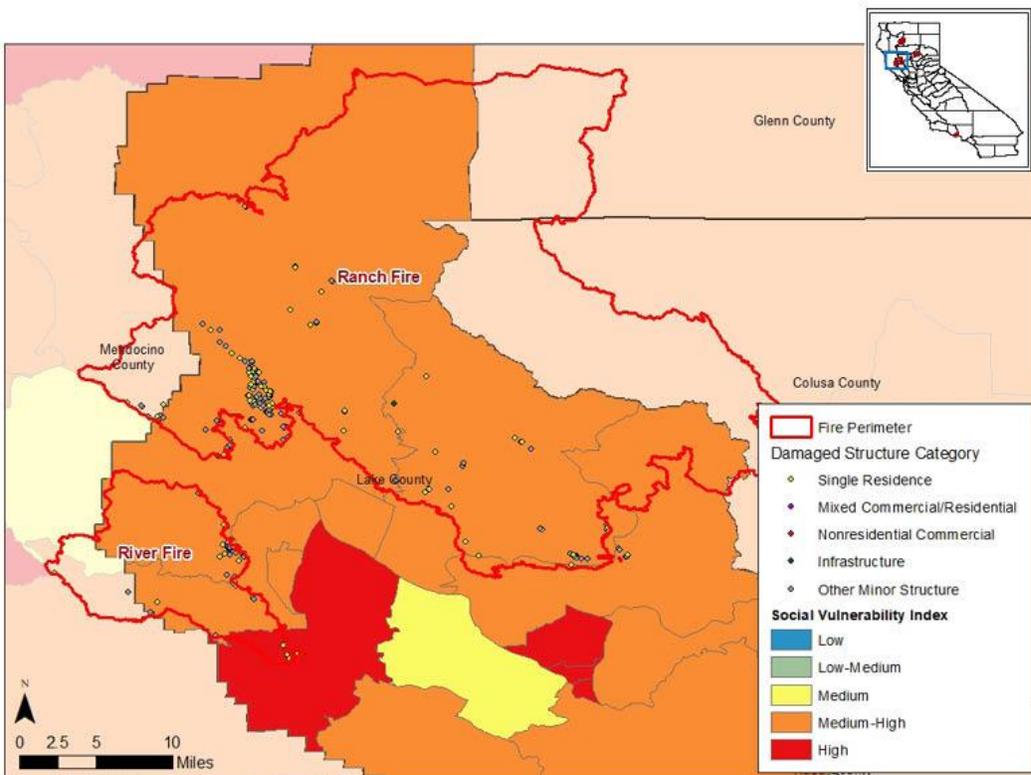
<sup>72</sup> SVI values include values for areas that do not have a population, assigned the “Low” social vulnerability title.

FIGURE 54: SOCIAL VULNERABILITY OF CARR FIRE DAMAGED AREAS



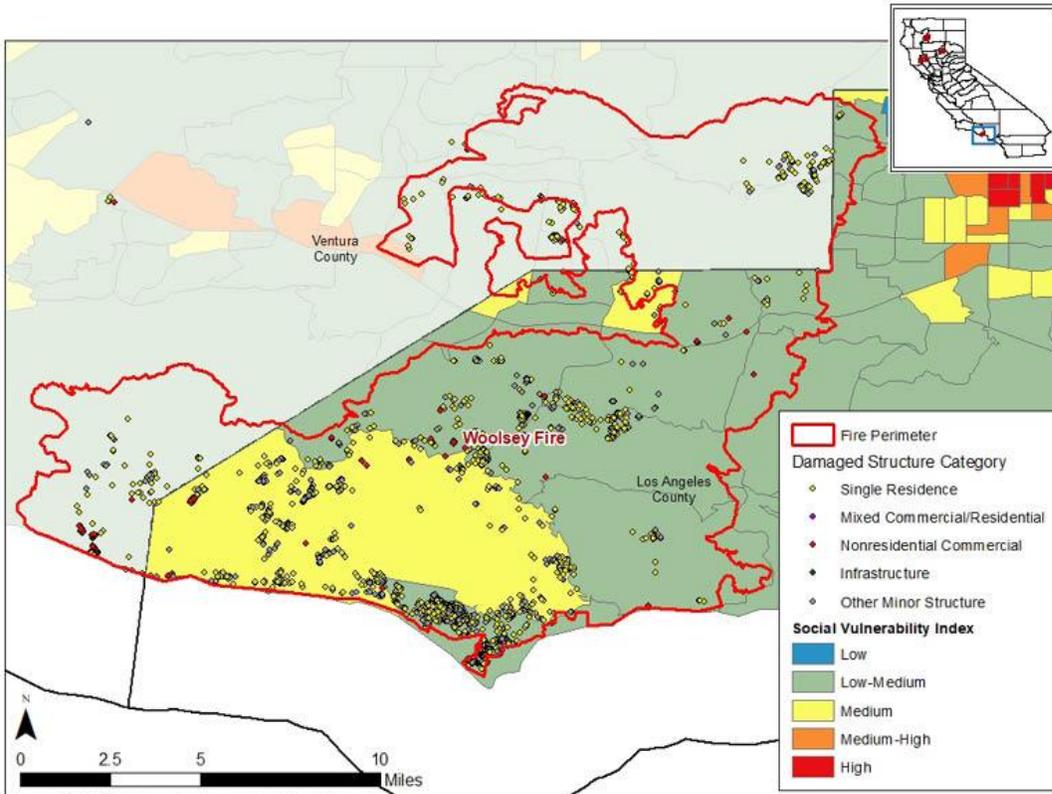
Source: CAL FIRE, Centers for Disease Control and Prevention

FIGURE 55: SOCIAL VULNERABILITY OF MENDOCINO COMPLEX FIRE DAMAGED AREAS



Source: CAL FIRE, Centers for Disease Control and Prevention

FIGURE 56: SOCIAL VULNERABILITY OF WOOLSEY FIRE DAMAGED AREAS



## 12. ANALYSIS OF UNMET NEED: HOUSING

California’s 2018 federally disaster declared wildfires caused an estimated \$14.9 billion in residential losses. As a result, \$11.65 billion in funds have been committed to meet that need from private insurance claims, federal funding from FEMA IA grants and SBA home loans, and state and local grants to local housing entities. The difference, \$3.2 billion, is the unmet housing need in California as a result of the 2018 wildfires. These calculations represent disaster-related impacts based on the best available data at the time of writing the Action Plan and represents a point in time assessment. Figure 57 below summarizes the housing unmet need, followed by a detailed discussion of the methodology.

This massive housing impact occurred at a point in time in which the State was already struggling to meet housing demand. The most impacted county from the 2018 fires was Butte County, which even prior to the Camp fire, had a housing vacancy rate between 1.5 to 2.5 percent.<sup>73</sup> The 2010 Census counted 99,404 housing units in Butte County. Based on CAL FIRE data, the Camp Fire destroyed over 15,000 residential units, accounting for over 15 percent of the housing stock.

<sup>73</sup> “Butte County lacks housing capacity for those displaced by Camp Fire” *Chico Enterprise Record*, November 12, 2018, <https://www.chicoer.com/2018/11/12/butte-county-lacks-housing-capacity-for-those-displaced-by-camp-fire/>



**FIGURE 57: HOUSING UNMET NEED SUMMARY**

	<b>Loss/Need (-)</b>	<b>Funding Awarded or Obligated (+)</b>	<b>Unmet Need (=)</b>
Residential Property Loss	\$14,876,576,401		\$14,876,576,401
Public Housing Loss	\$-		\$-
FEMA Individual Assistance (IA)		\$98,316,794	\$(98,316,794)
<i>FEMA Housing Assistance (HA)</i>		\$64,381,734	\$(64,381,734)
<i>FEMA Other Needs Assistance (ONA)</i>		\$33,935,059	\$(33,935,059)
FEMA Rental Assistance		\$23,382,303	\$(23,382,303)
SBA Loans: Residential		\$132,915,500	\$(132,915,500)
CalHome		\$57,008,200	\$(57,008,200)
Community Housing Improvement Program (CHIP) Grant for Paradise Community Village		\$580,000	\$(580,000)
Private Insurance Payments		\$11,338,993,359	\$11,338,993,359
<b>Total Housing</b>	<b>\$14,876,576,401</b>	<b>\$11,651,196,156</b>	<b>\$3,225,380,246</b>

### 13. HOUSING UNMET NEED METHODOLOGY

To determine the unmet housing need, two need categories were developed:

- Insured properties - Unmet need is the gap between total rebuild/repair amount and the insured amount minus FEMA IA and SBA assistance
- Unmet Need = Rebuild/Repair Amount - Insurance – Funds Awarded
- Uninsured properties - Unmet need is the total rebuild/repair amount minus FEMA IA and SBA assistance Unmet Need = Rebuild/Repair Amount – Funds Awarded

To assess the cost to rebuild/repair insured homes, HCD determined the number and extent of damaged residential properties and the per property cost to repair and replace those homes. For insured properties, the analysis determines the number of insured properties destroyed by the fires that need to be rebuilt based on the number of insurance claims resulting in total loss from CDOI and the number of destroyed (damage greater than 50 percent) residential properties from the CAL FIRE data. The number of insured damaged properties (less than 50 percent damage) is calculated based on the difference between the total insurance claims and the number of destroyed insured properties.

To assess the number of uninsured destroyed residential properties, the number of insured total loss claims is analyzed relative to the number of destroyed residential properties in the CAL FIRE data. Based on the total number of insurance claims, the true number of damaged homes far exceeds those that appear in the CAL FIRE dataset (as well as the FEMA IA and SBA datasets). Assuming that the portion of insured to uninsured is the same for damaged and destroyed homes, a multiplier is calculated

based on the number of destroyed structures in the CAL FIRE dataset and total loss claims in the insurance data. The multiplier is applied to the number of insurance claims for partial loss. This results in an estimate of the total number of uninsured homes that need to be repaired or replaced. The estimated number of residential properties that need to be repaired and replaced are provided in Figure 60.

The total cost to repair and replace the damaged and destroyed residential properties is determined by multiplying the number of each by the respective cost estimate for residential structures construction in each county. The cost estimation to rebuild is comprised of the following components:

- Soft costs include architectural and engineering fees, utilities, permits and fees, normalized based on the average median square feet per residence. The cost is estimated based on percentages of the site work and building cost based on an architectural analysis from the 2017 fire recovery. Costs include 8 percent for design, permits, and architecture and engineering fees, 2 percent for utility connections, and 4 percent for building permits and fees.<sup>74</sup>
- Site work includes foundation, debris and septic repair costs, normalized based on the average median square feet per residence. The cost estimate is based on debris remove costs from the Department of Insurance and from an architectural analysis from the 2017 fire recovery.<sup>75, 76</sup>
- Building costs are the estimated cost for vertical construction (exclusive of Soft Costs and Site Work) per square foot. For each county, the building costs are based on construction estimation research from multiple sources to estimate and validate costs by county and zip code in impacted areas.<sup>77, 78</sup>
- Average square feet per residential property is estimated based on Zillow data on the median sale price divided by the median price per square foot in the impacted areas

The cost to rebuild is determined based on the sum of the soft costs, site work, and local building cost per square foot multiplied the average square feet for each of the impacted areas. The cost to repair is estimated at 25 percent of the cost to rebuild. The estimated repair/replace cost per residential property by county is detailed in Figure 58. These costs account for the application of local codes and standards, including use of ignition-resistant home construction codes. According to a research report released by Headwaters Economics, the cost for new construction of building ignition-resistant homes is, “is not substantively different than the cost of typical construction,” though the

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<sup>74</sup> “Rebuilding a Wine Country home after fire may cost way more than insurance provides, architects say,” *North Bay Business Journal*, October 20, 2017, <https://www.northbaybusinessjournal.com/industrynews/7543341-181/sonoma-insurance-rebuilding-construction-costs>

<sup>75</sup> Ibid; “November 2018 Wildfires Consolidated Debris Removal Program Insurance Fact Sheet” California Department of Insurance, January 1, 2019.

<sup>76</sup> Site work is estimated at \$75,000 for Shasta, Lake, Los Angeles and Ventura Counties and at \$90,000 in Butte County in recognition of the severity of the fire damage and resulting increased costs related to reading a site for vertical construction.

<sup>77</sup> Ibid; “Rebuilding from Camp Fire to take years because of labor shortage, insurance costs” *San Francisco Chronicle*, December 9, 2018; “Home Construction Costs and Price – ProMatcher Cost Report” ProMatcher.com, accessed 3/20/2020, <https://home-builders.promatcher.com/cost/>.

<sup>78</sup> Costs are reflective of the available cost data and does not include a cost escalation factor for increased construction costs past the point in time at which the cost estimates were developed.



costs of retrofits can be substantial.<sup>79</sup>

**FIGURE 58: RESIDENTIAL REBUILD/REPLACE PER PROPERTY COST**

	Shasta County	Lake County	Butte County	Los Angeles County	Ventura County
Soft Cost (A/E, Utilities, Permits/Fees)	\$14.65	\$16.87	\$15.88	\$15.56	\$22.37
Site Work (Debris, Foundation, Septic Repair)	\$43.94	\$50.61	\$57.18	\$25.93	\$37.28
Building Cost Per Square Foot	\$130.58	\$140.00	\$153.25	\$163.51	\$178.85
Total Cost Per Square Foot	\$189.16	\$207.48	\$226.31	\$205.00	\$238.49
Square Feet	1,707	1,482	1,574	2,892	2,012
Rebuild Cost per Property	<b>\$322,900.06</b>	<b>\$307,480.00</b>	<b>\$356,215.50</b>	<b>\$592,870.92</b>	<b>\$479,846.20</b>
Repair Cost per Property	<b>\$307,480.00</b>	<b>\$76,870.00</b>	<b>\$89,053.88</b>	<b>\$479,846.20</b>	<b>\$119,961.55</b>

Source: CDOI, San Francisco Chronicle, North Bay Business Journal, Headwaters Economics, ProMatcher, SBA

The per residential property costs were then validated based on repair and reconstruction costs calculated using SBA home loan data. Based on an analysis of major and moderate damage, the repair and replacement cost methodology are well validated. Using a major damage threshold of \$100,000 for Shasta, Lake, and Butte Counties and \$200,000 for Los Angeles and Ventura counties based on the large number of significantly more expensive homes in the Los Angeles area compared to the Northern California counties results in per residential property estimates shown in Figure 59.

**FIGURE 59: SBA COST VALIDATION**

	Major	Moderate
Lake County	\$298,452.08	\$66,949.75
Shasta County	\$454,361.02	\$68,394.42
Butte County	\$356,549.18	\$65,899.53
Los Angeles County	\$505,811.58	\$70,013.63
Ventura County	\$566,915.00	\$69,946.12

Source: SBA

<sup>79</sup> "Building a Wildfire-Resistant Home: Codes and Costs" *Headwaters Economics*, November 2018, <https://headwaterseconomics.org/wp-content/uploads/building-costs-codes-report.pdf>



The residential need is determined by multiplying the per property cost to rebuild by the total number of rebuild properties and the per property cost to repair by the total number of repair properties. These two numbers are then added together to determine the total rebuild/replace cost. Based on information from the California Department of Insurance, policies are structured to include approximately 30 percent of total policy value for contents. To be conservative, the total rebuild/repair cost is multiplied by 25 percent to determine the loss due to furniture and fixture contents. The total repair/replace cost plus contents loss costs results in the total residential loss calculation and is shown in Figure 60.

**FIGURE 60: RESIDENTIAL REBUILD/REPAIR NEED**

	Shasta County	Lake County	Butte County	Los Angeles County	Ventura County
<b>Rebuild Cost per Property</b>	<b>\$322,900.06</b>	<b>\$307,4800.00</b>	<b>\$356,215.50</b>	<b>\$592,870.92</b>	<b>\$479,846.20</b>
<b>Repair Cost per Property</b>	<b>\$307,480.00</b>	<b>\$76,870.00</b>	<b>\$89,053.88</b>	<b>\$479,846.20</b>	<b>\$119,961.55</b>
# Rebuild Properties	1,272	206	17,400	1,125	227
# Repair Properties	6,527	3,415	15,296	10,900	5,718
Total Rebuild Estimate	\$410,728,876	\$63,340,880	\$6,198,149,700	666,979,785	108,925,087
Total Repair Estimate	\$526,906,914	\$262,520,969	\$1,362,199,064	\$1,615,573,257	\$685,936,588
Furniture/Fixtures Contents	\$234,408,948	\$81,465,462	\$1,890,087,191	\$570,638,261	\$198,715,419
<b>Grand Total</b>	<b>\$1,172,044,738</b>	<b>\$407,327,311</b>	<b>\$9,450,435,955</b>	<b>\$2,853,191,303</b>	<b>\$993,577,095</b>

**All Counties, Total Rebuild Estimate: \$7,448,124,329**

**All Counties, Total Repair Estimate: \$4,453,136,792**

**All Counties, Furniture/Fixtures Contents: \$2,975,315,280**

**All Counties, Grand Total: \$14,876,576,401**

*Source: CDOI, CAL FIRE, San Francisco Chronicle, North Bay Business Journal, ProMatcher, Headwaters Economics, SBA*

The funding awarded amount is determined by using CDOI, FEMA IA and SBA data, in addition to information gathered on additional grants provided by local and state entities, as shown in Figure 61. Total private insurance proceeds are based on the CDOI residential personal property loss for the impacted counties from the “Insured Losses from the 2018 California Wildfires” report released April 30, 2019. The FEMA IA funds are based on FEMA data for DR 4382 and 4407 as of March 4, 2020 including total Housing Assistance, Other Needs Assistance and Rental Assistance granted.



The SBA Home loan funds are based on SBA Disaster Loan Assistance data as of March 9, 2020 for DR 4382 and DR 4407. The residential funding is based on total SBA funds distributed for home loans. In addition, the funding calculation accounts for grants from multiple sources including HCD’s disaster assistance CalHome loans provided to local agencies to support low-income owner-occupied housing rehabilitation and reconstruction, and multiple community foundation and non-profit grants to the private non-profit Community Housing Improvement Program (CHIP) for the rebuild of the 36-unit Paradise Community Village project, which targets populations at 30-60 percent AMI.<sup>80</sup>

**FIGURE 61: FUNDING SOURCES**

County	FEMA IA (HA)	FEMA IA (ONA)	FEMA IA (Rental)	SBA (Home)	Private Insurance	Sub Total
Shasta	\$4,484,236	\$1,754,895	\$757,632	\$9,735,600	\$850,497,135	\$867,229,498
Lake	\$1,1420,360	\$450,098	\$185,204	\$1,474,900	\$45,011,003	\$48,541,565
Butte	\$53,870,920	\$30,296,435	\$19,596,290	\$108,417,600	\$7,439,591,231	\$7,651,772,476
Los Angeles	\$4,036,083	\$1,362,526	\$2,573,921	\$9,342,300	\$2,659,114,911	\$2,676,429,741
Ventura	\$570,136	\$71,105	\$269,256	\$3,945,100	\$344,779,079	\$349,634,676
<b>Total</b>	<b>\$64,381,734</b>	<b>\$33,935,059</b>	<b>\$23,382,303</b>	<b>\$132,915,500</b>	<b>\$11,338,993,359</b>	<b>\$11,593,607,956</b>

**Additional Funds**

CalHome: \$57,008,200

Foundation/Non-Profit: \$580,000

**Total: \$11,651,196,156**

Source: FEMA, SBA, CDOI, HCD

As noted above, the cost to retrofit residential properties can be substantial. Retrofits, however, reduce the risk of wildfire damaging or destroying structures, which has a positive impact on reducing housing losses. In addition, it improves community resilience by reducing the secondary impacts of residential damage including property and business tax losses, mental health impacts, and public infrastructure damage.<sup>81</sup>

HCD calculated the need to retrofit homes that survived the fire to mitigate against future residential property loss. This need is calculated based on an analysis of homes likely to require roof retrofits (including roofing, vents, gutters, soffits and facias) and likely to require siding retrofits (to address exterior wall materials) and multiplied by estimated retrofit costs. The calculation is based on an analysis of CAL FIRE impacted structures data to determine the proportion of structures that had WUI elements, which was extrapolated across all households in disaster impacted census tracts, less destroyed properties.

This analysis found that there is a \$2.3 billion retrofit need in the fire impacted areas, including a \$2 billion need for exterior wall retrofits and over \$350 million in need for roof retrofits. This mitigation retrofit calculation represents a real need to improve the resilience of these fire impacted communities, but because the need is not directly

<sup>80</sup> “Chip Moves Forward with Rebuilding Affordable Housing,” *Action News Now*, October 4, 2019, <https://www.actionnewsnow.com/content/news/CHIP-moves-forward-with-rebuilding-affordable-housing-562224761.html>

<sup>81</sup> “Building a Wildfire-Resistant Home: Codes and Costs” *Headwaters Economics*, November 2018, <https://headwaterseconomics.org/wp-content/uploads/building-costs-codes-report.pdf>



attributable to disaster damage, it was not included in the Unmet Need total.

**14. PUBLIC HOUSING**

While no public housing units were damaged by these wildfires, some of the housing authority-owned properties and clients were affected. A list of the Public Housing Authorities is shown in Figure 60:

**FIGURE 62: PUBLIC HOUSING AUTHORITIES**

**Public Housing Authorities in DR-4382 Area**

<b>DR-4382</b>	<b>Public Housing Authority</b>
Lake County	Lake County Department of Social Services, Area Agency on Aging
Shasta County	Shasta County Housing Authority
	Redding Housing Authority

**Public Housing Authorities in DR-4407 Area**

<b>DR-4407</b>	<b>Public Housing Authority</b>
Butte County	Housing Authority of the County of Butte
Los Angeles County	Housing Authority of the County of Los Angeles
Ventura	Housing Authority of City of San Buenaventura
	Housing Authority of City of Santa Paula

The Housing Authority of the County of Butte (HACB) has 345 units in Chico, Oroville, Gridley, & Biggs, but reported no damaged units and no impact to residents or property. However, in its Section 8 Housing Choice Voucher Program 318 participant households were displaced by the disaster and tragically there were three fatalities. HACB also saw twelve workforce housing units that it owns, Kathy Court Apartments in Paradise, destroyed. These were tax-exempt public bond financed units (10 percent @ 50 percent AMI, 10 percent @ 80 percent AMI, and 80 percent market). Due to the destruction, all twelve households were displaced.

HACB also reports that five employees, of a total of 36, were compelled to leave the Authority because of loss of personal homes in the disaster. This event caused a "daisy-chain" of personnel changes that has resulted in over half of the Authority's staff in new positions. Authority administration has been deeply affected by ensuing recruitment, training, and team-building work that is needed to restore the authority's strength and functionality. They also reported that the Section 8 HCV program has teetered at the edge of functionality with the loss of housing opportunity in the jurisdiction as a Section 8 Voucher is far less useable now, compared to pre-disaster, as area rents have appreciated significantly, and voucher holders must compete with thousands of disaster-displaced households in a merciless game of musical chairs caused by the destruction of 15 percent of the County's total housing stock. The disaster also created a significant increase to the numbers of inquiries and applicants seeking assistance and guidance, requiring corresponding administrative response.<sup>82</sup>

<sup>82</sup> All HACB data and commentary from Edward S. Mayer, Executive Director, Housing Authority of the County of Butte, emailed 3/6/20.



## 15. FEMA INDIVIDUAL ASSISTANCE (IA)

As of March 4, 2020, FEMA had received 31,338 total applications for FEMA Individual Assistance (FEMA IA) for DR-4382 and DR-4407. FEMA received 18,326 applications (58.5 percent) from owner-occupied households, 12,780 applications (40.8 percent) from renter-occupied households, and 232 (0.7 percent) uncategorized households. Of all the applications, only 10,475 applicants (33.4 percent) had a FEMA Verified Loss (FVL) amount greater than \$0. Of those with FVL greater than \$0, 64 percent (6,751 applicants) were renters and 36 percent (3,722 applicants) were owners. FVL value is intended to be determined by an inspector. As mentioned previously, in disasters, FEMA denies assistance to any applicant (renter or homeowner) who indicates they have insurance. A denial letter is sent, and in small print, it says the denial can be appealed within 60-days. However, it is highly unlikely, that private insurance claims and settlements are fully adjudicated within 60-days of a disaster.

In the Camp Fire, IA data shows that nearly 8,000 applicants stated they had insurance and thus show \$0 Housing Assistance FVL on the FEMA IA reports, which is both inaccurate and misleading given the age of housing stock in the area and the cost to rebuild at newer code levels.

The Stafford Act limits FEMA home repair assistance to expenses necessary to make a home safe, sanitary, and secure, not necessarily to return it to its pre-disaster condition. In addition, the total FEMA assistance available under the Individuals and Households Program (IHP) (a component of FEMA IA) is capped. For disasters declared on or after Oct. 1, 2018 that cap was \$34,900 and for those prior to that date in 2018 it was \$34,000.<sup>83, 84</sup>

**FIGURE 63: TOTAL FEMA INDIVIDUAL ASSISTANCE APPLICATIONS**

	<b># Applicants</b>
Total Applications	31,338
FVL over \$0	10,474
Unmet Needs over \$0	8,754
Average FVL	\$38,027

Source: FEMA, March 2020

## 16. SBA DISASTER HOME LOANS

The Small Business Administration (SBA) provides low-interest loans for homes and businesses in declared disaster areas to applicants with good credit history and a documented ability to repay the loan. These loans typically have to be repaid, but there are some instances in which they may be forgiven, effectively making them like a grant. The SBA provides disaster home loans to qualifying renters and homeowners for assistance to repair or replace disaster-damaged real estate and personal property. The SBA also offers Economic Injury Disaster Loans (EIDL) to help qualifying small businesses meet working capital needs caused by a natural disaster, which is discussed in the section on Economic Revitalization Need.

<sup>83</sup> "Notice of Maximum Amount of Assistance Under the Individuals and Households Program," 83 FR 53281, October 22, 2018.

<sup>84</sup> "Notice of Maximum Amount of Assistance Under the Individuals and Households Program," 82 FR 47568, October 12, 2017.



The SBA received greater than three times more applications in 2018 wildfires in California than they did resulting from the 2017 wildfires. The SBA received 12,760 applications for disaster home loans from residents in Butte, Lake, Shasta, Los Angeles, and Ventura counties as of March 9, 2020. Of those, over 10,000 were from Butte County, accounting for nearly 80 percent of all applications. Los Angeles County had 10 percent of the applications, Shasta County had 8 percent, Ventura County had 2 percent and Lake County had 1 percent of all applications. When looking at only those applications that had verified loss, the numbers decrease 64 percent to 8,112 applicants with verified loss. Overall, the distribution between counties of applications and applications with verified loss remain nearly unchanged, with only a single percentage point moving from Butte County to Los Angeles County.

Of the 10,088 disaster home loans applied for in Butte County, 40 percent were approved, 44 percent were declined, and 16 percent were withdrawn. In Los Angeles County, 39 percent of applications were approved, 42 percent declined, and 19 percent withdrawn. In Shasta County, 41 percent were approved, 39 percent declined, and 20 percent withdrawn. In Ventura County, 49 percent were approved, 36 percent were declined, and 14 percent were withdrawn. And in Lake County, 22 percent were approved, 61 percent were declined, and 17 percent withdrawn. SBA loans are commonly denied for reasons including lack of repayment ability, lack of credit, and ineligible properties (such as second homes).

SBA accounts for the full cost to repair a home whereas FEMA IA evaluates the cost to make a home habitable. As a result, the SBA's costs are generally more than the FEMA estimates. HCD considers both real estate repair and real estate reconstruction as part of the verified real estate losses.

The following figure provides an analysis of the average verified loss and reconstruction and repair averages by county. Averages were determined for homes which sustained major damage and those which sustained moderate damage. Since the SBA data has significantly fewer verified loss properties compared to the number of destroyed properties inspected and tracked in the CAL FIRE data, the average loss and costs for repair/replacement are provided as the totals underrepresent the loss and cost to repair and replace residences.

**FIGURE 64: SBA HOME LOAN VERIFIED LOSS AND REPAIR/RECONSTRUCTION COST**

	Major		Moderate	
	Verified Loss	Repair/Recon	Verified Loss	Repair/Recon
Lake	\$298,452.08	\$183,362.58	\$66,949.75	\$21,355.25
Shasta	\$454,361.02	\$324,051.40	\$68,394.42	\$25,784.08
Butte	\$356,549.18	\$242,114.34	\$65,899.53	\$8,501.99
Los Angeles	\$505,811.58	\$354,818.36	\$70,013.63	\$35,911.87
Ventura	\$566,915.00	\$441,623.52	\$69,946.12	\$27,326.84

Source: SBA



## 17. CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CAL FIRE) DAMAGE ASSESSMENT DATA

The most complete single dataset which tracked damage to buildings and structures is the CAL FIRE dataset. This rich data source provides critical information including structure type, location, and extent of damage for all structures. The data is based on on-the-ground parcel surveys conducted by inspectors after the fires. As a result, the data does not rely on the collecting applications and information directly from property owners or occupants, as is the case with FEMA IA and SBA data.

A total of 27,850 inspections were conducted in the areas impacted by the Camp Fire, Carr Fire, Mendocino Complex, and Woolsey Fire. Of those, 23,783 structures were determined to have some level of damage. Of the damaged structures, 22,346 (94 percent) were determined to be destroyed (>50 percent damaged). Figure 65 shows the number of structures damaged by county and extent of damage.

Across the fires, 94 percent of structures that sustained some level of damage were destroyed (damaged greater than 50 percent). Of those destroyed structures, Butte County sustained the greatest losses, accounting for 84 percent (18,804 of 22,335) of the destroyed structures.

**FIGURE 65: LEVEL OF STRUCTURE DAMAGE**

Level of Damage	Butte County	Lake County	Shasta County	Los Angeles County	Ventura County	Total
Destroyed >50%	18,804	270	1,614	1,462	185	<b>22,335</b>
Damaged <50%	754	37	279	250	116	<b>1,436</b>
<b>Total</b>	<b>19,558</b>	<b>307</b>	<b>1,893</b>	<b>1,712</b>	<b>301</b>	<b>23,771</b>
% Destroyed	96%	88%	85%	85%	61%	<b>94%</b>

Source: CAL FIRE

Of the 23,771 structures damaged by the 2018 fires, 73 percent (17,400 structures) were residential. Butte County suffered the greatest damage to residential structures, with 14,486 residential structures destroyed. Much of this loss was in the Town of Paradise, which tragically lost the vast majority of its housing for the 26,800 people who lived in the town prior to the fire. Residential damages in Butte County accounts for 83 percent of residential structure damage from the 2018 Federally declared wildfires.

**FIGURE 66: RESIDENTIAL/NON-RESIDENTIAL STRUCTURE DAMAGE**

Damaged Structures	Butte County	Lake County	Shasta County	Los Angeles County	Ventura County	Total
Residential Structures	14,486	162	1,274	1,255	223	<b>17,400</b>
Non-Residential Structures	5,072	145	619	457	78	<b>6,371</b>
<b>Total</b>	<b>19,558</b>	<b>307</b>	<b>1,893</b>	<b>1,712</b>	<b>301</b>	<b>23,771</b>
Residential % of County's Total	74.1%	52.8%	67.3%	73.3%	74.1%	<b>73.2%</b>
County's Share of All Residential Damage	83%	1%	7%	7%	1%	<b>100%</b>

Source: CAL FIRE



Ventura, Butte, and Los Angeles Counties all had 70-75 percent of their structural damage to residential structures while for Shasta County the share was 67 percent and for Lake County it was 53 percent, as can be seen in Figure 66.

When assessing the distribution of residential damage, rather than looking at structures, the analysis focused on the estimated number of units since that is more representative of the number of people and households impacted. Across the disasters, 70 percent of the units that were destroyed were single-family homes, which is also true of the percent of destroyed units. Thirty percent of the units were a combination of multi-family units or mobile home units. In Lake county, 45 percent of the damaged residential units were mobile homes, whereas in Butte County they accounted for a quarter of the residential units. Figure 67 shows the number and percent of all damaged units by county and Figure 68 shows the number of destroyed units for each county.

**FIGURE 67: RESIDENTIAL UNITS DAMAGED (1-100% DAMAGE)**

Damaged Structures	Butte County	Lake County	Shasta County	Los Angeles County	Ventura County	Total
Single-family Homes	10,324	91	1,055	1,105	208	12,783
Multi-family Units	1,077	0	20	2	18	1,117
Mobile Home Units	3,862	73	193	175	8	4,311
<b>Total</b>	<b>15,263</b>	<b>164</b>	<b>1,268</b>	<b>1,282</b>	<b>234</b>	<b>18,211</b>
Single-family	68%	55%	83%	86%	89%	70%
Multi-family	7%	0%	2%	0%	8%	6%
Mobile Homes	25%	45%	15%	14%	3%	24%

Source: CAL FIRE

**FIGURE 68: RESIDENTIAL UNITS DESTROYED (>50% DAMAGE)**

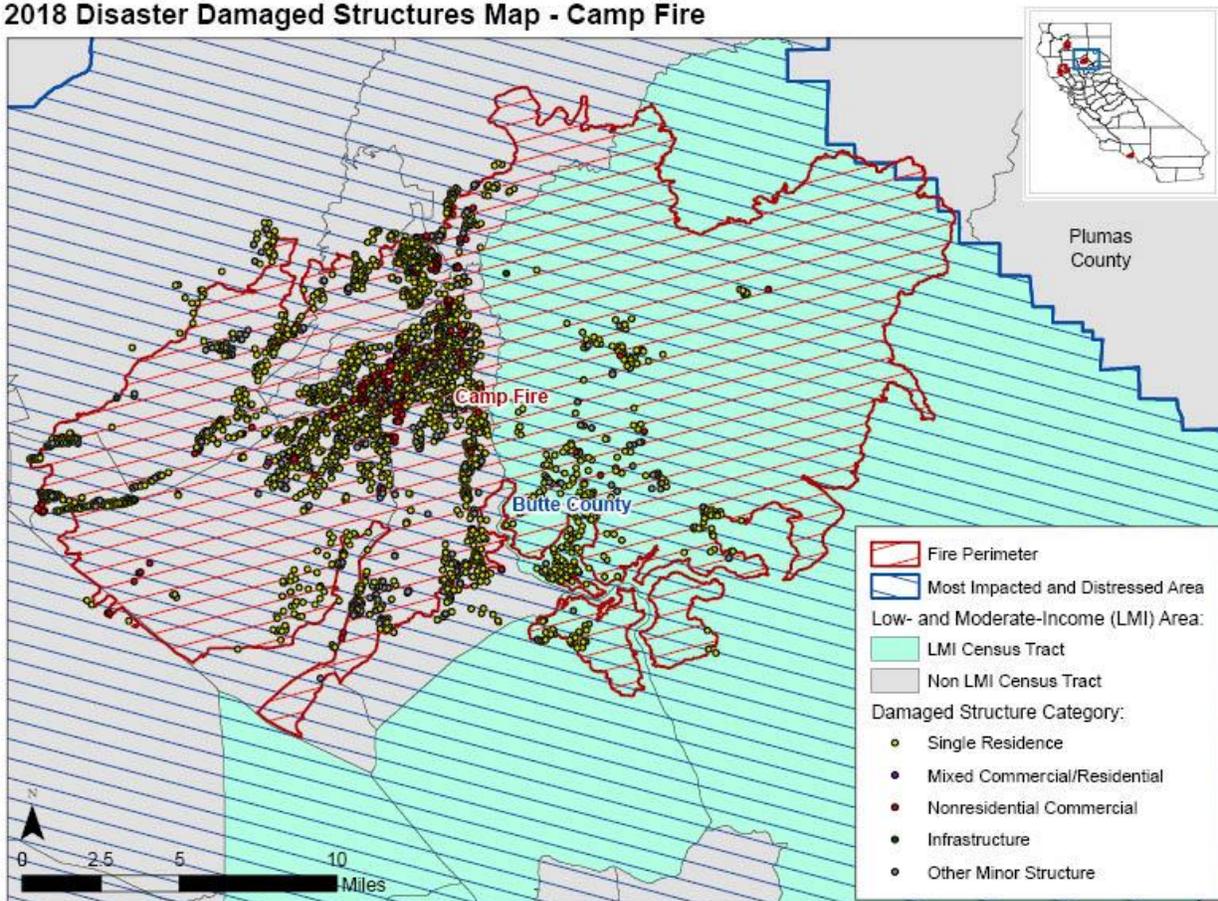
Damaged Structures	Butte County	Lake County	Shasta County	Los Angeles County	Ventura County	Total
Single-family Homes	9,879	81	889	923	116	11,888
Multi-family Units	955	0	12	0	2	969
Mobile Home Units	3,818	71	179	167	6	4,241
<b>Total</b>	<b>14,652</b>	<b>152</b>	<b>1,080</b>	<b>1,090</b>	<b>124</b>	<b>17,098</b>
Single-family	67%	53%	82%	85%	94%	70%
Multi-family	7%	0%	1%	0%	2%	6%
Mobile Homes	26%	47%	17%	15%	5%	25%

One of the datapoints in the CAL FIRE database is location, which allows the data to be mapped using Geographic Information Systems (GIS). This allows damaged structure information to be overlaid with Low- and Moderate-Income (LMI) data. The maps below for each fire show the fire perimeter, the type of structure that was damaged and its location, the MID area, and census tracts which have LMI populations at or above 51 percent. It is important to remember that LMI individuals live throughout both LMI and non-LMI census tracts, so while a LMI person may reside outside of an LMI census tract,

assistance to that individual may still be counted toward HUD’s requirement to principally benefit LMI persons.

**FIGURE 69: CAMP FIRE STRUCTURE DAMAGE**

**2018 Disaster Damaged Structures Map - Camp Fire**



Source: CAL FIRE, HUD 2015 ACS Low- and Moderate-Income data, Federal Register Notice 85 FR 4881

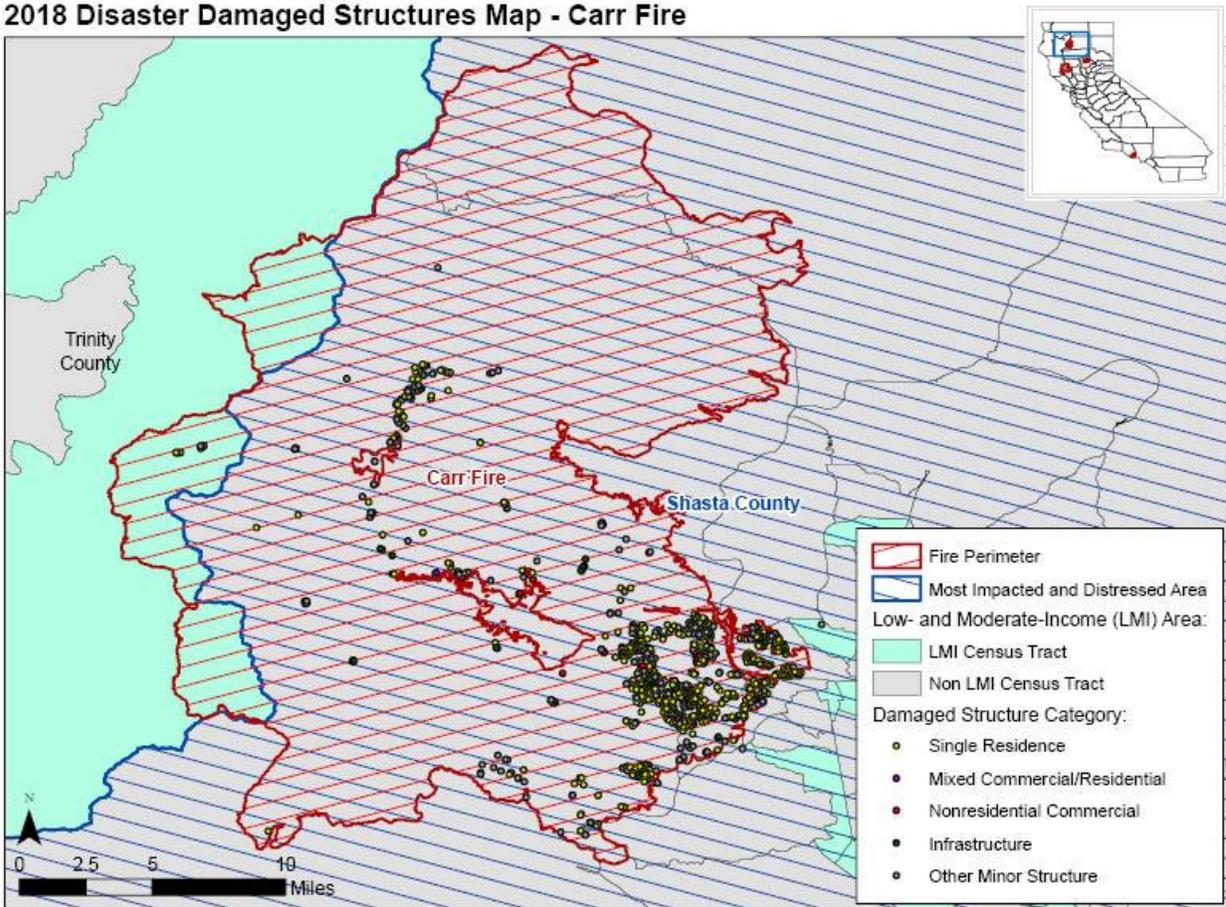
While at the census tract level, the majority of the structure damage caused by the Camp fire falls outside the LMI census tracts, there are many LMI individuals who live in Paradise and the fire impacted areas. When a more granular analysis is done using data at the smaller block group level, it is clear that many of the structures damaged in Paradise are in predominantly LMI block groups. The total LMI population in census tracts burned by the Camp Fire is estimated at 24,740.<sup>85</sup> This represents 40 percent of the total population in that same fire burned area.

Of the estimated 69,790 LMI individuals living in areas burned by the 2018 wildfires, 24,740 live in Butte County, representing 35 percent of all LMI individuals in the burn areas.

<sup>85</sup> Based on HUD’s LMI calculation using 2011-2015 ACS data.

FIGURE 70: CARR FIRE STRUCTURE DAMAGE

2018 Disaster Damaged Structures Map - Carr Fire



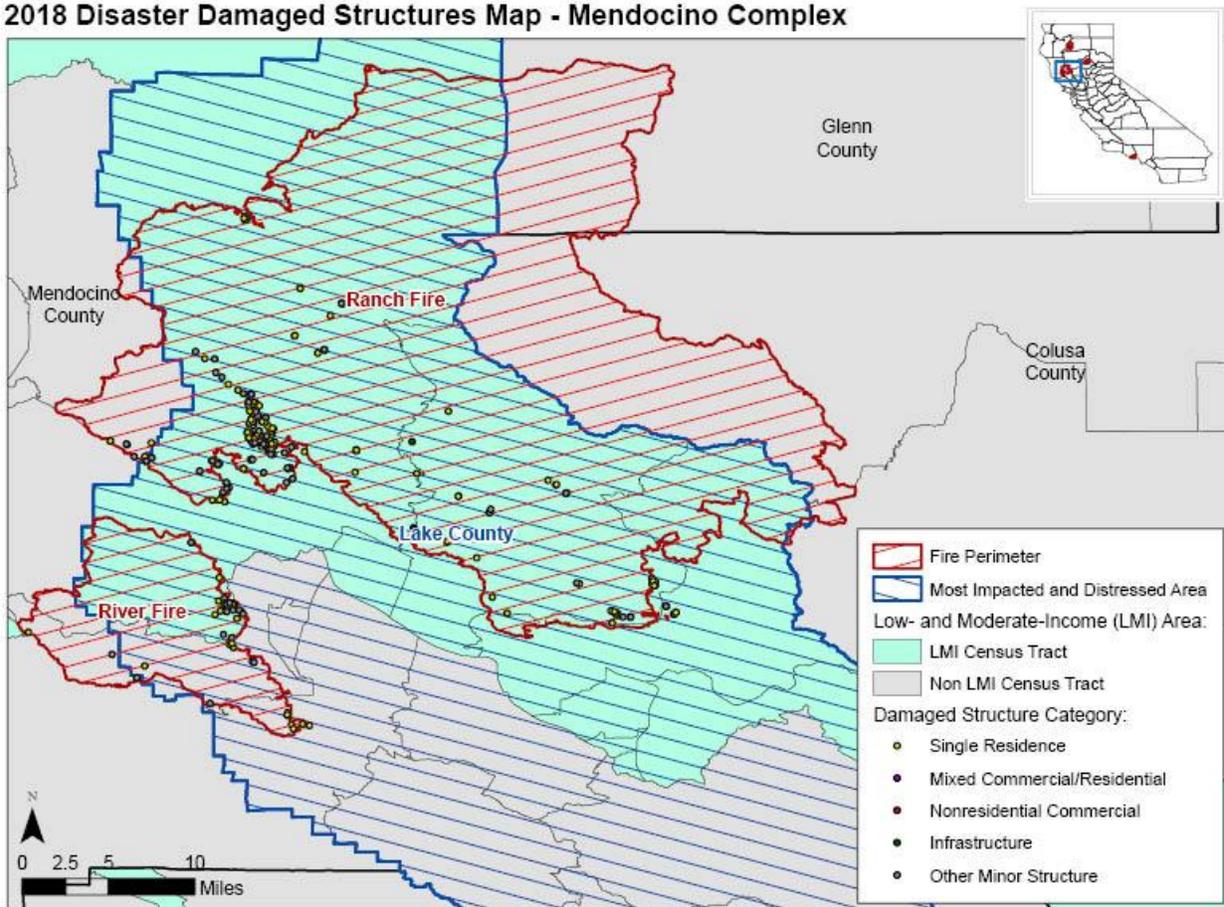
As can be seen in the map above, the majority of the structure damage caused by the Carr fire occurred outside the LMI census tracts. There however are many individuals in the fire burned areas that are LMI. The total LMI population in census tracts burned by the Carr Fire is estimated at 12,160.<sup>86</sup> This represents 39 percent of the total population in that area.

Of the estimated 69,790 LMI individuals living in areas burned by the 2018 wildfires, 12,160 live in Shasta County, representing 17 percent of all LMI individuals in the burn areas.

<sup>86</sup> Based on HUD's LMI calculation using 2011-2015 ACS data.

FIGURE 71: MENDOCINO COMPLEX STRUCTURE DAMAGE

2018 Disaster Damaged Structures Map - Mendocino Complex



Source: CAL FIRE, HUD 2015 ACS Low- and Moderate-Income data, Federal Register Notice 85 FR 4681

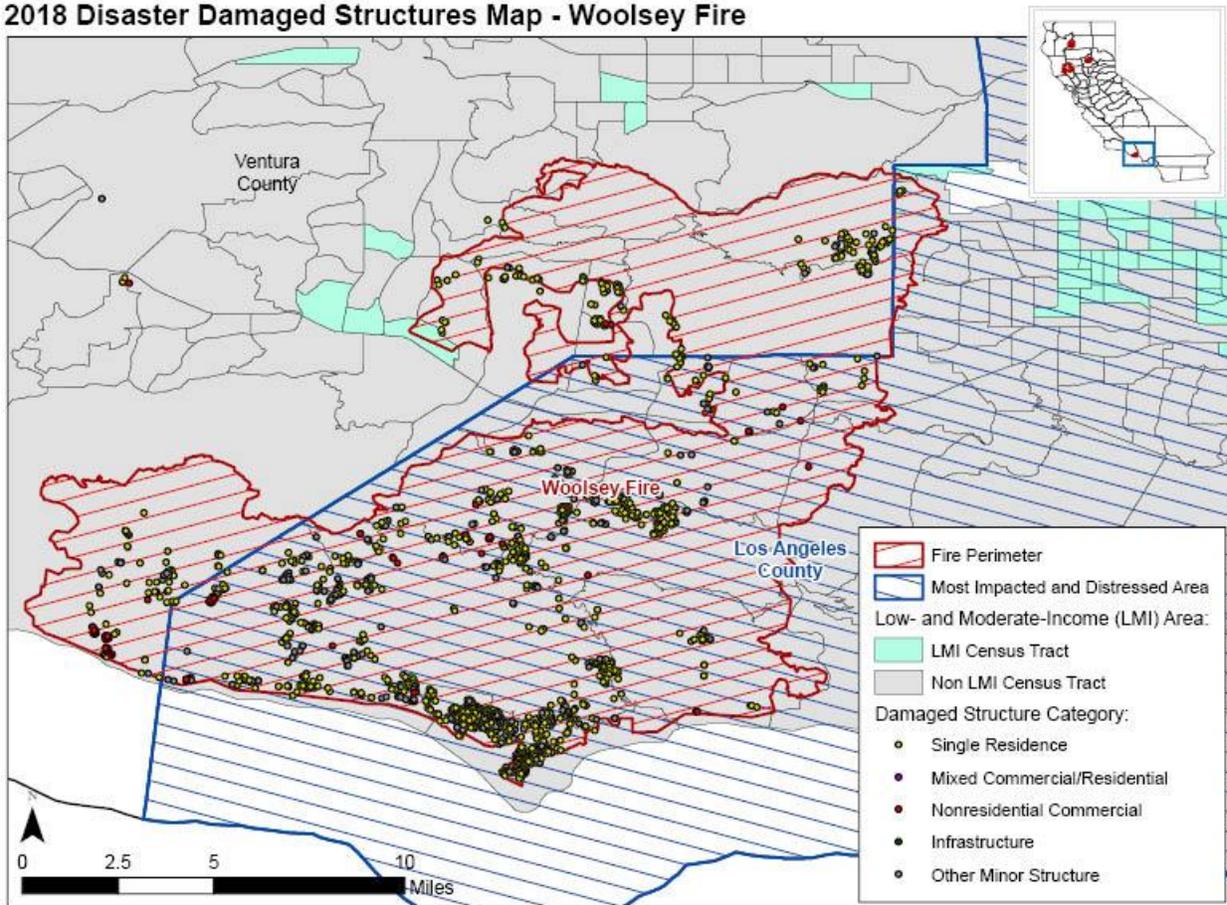
As can be seen in the map of the Mendocino Complex Fire above, the majority of the structure damage caused by the Ranch and River Fires occurred within LMI census tracts. The total LMI population in census tracts burned by the Mendocino Complex is estimated at 10,815.<sup>87</sup> This represents 55 percent of the total population in that area.

Of the estimated 69,790 LMI individuals living in areas burned by the 2018 wildfires, 10,815 live in Lake County, representing 16 percent of all LMI individuals in the burn areas.

<sup>87</sup> Based on HUD’s LMI calculation using 2011-2015 ACS data.

FIGURE 72: WOOLSEY FIRE STRUCTURE DAMAGE

2018 Disaster Damaged Structures Map - Woolsey Fire



Source: CAL FIRE, HUD 2015 ACS Low- and Moderate-Income data, Federal Register Notice 85 FR 4681

As can be seen in the map of the Woolsey Fire, almost no structure damage occurred within LMI census tracts. The total LMI population in census tracts burned by the Woolsey Fire is estimated at 22,075 in Los Angeles County.<sup>88</sup> This represents 28 percent of the total population in that area. In Ventura County, the estimated LMI population in the Woolsey Fire burned areas is 15,135, which is 21 percent of the total population in that area.

Despite the lack of damage in predominantly LMI census tracts, of the estimated 69,790 LMI individuals living in areas burned by the 2018 wildfires, the 22,075 individuals living in Los Angeles County represents 32 percent of all LMI individuals in the burn areas. When the 15,135 Ventura County LMI individuals are included, the 37,210 LMI people make up 44 percent of the expanded 84,925 person LMI population in fire burned areas in the five counties.

## 18. HOMEOWNER INSURANCE

According to April 2019 California Department of Insurance data, Residential Personal Property direct incurred losses were \$11.4 billion.<sup>89</sup> The bulk of these losses were in Butte County (\$7.4

<sup>88</sup> Based on HUD's LMI calculation using 2011-2015 ACS data.

<sup>89</sup> This includes homeowners, condominiums, mobile homes, tenants/renters, dwelling fire and allied lines, and lender/force-placed and real-estate owned.



billion, accounting for 65 percent of total loss) and Los Angeles County (\$2.7 billion, accounting for 23 percent of total loss). For all four fires, almost 43,000 claims were submitted for residential property. Almost fourteen thousand claims of residential property claims resulted in total loss, accounting for 33 percent of all claims. When compared to the total number of destroyed homes identified in the CAL FIRE data by on-the-ground inspectors, it is clear that there were a significant number of uninsured homes destroyed in the 2018 fires. The Unmet needs Assessment methodology accounts for both the insured and uninsured homes.

**FIGURE 73: RESIDENTIAL INSURED PROPERTIES**

**California Department of Insurance - Insured Losses from the 2018 California Wildfires**

**Residential Personal Property**

Date	Fire Name	County	Total # of Claims	# of Claims Resulting in Total Loss	Direct Incurred Loss	Losses (%/ Total)
July 2018 Wildfires		<b>Subtotal</b>	<b>8,888</b>	<b>1,015</b>	<b>\$910,201,852</b>	
	Carr Fire	Shasta	5,798	920	\$850,497,135	7.5%
		Trinity	151	5	\$666,638	0.0%
		Other	696	13	\$3,865,926	0.0%
	Mendocino Complex Fire	Colusa	6	2	\$104,227	0.0%
		Lake	1,557	62	\$45,011,003	0.4%
		Mendocino	27	6	\$2,388,282	0.0%
	Other	720	7	\$7,668,639	0.1%	
November 2018 Wildfires		<b>Subtotal</b>	<b>33,992</b>	<b>12,962</b>	<b>\$10,500,979,373</b>	
	Camp Fire	Butte	18,533	11,646	\$7,439,591,231	65.2%
		Other	566	47	\$34,791,060	0.3%
	Woolsey Fire	Los Angeles	10,024	1,125	\$2,659,114,911	23.3%
		Ventura	4,091	135	\$344,779,079	3.0%
	Other	778	9	\$22,703,092	0.2%	
<b>Grand Total</b>			<b>42,880</b>	<b>13,977</b>	<b>\$11,411,181,225</b>	

Homeowners; Condominium Unit Owners; Mobile Home; Tenants/Renters; Dwelling Fire and Allied Lines; and Lender/Force-Placed and Real Estate Owned (REO)

Release Date: April 30, 2019

Source: California Department of Insurance. Note: Modified to reflect only MID Counties and added Losses (% Total) columns.

**19. PRIVATE INSURANCE**

Between 2009 and 2018 California experienced over 2,800 wildfires, which burned over 10,000 square miles (more than 6,400,000 square acres) according to CAL FIRE data. According to the State of California Department of Insurance’s (DOI) report on the Availability and Affordability of Coverage for Wildfire Loss in Residential Property in the Wildland-Urban Interface (WUI) and Other High Areas of California, issued in 2018:

- Several major insurers began pulling back from writing new business, and in many cases, renewals in certain parts of the WUI
- Premiums and wildfire surcharges have increased significantly
- Most insurers do not take into consideration wildfire mitigation conducted by the homeowners or the community, either for underwriting or offering premium credits for mitigation efforts
- Third party wildfire risk models are not specifically regulated by CDI or any other entity
- There is no mechanism in place for consumers to appeal a wildfire risk model score
- CDI does not have the authority to regulate how insurers underwrite residential property insurance, and
- There is a need to create a credible database for wildfire loss experienced in the WUI in order for insurers to validate the rates and premiums charged for each wildfire-risk-model score, since no single insurer has sufficient loss experience in the WUI

In a press release issued August 20, 2019, DOI reported that data collected revealed there was a six percent increase in insurer-initiated homeowner policy non-renewals in CAL FIRE State Responsibility Areas from 2017 to 2018, while zip codes affected by the devastating fires from 2015 and 2017 experienced a 10 percent increase in insurer-initiated non-renewals last year. The data also revealed the availability of homeowners' insurance dropped in high-risk counties, and from 2015 to 2018, the number of new and renewed homeowners' policies fell by 8,700 in the 10 counties with the most homes in high or very high-risk areas.

California's Fair Access to Insurance Requirements (FAIR) Plan was created in 1968 following the 1960's brush fires and riots. The FAIR Plan is an insurance pool established to ensure the availability of basic property insurance to people who own insurable property in the California and who, for reasons beyond their control, have been unable to obtain insurance in the voluntary insurance market.

As a last resort for homeowners unable to find coverage in the voluntary market, new FAIR Plan policies increased, growing 177 percent in the 10 counties with the most homes in high or very high-risk areas, compared to only a 4 percent increase for the five counties with the lowest risk.

December 18, 2019, Commissioner Ricardo Lara issued a Bulletin detailing the provisions in Senate Bill 824 (Lara, Chapter 616, Statutes of 2018) Insurance Code section 675.1, subdivision (b)(1), which provides:

“An insurer shall not cancel or refuse to renew a policy of residential property insurance for a property located in any ZIP Code within or adjacent to the fire perimeter, for one year after the declaration of a state of emergency as defined in Section 8558 of the Government Code, based solely on the fact that the insured structure is located in an area in which a wildfire has occurred. This prohibition applies to all policies of residential property insurance in effect at the time of the declared emergency.”

The Bulletin outlined ZIP codes and counties for the fires covered in Governor Newsom's



October 11, 25, or 27, 2019 Declarations of a State of Emergency (Declarations), as well as provisions that insurers (admitted and non-admitted) writing residential property insurance in California must offer to rescind any notices of cancellation or non-renewal issued since the Governor’s 2019 Declarations, and offer to reinstate or renew the policies in place at the time of Declaration, if any such notices of cancellation or nonrenewal were issued on or after the date of the Declaration, were due to wildfire risk, and the properties are located in ZIP Codes identified in the Bulletin.

The inability to obtain insurance coverage on residential properties can stall the real estate market, since lenders require evidence of insurance coverage prior to completion of the transaction and increased monthly insurance costs burden a potential homeowner’s ability to secure an adequate mortgage.

**20. ANALYSIS OF UNMET NEED: INFRASTRUCTURE**

Total infrastructure losses, based on the best available data, are calculated at \$5.6 billion. This need amount is anticipated to increase as infrastructure damage is fully assessed and infrastructure projects are scoped and priced, a process which often takes many years depending on the size and complexity of the infrastructure project. FEMA typically provides Public Assistance (FEMA PA) grants to public entities responsible for repairing or replacing damaged infrastructure. It is the responsibility of state and local governments to fund the non-federal matching funds to close the funding gap for these projects. CDBG-DR funds are often used to assist with the local match need when other funds are not available.

Based on this same point-in-time analysis, funding sources to meet the \$5.6 billion need totaled \$2.8 billion, primarily funded by the FEMA Public Assistance program and other FEMA programs. The FEMA PA program obligates funds to assist with emergency work, including debris removal, and permanent work. The resulting unmet need is \$2.8 billion. A summary of the Unmet Needs calculation is below in Figure 74, followed by a detailed discussion of the infrastructure needs and funding sources, including data sources.

**FIGURE 74: INFRASTRUCTURE UNMET NEEDS SUMMARY**

	<b>Loss/Need (-)</b>	<b>Funding Awarded or Obligated (+)</b>	<b>Unmet Need (=)</b>
Response: Debris Removal	\$4,083,130,524		\$4,083,130,524
Response: Fire Suppression	\$559,232,614		\$559,232,614
Infrastructure & Public Facilities Damage/Need	\$1,001,265,361		\$1,001,265,361
Cal Fire Funds		\$440,000,000	\$(440,000,000)
FEMA Public Assistance (PA)		\$1,922,796,522	\$(1,922,796,522)
<i>FEMA PA Emergency Work</i>		\$1,694,517,544	\$(1,694,517,544)
<i>FEMA PA Permanent Work</i>		\$190,253,583	\$(190,253,583)
<i>FEMA PA Admin Costs</i>		\$38,025,394	\$(38,025,394)
FEMA HMGP		\$110,663,253	\$(110,663,253)



	Loss/Need (-)	Funding Awarded or Obligated (+)	Unmet Need (=)
FEMA Mission Assignments		\$313,720,350	\$(313,720,350)
California Legislature Backfill		\$14,600,000	\$(14,600,000)
Insurance Payments (Paradise Irrigation District)		\$3,500,000	\$(3,500,000)
<b>Total Infrastructure</b>	<b>\$5,643,628,499</b>	<b>\$2,805,280,125</b>	<b>\$2,838,348,374</b>

Butte County, in particular, has a significant FEMA PA need which will continue to grow. However, some damaged infrastructure elements have not been eligible for PA, HMGP, or other funding sources. In the Seminole Hills Mobile Home Park, devastated by the Woolsey Fire, they lost “not just homes, but the entire network of infrastructure that ran underneath them. Streets, storm drains, sewers systems, water mains, gas and electric lines — all were damaged or destroyed in the fire and its aftermath. Replacing them could take up to a year and would cost \$10 million.”<sup>90</sup>

In discussions with residents and officials of the impacted areas, they have identified a significant impact on water and wastewater due to the disasters. Many areas in the MID run on septic tanks and wells, with minimal municipal water supplies.

## 21. RESPONSE: DEBRIS REMOVAL AND FIRE SUPPRESSION

### A. Debris Removal

The debris created by the wildfires was enormous. The cost of debris removal for these four fires is estimated at over \$4 billion (see Figure 75). This calculation is based on multiplying the number of destroyed structures from the CAL FIRE dataset by an average cost of \$182,764 per destroyed structure.<sup>91</sup> The bulk of the cost is related to the Camp Fire, where 18,804 structures were destroyed. The November 2018 wildfires (Camp and Woolsey) cost approximately \$3.7 billion to clean up, which far surpasses the record cleanup expense of \$1.3 billion spent on debris removal in Northern California in 2017.<sup>92</sup> So far, FEMA Project Worksheets (PW) for debris removal have been approved for \$301 million, a small portion of this cost.

FIGURE 75: DEBRIS REMOVAL ESTIMATE

Fire	Debris Removal (estimated)	Structures Destroyed	Acres
Camp	\$3,436,694,256	18,804	153,336
Carr	\$294,981,096	1,614	459,123
Mendocino	\$51,173,920	280	229,651
Woolsey	\$300,281,252	1,643	96,949
<b>Total</b>	<b>\$4,083,130,524</b>	<b>22,341</b>	<b>939,059</b>

Source: CAL FIRE

<sup>90</sup> “Half their community burned in the Woolsey fire. Recovery is wreaking its own misery,” Los Angeles Times, November 7, 2019, <https://www.latimes.com/california/story/2019-11-07/woolsey-fire-anniversary-seminole-springs-mobile-home>

<sup>91</sup> Average debris removal cost based on the estimated 2017 debris removal cost and 2017 CAL FIRE structure damage data.

<sup>92</sup> “California Wildfires Cleanup To Cost At Least \$3 Billion,” Capradio, December 11, 2018, <http://www.capradio.org/articles/2018/12/11/california-wildfires-cleanup-to-cost-at-least-3-billion/>



**B. Fire Suppression**

Fire suppression of wildfires in California is a very dangerous and costly endeavor. In the 2018 fiscal year, California had \$440 million in emergency funds allotted for wildfire suppression costs. It spent half of those funds in only 40 days.<sup>93</sup> By the end of August 2018, the California Department of Forestry and Fire Protection (CAL FIRE) requested from the State of California an additional \$234 million for firefighting efforts through November, which ultimately was insufficient. In late November, CAL FIRE asked for another \$250 million in emergency funds.<sup>94</sup>

In 2018-19, the period covered by these fires, California spent an estimated \$635 million on fire suppression.

Fire suppression costs for the four major fires was \$559 million dollars, according to the National Interagency Coordination Center. Some fire suppression costs on federal lands have not been recouped.<sup>95</sup> It was reported that “the United States Forest Service is refusing to reimburse California's local fire departments for the cost of fighting fires on federal land last year...withholding \$9.3 million of the \$72 million California requested last year.”<sup>96</sup> Los Angeles County alone has incurred over "\$100 million in costs and damages in connection with the blaze, including fire suppression, emergency response, recovery efforts and loss of tax revenue." <sup>97</sup>

**FIGURE 76: FIRE SUPPRESSION COSTS**

Fire	Fire Suppression Cost
<b>Camp</b>	\$120,000,000
<b>Carr</b>	\$162,289,294
<b>Mendocino Complex</b>	\$220,000,000
<b>Woolsey</b>	\$56,943,320
<b>Total</b>	<b>\$559,232,614</b>

Source: NIFC; [https://www.predictiveservices.nifc.gov/intelligence/2018\\_statsumm/annual\\_report\\_2018.pdf](https://www.predictiveservices.nifc.gov/intelligence/2018_statsumm/annual_report_2018.pdf)

In the 40 years since fire suppression cost data was tracked, 2017-18 and 2018-19 had the largest amounts the State has spent on fire suppression costs, a total of \$1.4 billion to extinguish fires in California in two years. The costs for 2017-18 fire suppression were approximately 90 times the cost that the State spent in 1982-83. In early 2020, California Governor Gavin Newsome asked the State for \$2 billion to hire 677 new CAL FIRE positions over the next five years, augmenting 4,800 current permanent firefighters. His proposal also includes “\$90 million for new technology and a forecast center to better predict, track, and battle blaze, as well as, the continuation of a \$200-million annual investment approved by lawmakers to reduce the kinds of vegetation that fuel wildfires, and more than \$100 million to fund the Legislature’s pilot program to harden homes in

<sup>93</sup> “California spends more than half of annual fire budget in 40 days,” CNBC, August 10, 2018, <https://www.cnbc.com/2018/08/10/california-spends-more-than-half-of-annual-fire-budget-in-40-days.html>

<sup>94</sup> “Wildland Development Escalates California Fire Costs,” KQED, December 18, 2018, <https://www.kqed.org/news/11713393/wildland-development-escalates-california-fire-costs>

<sup>95</sup> “Wildland Fire Summary and Statistics Annual Report 2018” National Interagency Coordination Center, [https://www.predictiveservices.nifc.gov/intelligence/2018\\_statsumm/annual\\_report\\_2018.pdf](https://www.predictiveservices.nifc.gov/intelligence/2018_statsumm/annual_report_2018.pdf)

<sup>96</sup> “The Federal Government Won't Pay Back California's Firefighting Costs. What Happens When the Next Fire Hits?” *Pacific Standard*, May 22, 2019, <https://psmag.com/news/the-federal-government-wont-pay-back-californias-firefighting-costs>

<sup>97</sup> “LA County Sues Edison Utility to Recover over \$100 Million in Costs from Woolsey Fire,” *CNBC*, April 25, 2019.

[HTTPS://WWW.CNBC.COM/2019/04/26/LA-COUNTY-SUES-EDISON-UTILITY-TO-RECOVER-COSTS-FROM-WOOLSEY-FIRE.HTML](https://www.cnbc.com/2019/04/26/LA-COUNTY-SUES-EDISON-UTILITY-TO-RECOVER-COSTS-FROM-WOOLSEY-FIRE.HTML)

fire-prone areas.”<sup>98</sup>

### C. Infrastructure Damage

While the bulk of damage from the fires was to housing, there was significant infrastructure damage as well. An after-action report of the Woolsey Fire reported that “[f]ire and/or wind caused early and wide-area losses of critical infrastructure, such as electric power, bridges, key roads, and cellular communication sites.” In addition, it stated that “extensive infrastructure damage, at times, affected field operations, detoured evacuations, and delayed repopulation.”<sup>99</sup> The report continues “several critical infrastructure sites were compromised by the fire, such as cellular voice/data affecting public notifications and emergency communications / technology (e.g., web-based maps).”<sup>100</sup>

In Paradise, “water officials say they believe the extreme heat of the firestorm created a cocktail of gases in burning homes that got sucked into the water pipes when the system depressurized from use by residents and firefighters.”<sup>101</sup> The Paradise water contamination will cost approximately \$75.3 million to fix. While FEMA PA funds (which would require a local match) are being sought, a gap in funding to appropriately address this critical issue is anticipated.

“It’s definitely a public health and safety issue,” said Paradise Irrigation District Manager Kevin Phillips. “When a system depressurizes, it creates a vacuum that sucks in contaminants. What’s happened is that portions of our distribution system are contaminated in the infrastructure. That infrastructure is then actually contaminating clean drinking water,” via PVC main lines and connection lines to individual properties.”<sup>102</sup>

## 22. FEMA PUBLIC ASSISTANCE (PA)

FEMA has allocated PA funds for both DR-4382 and DR-4407. For the MID counties, \$1,922,796,522 in PA funds have been approved as of February 25, 2020. Of that total, \$1,694,517,544 are for emergency work under Category A (debris removal) and Category B (emergency protective measures), which require 10 percent local cost-share funding. Of the FEMA PA funds, \$190,253,583, about 10 percent, are for permanent work under Categories C-G, which require a 25 percent local cost share.<sup>103</sup> The remaining \$38,025,394 in PA grant funds are for Category Z work, which also requires a 25 percent local cost share requirement.

Due to the size and complexity of infrastructure permanent work and the FEMA PA funding obligation process, the funding amounts obligated by FEMA PA are anticipated to increase as projects scopes are defined and budgets developed. The FEMA PA

<sup>98</sup> “Gov. Newsom to propose more spending on wildfire efforts in new California budget,” *Los Angeles Times*, January 9, 2020, <https://www.latimes.com/california/story/2020-01-09/gavin-newsom-proposes-more-spending-on-california-wildfire-efforts>

<sup>99</sup> “County of Los Angeles: After Action Review of the Woolsey Fire Incident,” Citygate Associates, LLC, <https://lacounty.gov/wp-content/uploads/Citygate-After-Action-Review-of-the-Woolsey-Fire-Incident-11-17-19.pdf>

<sup>100</sup> *Ibid.*

<sup>101</sup> “Rare toxic cocktail from Camp Fire is poisoning Paradise water. It could cost \$300 million to fix.” *The Sacramento Bee*, April 18, 2019. <https://www.sacbee.com/news/local/environment/article228969259.html>

<sup>102</sup> “After Devastating Fire, Town of Paradise Faces \$300-Million Water Problem,” KCBS Radio, April 19, 2019. <https://kpbsradio.radio.com/blogs/jeffrey-schaub/camp-fire-contaminates-paradise-water-system>

<sup>103</sup> Category C is for roads and bridges, Category D is for water control facilities, Category E is for buildings and equipment, Category F is for utilities, and Category G is for parks, recreational facilities, and other facilities.



funding amounts will be updated in subsequent Action Plan amendments to capture the best available data available at that time.

### 23. FEMA HAZARD MITIGATION GRANT PROGRAM

The purpose of FEMA’s Hazard Mitigation Grant Program (HMGP) is to help communities implement hazard mitigation measures following a Presidential Major Disaster Declaration in the areas of the state requested by the Governor. Mitigation measures are any sustainable action taken to reduce or eliminate long-term risk to people and property from future disasters. Based on FEMA data from February 11, 2020, FEMA approved \$147,551,004 in HMGP projects for DR 4382 and DR 4407. These funds require a local match of 25 percent, which equates to \$36,887,751 in need not funded by FEMA.

### 24. LOCAL MATCH COST SHARE

Below is a summary of federal disaster recovery projects with local match cost share requirements, which the State and local governments must meet as partners in the recovery. CDBG-DR funds may be used as to provide this local match; this local share need is summarized in Figure 77.

**FIGURE 77: FEDERAL DISASTER PROJECTS REQUIRING NON-FEDERAL COST SHARE**

	<b>Disaster 4382</b>	<b>Disaster 4407</b>	<b>Total</b>
<b>FEMA PA Cat A-B</b>	\$343,434,828	\$1,714,836,517	\$2,058,271,345
Federal Share (90%)	\$309,091,345	\$1,543,352,865	\$1,852,444,210
Local Share (10%)	\$34,343,483	\$171,483,652	\$205,827,134
<b>FEMA PA Cat C-G</b>	\$16,782,347.66	\$236,560,676	\$253,343,024
Federal Share (75%)	\$12,586,761	\$177,420,507	\$190,007,268
Local Share (25%)	\$4,195,587	\$59,140,169	\$63,335,756
<b>FEMA PA Cat Z</b>	\$6,713,501	\$31,371,501	\$38,085,002
Federal Share (75%)	\$5,035,126	\$23,528,626	\$28,563,752
Local Share (25%)	\$1,678,375	\$7,842,875	\$9,521,251
<b>FEMA HMGP</b>	\$29,447,636	\$118,103,368	\$147,551,004
Federal Share (75-90%)	\$22,085,727	\$88,577,526	\$110,663,253
Local Share (10-25%)	\$7,361,909	\$29,525,842	\$36,887,751
<b>FEMA Mission Assignments</b>	\$658,000	\$402,032,350	\$402,690,350
Federal Share (75-90%)	\$658,000	\$313,062,350	\$313,720,350
Local Share (10-25%)	\$0	\$88,970,000	\$88,970,000
<b>Total FEMA Project Costs</b>	\$397,036,313	\$2,502,904,412	<b>\$2,899,940,725</b>
<b>Total Federal Share</b>	\$349,456,959	\$2,145,941,874	<b>\$2,495,398,833</b>
<b>Total Local Share</b>	\$47,579,354	\$356,962,538	<b>\$404,541,892</b>

Source: FEMA PA summary reports, 2/25/20; HMGP Status Report 2/11/20; FEMA Mission Assignment Data, accessed 2/18/20



## 25. ANALYSIS OF UNMET NEED: ECONOMIC REVITALIZATION

Economic Revitalization needs resulting from California’s 2018 wildfires total nearly \$2.5 billion. Over half of that need is due to commercial property loss (over \$1.5 billion). This loss also accounts for business interruptions, government revenue loss, and agricultural and tourism losses. Funding sources total close to \$1.3 billion to address this need. The majority (\$1.2 billion) of those funds are from insurance claims for commercial properties. This leaves nearly \$1.2 billion in unmet economic revitalization need. Figure 78 below provides a summary of the economic revitalization needs, funding, and unmet needs, followed by a discussion of the analysis and data sources.

**FIGURE 78: UNMET ECONOMIC REVITALIZATION NEEDS SUMMARY**

	<b>Loss/Need (-)</b>	<b>Funding Awarded or Obligated (+)</b>	<b>Unmet Need (=)</b>
Commercial Property Loss	\$1,566,536,326		\$1,566,536,326
Business Interruptions	\$600,000,000		\$600,000,000
Government Revenue Loss	\$192,800,000		\$192,800,000
Agricultura Loss	\$77,489,208		\$77,489,208
Tourism Loss	\$15,000,000		\$15,000,000
SBA Loans: Business/Economic Injury Disaster Loans (EIDL)		\$61,755,900	\$(61,755,900)
U.S. Department of Commerce: workforce training and emergency management grant		\$7,400,000	\$(7,400,000)
California Employment Development Department: grant for Butte County		\$999,500	\$(999,500)
U.S. EDA Disaster Relief		\$200,000	\$(200,000)
Disaster Unemployment Assistance (DUA)		\$2,077,255	\$(2,077,255)
Private Insurance Payments		\$1,210,414,962	\$(1,210,414,962)
<b>Total Economic Revitalization</b>	<b>\$2,451,825,534</b>	<b>\$1,282,847,617</b>	<b>\$1,168,977,918</b>

## 26. ECONOMIC REVITALIZATION NEED

Commercial property losses due to the California wildfires are estimated at \$1.57 billion and account for the single largest economic revitalization loss. According to CDOI, as of April 30, 2019 there were almost 3,200 claims and \$1.36 billion in direct incurred loss. The total local property loss is based on an analysis of the CDOI commercial property insurance claims and the CAL FIRE commercial structure damage data. To determine total commercial property loss, the calculation must account for both insured and uninsured commercial property. To do this, a multiplier is established based on the number of total loss claims and the number of destroyed commercial properties in the

CAL FIRE database. As a result, a conservative estimate of 15 percent uninsured is used to estimate the total number of damaged commercial properties. The average claim value is then determined for each impacted county based on the CDOI data and the average claim amount is multiplied by the total number of insured claims plus 15 percent to account for uninsured properties, as shown in Figure 79. The resulting total estimated commercial property loss is \$1.57 billion.

**FIGURE 79: COMMERCIAL PROPERTY LOSS**

Total # of Insurance Claims	Uninsured Property Estimate	Average Claim Value	Estimated Commercial Property Loss
3,195	479	\$426,355.40	\$1,566,536,326

Source: California Department of Insurance

### A. Business Interruptions, Tourism, and Agricultural Losses

In the wake of the Woolsey Fire, the Economic Development Collaborative (EDC) “identified that more than \$600 million in payrolls were lost or at-risk, looking, on average, at a span of ten days of business interruption in the communities of Agoura, Calabasas, Malibu, Oak Park, Thousand Oaks, West Hills and Westlake Village. Some of these communities, of course, had a shorter-term impact; by contrast, some parts of Malibu are still not back up and running.”<sup>104</sup>

Tourism loss is estimated at \$15 million as a result of the disasters. “On the tourism front, a recent study found that 11% of would-be travelers to California said the fires have prompted them to cancel their trips, costing the industry as much as \$20 million last month, said Caroline Beteta, head of Visit California, the nonprofit marketing agency for the state.”<sup>105</sup>

Three of the four MID counties experienced a loss in agricultural production between 2017-2018 (see Figure 80; data was not available for Los Angeles County). While this loss may not all be attributable to the wildfires (which occurred July-November 2018), it is important to know that these counties were already seeing a downturn in agriculture in 2018. With 939,059 acres being damaged from the four major fires, agricultural production has no doubt been impacted by the disasters.

**FIGURE 80: AGRICULTURAL LOSS: 2017-18**

#### Agricultural Loss: Estimated gross value of agricultural production, 2017-2018

	Butte	Lake	Los Angeles	Shasta	Total
2017	\$696,563,214	\$120,753,532	N/A	\$84,738,000	\$902,054,746
2018	\$631,798,727	\$111,364,811	N/A	\$81,402,000	\$824,565,538
Loss	\$(64,764,487)	\$(9,388,721)	N/A	\$(3,336,000)	<b>\$(77,489,208)</b>
	-9%	-8%		-4%	-9%

Source: CDFA County Reports, accessed 2/23/20: <http://www.cdfa.ca.gov/exec/county/CountyCropReports.html>

<sup>104</sup> Economic Development Collaborative’s SBDC Disaster Response and Recovery Report 1.24.19.

<sup>105</sup> <https://www.latimes.com/local/lanow/la-me-wildfire-costs-california-20180824-story.html>



**B. Government Revenue Loss**

Butte County, where the majority of the structure damage for all 2018 Federally declared disasters took place (including residential and commercial buildings), reported a shortfall of \$4.3 million of discretionary revenue as a result of the Camp Fire.<sup>106</sup> Because the other 4 counties did not sustain a similar percentage of damage to the overall property base, this impact statistic was not captured in the other areas.

**27. FUNDING SOURCES FOR ECONOMIC REVITALIZATION**

The funding awarded amount in the unmet needs analysis for economic revitalization is based on data from CDOI, SBA, and other government agencies that provide disaster relief assistance. Private insurance payments are based on the total of insured loss for the disaster declared counties. The SBA loan assistance is based on the total loans disbursed by SBA for DR-4382 and DR-4407 for Business Physical Disaster Loans and Economic Injury Disaster Loans (EIDL) to the impacted counties. Additional funding sources including the U.S. Department of Commerce, the California Employment Development Department (EDD), U.S EDA, and Disaster Unemployment Assistance (DUA) are included.

The largest funding source for economic revitalization is from private insurance payments. The calculation of insurance funds is based on the insurance claim values for the disaster declared counties resulting from the 2018 fires, based on the data from CDOI in Figure 81.

**FIGURE 81: INSURED LOSSES – COMMERCIAL PROPERTY**

**California Department of Insurance - Insured Losses from the 2018 California Wildfires**

**Commercial Property**

Date	Fire Name	County	Total # of Claims	# of Claims Resulting in Total Loss	Direct Incurred Loss	Losses (%/ Total)
July 2018 Wildfires		<b>Subtotal</b>	<b>488</b>	<b>11</b>	<b>\$45,070,545</b>	
	Carr Fire	Shasta	232	8	\$23,045,598	1.7%
		Trinity	3	-	\$108,283	0.0%
		Other	33	1	\$3,865,085	0.3%
	Mendocino Complex Fire	Colusa	2	-	\$493,679	0.0%
		Lake	160	-	\$9,551,643	0.7%
		Mendocino	18	2	\$2,735,036	0.2%
Other		40	-	\$5,271,222	0.4%	
November 2018 Wildfires		<b>Subtotal</b>	<b>2,707</b>	<b>487</b>	<b>\$1,317,134,956</b>	
	Camp Fire	Butte	1,322	401	\$903,772,159	66.3%
		Other	108	2	\$110,425,705	8.1%
	Woolsey Fire	Los Angeles	913	68	\$236,192,833	17.3%
		Ventura	290	13	\$37,852,729	2.8%

<sup>106</sup> Call with Butte County Deputy Chief Administrative Officer, March 3, 2020.



Date	Fire Name	County	Total # of Claims	# of Claims Resulting in Total Loss	Direct Incurred Loss	Losses (%/ Total)
		Other	74	3	\$28,891,530	2.1%
<b>Grand Total</b>			<b>3,195</b>	<b>498</b>	<b>\$1,362,205,501</b>	

**Commercial Residential:** Apartment and Condominium Buildings; Condominium Association; and Homeowners Association.

**Commercial Non-Residential:** Commercial Multi-Peril; Fire and Allied Lines; and All other Commercial Property policies not specified above.

Release Date: April 30, 2019

Source: California Department of Insurance. Note: Modified to reflect only MID Counties and added Losses (% Total) columns.

The Small Business Administration (SBA) offers Business Physical Disaster Loans and Economic Injury Disaster Loans (EIDL) to help qualifying small businesses meet working capital needs caused by a natural disaster and repair or replace disaster damaged property owned by the business including real estate, inventories, supplies, machinery, and equipment. The loans may be used to pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred. These loans are not limited to businesses, they may also be used by private, non-profit organizations such as charities, churches, and private universities. The loans are limited to the verified uninsured disaster loss amount and capped at \$2 million.

Total verified loss for SBA business/EIDL applicants was \$807.6 million. Of the total verified loss, the most significant components include 71 percent of loss due to real estate reconstruction, 3 percent to real estate repairs, 8 percent to inventory, equipment, and machinery loss, and 10 percent to debris removal, landscaping, and other land improvements. The SBA approved over \$69.5 million in business loans as of March 9, 2020, covering 8.6 percent of the total verified loss.

There were 2,282 applications for Business/EIDL loans in Butte, Shasta, Lake, Los Angeles and Ventura counties. Of the applications in those five counties, 70 percent had verified loss in Butte, Lake, Shasta, Los Angeles, and Ventura counties as of March 9, 2020. Of these, 72 percent were in Butte County, 17 percent in Los Angeles County, 6 percent in Shasta County, 3 percent in Ventura County, and 1 percent in Lake County. In Butte County, 31 percent of applications were approved, 25 percent were declined, and 44 percent were withdrawn. For Los Angeles County, 31 percent were approved, 37 percent declined, and 32 percent withdrawn. In Shasta County, 39 percent were approved, 39 percent declined, and 22 percent withdrawn. In Ventura County 55 percent were approved, 21 percent declined, and 24 percent withdrawn. For Lake County, 15 percent were approved, 70 percent were declined, and 15 percent withdrawn. Common reasons for business loans to be declined by SBA include the same criteria as conventional lenders: poor credit, concerns over the debt to equity ratio, insufficient collateral, concerns over the business' ability to earn money and repay the loan due to the industry or business track record.

Figure 82 shows the average verified loss and average reconstruction and repair amount

by county for business EIDLs. Averages were determined for commercial property that sustained major damage and those that sustained moderate damage.

**FIGURE 82: SBA BUSINESS LOAN VERIFIED LOSS AND REPAIR/RECONSTRUCTION COST**

	Major		Moderate	
	Verified Loss	Repair/Recon	Verified Loss	Repair/Recon
Lake	\$298,452.08	\$40,625.50	\$74,040.00	\$27,502.50
Shasta	\$454,361.02	\$254,058.50	\$62,332.20	\$22,416.40
Butte	\$469,317.46	\$360,077.93	\$70,526.64	\$17,167.88
Los Angeles	\$598,450.16	\$423,801.76	\$71,277.91	\$30,525.64
Ventura	\$1,827,136.60	\$1,642,037.20	\$76,788.20	\$33,698.40

Source: SBA

## 28. EMPLOYMENT AND BUSINESS ESTABLISHMENTS

Despite the active fire seasons in both 2017 and 2018, and the significant economic impact associated with those back-to-back record-breaking seasons, California’s overall unemployment rate continues to trend downward. This trend is generally mirrored in the DR-4382 and DR-4407 disaster-impacted counties from, where unemployment rates either remain steady or experience a slight decrease between 2018 and 2019 (see **Error! Reference source not found.**).

**FIGURE 83: EMPLOYMENT RATES IN DISASTER-IMPACTED COUNTIES**

COUNTY	2018 Annual Average Employment and Unemployment Rate by County		2019 Annual Average Employment and Unemployment Rate by County	
	EMPLOYMENT	UNEMPLOYMENT RATE	EMPLOYMENT	UNEMPLOYMENT RATE
California	18,582,800	4.2%	18,690,900	4.0%
Butte	97,600	4.9%	98,000	4.9%
Lake	27,590	5.2%	27,940	5.0%
Los Angeles	4,896,500	4.7%	4,899,900	4.4%
Shasta	70,500	4.9%	70,400	4.7%
Ventura	409,700	3.8%	408,700	3.6%

Source: California Employment Development Department

The number of business establishments also increased between 2018 and 2019. Figure 84 shows this increase in each of the disaster-impacted counties.

**FIGURE 84: NUMBER OF BUSINESS ESTABLISHMENTS BY COUNTY**

County	2018 Q1	2019 Q1	% Change
Butte County	8,495	8,542	+0.6%
Lake County	3,141	3,212	+2.3%
Los Angeles County	479,784	491,991	+2.5%
Shasta County	6,958	7,108	+2.2%
Ventura County	26,886	27,355	+1.7%

Source: California Employment Development Department

While California’s economy remains healthy overall, the impact of the fires on individual workers can be devastating. Many establishments were forced to close indefinitely due

to the fires, such as the Feather River Hospital in Paradise, CA, which once employed 1,200 people.<sup>107</sup> Additionally, many workers in the impacted communities will relocate, both voluntarily or involuntarily, due to the loss of their homes or employers. The Chico Builders Association in Butte County reported that about 10 percent of their workforce lost their homes during the Camp Fire.<sup>108</sup>

And though the number of business establishments in the impacted counties did increase between 2018 and 2019, businesses were not spared from the impacts of the wildfires. The California Department of Insurance estimates that the Mendocino Complex and Carr fires damaged or destroyed 329 businesses. The Camp Fire burned about 530 commercial structures. The full impact of the 2018 wildfires on business owners and workers has likely not all come to light yet, but economic losses caused by the documented damage and displacement will continue to reverberate through the state.

## 29. DISASTER UNEMPLOYMENT ASSISTANCE

Disaster Unemployment Assistance is one key indicator of employment impacts after a disaster. The following provides an analysis of disaster unemployment data for the impacted counties. The Disaster Unemployment Assistance program (DUA), administered by the California Employment Development Department (EDD) on behalf of FEMA, provides temporary unemployment benefits to jobless workers and self-employed people whose jobs or work hour losses are a direct result of the wildfires.

In California, the process for filing DUA claims is the same as for regular claims. When applications are received, EDD first reviews the application to determine if the individuals qualify for regular state unemployment insurance. If individuals qualify for regular state benefits, they move on through that process. If individuals do not qualify for regular unemployment insurance or disability insurance, then EDD will determine eligibility for disaster unemployment benefits. Therefore, DUA claims are a subset of all applicants and do not account for the full scope of individuals who filed for unemployment assistance due to the disasters.

As of December 31, 2019, 1,086 DUA claims were filed in the five disaster-impacted counties. Of those claims, a total of 616 people had been approved and received at least one payment, totaling approximately \$2.1 million. Butte County filed over 75 percent of the total DUA claims and received 80 percent of the total authorized DUA funds. The following figure provides a breakdown of unemployment claims by county.

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<sup>107</sup> "Paradise hospital workers get last paychecks after Camp Fire wiped out over 1,200 jobs." *The Sacramento Bee*, February 15, 2020, <https://www.sacbee.com/news/california/fires/article226335560.html>

<sup>108</sup> "Economic Damage From California Fires Spreads Further Than Blazes." *Wall Street Journal*, December 11, 2018, <https://www.wsj.com/articles/economic-damage-from-california-fires-spreads-further-than-blazes-11544524201>



**FIGURE 85: DISASTER UNEMPLOYMENT ASSISTANCE FOR STATE FISCAL YEAR 2018-2019**

County	Regular UI Claim Applications <sup>1</sup>	DUA Claims Filed	DUA Claimants Certified at Least Once	DUA Claimants Certified at Least Once & Received at Least 1 Payment	Total DUA Benefits Authorized <sup>2</sup>
Butte	3,949	823	538	479	\$1,653,161.50
Lake	541	21	11	9	\$24,472.00
Shasta	294	48	19	16	\$51,258.00
Ventura & Los Angeles	878	194	122	112	\$348,363.00
<b>Total</b>	<b>5,662</b>	<b>1,086</b>	<b>690</b>	<b>616</b>	<b>\$2,077,254.50</b>

Source: California Employment Development Department, December 2019

<sup>1</sup>Regular UI Claim Applications represent applications filed by individuals who self-identified as having their work or self-employment disrupted by the disaster.

<sup>2</sup>Total Benefits Authorized are only associated to the DUA Claims Filed

### 30. ANALYSIS OF UNMET NEED: PUBLIC SERVICES

In meetings HCD conducted with the MID counties in late February and early March 2020, the lack of public services capacity was a recurring theme.<sup>109</sup> The impacted counties stated there was an increase in the amount of services required after the disaster and a lack of staff available to meet the needs, particularly in the areas of disaster case management, housing inspections, permitting, and town planning. They stated a lack of capacity in each of these areas, resulting not only from an increase in overall demand, also from an increase in time and effort necessary for each of these services. It is largely fire survivors, not developers, who are navigating the system to rebuild and its many requirements, and frequently need additional time and attention in order to get into full compliance with inspection, permitting, and planning requirements.

#### A. Disaster Case Management

While disaster case management is currently available in three of the four MID counties, there is concern about the need for additional case management services once FEMA and other contracts expire. The State was told what a significant effort it is to get people’s homes and lives back together and that both the counties and the cities desperately need help building capacity. Here is a summary of disaster case management in the four MIDs:

- Butte County has eight disaster case management providers. Currently there are 21 full-time and 12 part-time Disaster Case Managers (DCMs) providing services to survivors for a trained total of 33 DCMs in the community. Currently there are 876 open Disaster Case Management cases. In January 2020, 165 Disaster Case management cases were closed (resolved with meeting a recovery plan or Emergency Financial Assistance). Services to survivors have included assistance

<sup>109</sup> Meetings with Butte County 2/27/20; Shasta County 2/27/20; Lake County 2/28/20; and Los Angeles County 3/2/20.



with housing, financial assistance, relocation services, immediate needs, emotional support, resource and referral, employment assistance, and outreach to most vulnerable. Since the FEMA funding began, 740 survivors have received direct DCM services. However, the case management providers have shared concern that many families that need case management have not been able to access services.<sup>110</sup>

- Lake County has no disaster case management providers.<sup>111</sup>
- Los Angeles County has five disaster case management providers. LA Region Community Recovery Organization (LARCRO) reported that as of March 5, 2020, there are 223 open cases, 157 closed cases, and 67 on the watch list, for a total of 447 reporting households.<sup>112</sup>
- Shasta County has one disaster case management provider, North Valley Catholic Social Services (NVCSS). They have served approximately 190 families through February 2020 and hope to reach 250 families by August 2020, which is the end of their contract. It is unclear what will happen after that date with disaster case management. NVCSS reported that of the approximately 1,100 homes that burned, 80 percent were uninsured, under-insured, or grossly under-insured. They believe the majority of clients to be low-income.<sup>113</sup>

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<sup>110</sup> Meeting with Butte County officials and community groups in Oroville, California, on February 27, 2020.

<sup>111</sup> Meeting with Lake County officials and community groups in Lakeport, California, on February 28, 2020.

<sup>112</sup> Call with L.A. Region Community Recovery Organization on March 5, 2020.

<sup>113</sup> Meeting with Shasta County officials and community groups in Redding, California, on February 27, 2020.

## GENERAL REQUIREMENTS

### 1. REHABILITATION/RECONSTRUCTION OF PUBLIC HOUSING, AFFORDABLE HOUSING AND OTHER FORMS OF ASSISTED HOUSING

For the purposes of assessing impacts to housing, including public housing, affordable housing, shelters and other forms of assisted housing, HCD consulted with local governments in the following areas:

- Butte County (MID)
- Lake County (MID)
- Los Angeles County (MID)
- Shasta County (MID)
- Ventura County

#### A. Public Housing Needs

To assess the unmet recovery needs for public housing units, HCD requested data from related to Public Housing Authorities from each of the disaster impacted areas, including damages to public housing units (if any) and the resources needed to repair the units. As reflected in the needs assessment, there were no reported damages to public housing units; therefore, there are no identified public housing unmet needs.

#### B. Sources of Funding for Affordable Housing Unmet Needs

HCD will use a variety of resources, both CDBG-DR and state-funded, to address the rehabilitation, reconstruction, replacement, and potential new construction of rental housing that is affordable to low- or moderate-income households. HCD has allocated \$250,687,114 in CDBG-DR funding to address the unmet rental housing needs by providing funding for multifamily developments and small rental in the impacted areas. Affordability periods for these housing developments are outlined in Section D below. Small rental properties (less than five units) were identified by local stakeholders as a priority to meet housing needs in the impacted areas. However, this funding will not meet full need for affordable housing identified in this Action Plan. To meet the identified unmet needs, HCD will leverage its portfolio of programs targeted at creating affordable housing as additional sources of funding to address disaster impacts. A full list of the leveraged programs is outlined in Part 5 of this section.

#### C. Affordable Rental Housing Needs

As reflected in the needs assessment, Butte County reported impacts to its Housing Choice Voucher Program. The Housing Authority of the County of Butte (HACB) reported that 318 participant households were displaced by DR-4407 and tragically three lives were lost. HACB also saw twelve workforce housing units destroyed; all twelve households were displaced. Combined with the extremely low pre-disaster vacancy rates, Housing Choice Voucher holders are faced with steep decreases in the number of available units.

Demand for rental housing far exceeded availability in MID areas after the fires, as displaced residents looked for new accommodations. Prior to the Camp Fire, only one

in four Housing Choice Voucher holders in Butte County had been able to secure a lease, after the fire this rate dropped to one in ten.<sup>114</sup> Redding, in Shasta County, experienced vacancy rates of below five percent post-fire; the Carr Fire tightened an already stretched market in the city, and the Camp Fire further exacerbated the issue as some residents from neighboring Butte County were forced to the Redding area in search of housing.<sup>115</sup>

While HCD has not allocated funds to directly address impacts to the private market units occupied by the Housing Choice Voucher holders, HCD has identified \$250,687,114 for affordable rental housing to create rental units, including the creation of units that will be available to Housing Choice Voucher holders and other individuals who receive housing subsidies. This allocation will not be enough to solve the need of affordable housing in MID areas but will assist those displaced by the disasters to return home, help stabilize the rental markets, and provide an opportunity for communities to address the issue as developments are planned.

#### D. Affordable Rent, Tenant Income Limits, and Minimum Affordability Period

Multifamily developments funded under this CDBG-DR grant will adhere to standard requirements set by HCD to ensure compliance with CDBG-DR requirements and the specific requirements set by the governing federal income limits. All multifamily program requirements will be outlined in detail in the program manual and application guidelines for subgrantees. At a minimum, the following thresholds must be adhered to in all programs:

- **Affordable Rent:** HCD will determine affordable rents in multifamily projects by calculating the Fair Market Rents (FMR) along with the maximum of 30 percent of an LMI household's income.
- **Fair Market Rents:** FMRs are the standard across federally-supported housing programs, including the Housing Choice Voucher program. FMR is also used to determine initial renewal rents for some expiring project-based Section 8 contracts, initial rents for housing assistance payment (HAP) contracts in the Moderate Rehabilitation Single Room Occupancy program (Mod Rehab), and rent ceilings for rental units in both the HOME Investment Partnerships Program (HOME) and the Emergency Solution Grants (ESG) program. This standard is also used for the calculation of maximum award amounts for CoC recipients and the maximum amount of rent a recipient may pay for property leased with CoC funds, and calculation of flat rents in Public Housing units.
- **Percentage of LMI household income:** Affordability is also determined by rates not exceeding 30 percent of a household's income. Per HUD definitions, housing costs are a cost burden when greater than 30 percent of a household's income.

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<sup>114</sup> Section 8 voucher holders can't find housing post-Camp Fire. <https://www.chicoer.com/2019/08/02/section-8-voucher-holders-cant-find-housing-post-camp-fire/>

<sup>115</sup> Vacancy rate below 5%: Three takeaways on why Redding has few empty apartments to rent. The Chico Enterprise-Record. <https://www.redding.com/story/news/local/2019/04/14/fire-california-wildfire-housing-redding-apartments/3425832002/>

- **Percentage of LMI units in development:** HCD will determine the percent of units in any approved multifamily development that will be leased to tenants with an income of up to 80 percent of the area median income based on regulatory and program requirements. HCD will prioritize units aimed at 50% or below AMI.
- **Affordability Period:** Multifamily developments must meet the following affordability requirement:
  - › A minimum affordability period of 15 years for the rehabilitation or reconstruction of multifamily rental projects with eight or more units
  - › A minimum affordability period of 20 years for the new construction of multifamily rental units with five or more units.
  - › If a rental project that requires rehabilitation or reconstruction is subject to existing affordability requirements associated with other funding sources, HCD will allow that the 15-year affordability period required by the CDBG-DR funding may run concurrently (or overlap) with the affordability requirements associated with such other funding
  - › While HCD does not anticipate funding single family new construction, should single-family units be constructed under this grant, they will also be subject to a minimum affordability period of five years. If units are rentals, the above income and FMR terms will apply. However, the affordability period does not apply to rehabilitation or reconstruction of owner-occupied single-family housing.

### E. Fair Housing

HCD will follow policies and procedures for compliance with Affirmatively Furthering Fair Housing (AFFH) requirements during the planning and implementation of all the activities listed in this Action Plan. Such policies and procedures involve a review that includes an assessment of the demographics of the proposed housing project area, socioeconomic characteristics, environmental hazards or concerns, and other factors material to the AFFH determination.

Programs are required to comply with all relevant fair housing laws, including the federal Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act. These laws prohibit discrimination in housing and federally assisted programs on the bases of race, color, national origin, religion, sex, disability and familial status. The federal obligation to affirmatively further fair housing stems from the Fair Housing Act. State fair housing laws, including the California Fair Employment and Housing Act, are also required for Fair Housing compliance. HCD is committed to supporting anti-discrimination practices.

Multifamily program applications should demonstrate that the proposed projects are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low-poverty, nonminority areas in response to natural hazard related impacts.

## F. Demonstrable Hardship

HUD requires HCD to define “demonstrable hardship” and any related exceptions to program policies for applicants who demonstrate undue hardship. A demonstrable hardship is defined as a substantial change in a household’s situation that prohibits or severely affects their ability to provide and maintain a minimal standard of living or basic necessities, such as food, housing, clothing and transportation, causing economic distress well beyond mere inconvenience. A demonstrable hardship must occur after the fires and must be documented with objective evidence.

The demonstrable hardship must be of a severe, involuntary and unexpected nature, and not generally for the same reasons shared with other households affected by the disaster. Examples of a demonstrable hardship may include job loss, failure of a business, divorce, severe medical illness, injury, death of a family member or spouse, unexpected and extraordinary medical bills, disability, substantial income reduction, unusual and excessive amount of debt due to a natural disaster, etc. However, there is no one event that automatically defines a demonstrable hardship. HCD will consider each applicant’s overall situation if a demonstrable hardship is claimed and documentation can be provided showing the cause and any other factors relevant to the issue of demonstrable hardship.

## G. Not Suitable for Rehabilitation

HCD defines a structure as not suitable for rehabilitation in two scenarios:

- The cost for rehabilitation is over 50 percent of the pre-disaster fair market value of the home.
- The cost for rehabilitation exceeds the cost to reconstruct the home.

## 2. HOUSING FOR VULNERABLE POPULATIONS

### A. Emergency Shelters

Information on damages to emergency shelters and transitional housing was requested as part of the data request HCD sent to each jurisdiction in the disaster impacted areas. There were no reports of damages to shelters or transitional housing; therefore, HCD has not allocated funding to address the rehabilitation, reconstruction, or replacement of emergency shelters and transitional housing.

### B. Permanent Supportive Housing

HCD has allocated nearly \$250,687,114 for the development of affordable housing. Through requirements outlined in the program guidelines and coordination with subgrantees in project development and implementation, units addressing the special needs of persons who are not homeless but require supportive housing (e.g., elderly, persons with disabilities, persons with alcohol or other drug addiction, persons with HIV/AIDS and their families, and public housing residents) will be included in CDBG-DR funded multifamily housing developments.

Specific locations and quantities of permanent supportive housing (PSH) units, along with services provided to individuals and families occupying PSH units, will be

determined through an assessment of local needs completed in the project planning phase. Furthermore, the inclusion of PSH units in multifamily projects will be considered in the evaluation of project proposals. See Section IV for additional details on the multifamily program.

In addition, HCD has a suite of programs targeted at providing supportive housing to vulnerable populations. The programs include:

- **Housing for a Healthy California (HHC):** The HHC program creates supportive housing for individuals who are recipients of or eligible for health care provided through the California Department of Health Care Services, Medi-Cal program.
- **No Place Like Home (NPLH):** funds to acquire, design, construct, rehabilitate, or preserve permanent supportive housing for persons who are experiencing homelessness, chronic homelessness or who are at risk of chronic homelessness, and who are in need of mental health services.
- **Supportive Housing Multifamily Housing Program:** provides low-interest loans to developers of permanent affordable rental housing that contain supportive housing units.

Additional details on these programs can be found under Leveraging Funds in Part 5 below.

### **C. Housing for Homeless and Persons At-Risk of Homelessness**

As part of the needs assessment, HCD coordinated with disaster impacted counties to gather information on the impacts to pre-disaster homeless persons and populations that, but for temporary disaster assistance, are at-risk of homelessness. HCD is committed to addressing the needs of homeless persons and persons at risk of homelessness and will continue to coordinate with local jurisdictions and organizations providing disaster case management services over the course of the program design process to ensure that the needs of these populations are addressed as directly as possible.

Additionally, HCD recognizes the critical importance of providing housing opportunities for individuals and families that are homeless or at risk of homelessness and helps to address this through current HCD programming. In addition to the NPLH program noted above, HCD's Veterans Housing and Homelessness Prevention Program (VHHP) funds the construction of multifamily housing with 50 percent of the funds reserved for extremely low-income veterans. HCD also administers the State's Emergency Solutions Grant (ESG), the HUD-funded entitlement grant to support individuals and families experiencing homelessness. Additional details on these programs can be found in Part 5, Leveraging Funds.

### **D. Promote Housing for Vulnerable Populations**

In August 2018, the State of California published its Fourth Climate Change Assessment that provides information about climate impacts including the ongoing threat of wildfire to the State of California. The document outlines the ongoing threat of climate change for vulnerable populations throughout the state, noting that "climate change will make forests more susceptible to extreme wildfires. By 2100, if greenhouse gas emissions continue to rise, one study found that the frequency of extreme wildfires burning over

approximately 25,000 acres would increase by nearly 50 percent, and that average area burned statewide would increase by 77 percent by the end of the century.”<sup>116</sup> With the smoke from fires and other High Heat Events (HHE) the health risks increase to vulnerable populations. As California is already experiencing these effects, the state will use a host of tools developed for climate change when they evaluate proposals for multifamily housing.

The Integrated Climate Adaptation and Resiliency Program (ICARP) Technical Advisory Council produced a vision statement including the following principle: “Prioritize actions that promote equity, foster community resilience, and protect the most vulnerable. Explicitly include communities that are disproportionately vulnerable to climate impacts.” The ICARP defines vulnerable communities as those that experience heightened risk and increased sensitivity to climate change and have less capacity and fewer resources to cope with, adapt to, or recover from climate impacts. Factors noted to be exacerbated by climate impact include, but are not limited to, race, class, sexual orientation and identification, national origin, and income inequality.

The ICARP provides a suite of climate vulnerability assessment tools to help identify vulnerable communities on a state, local and regional level by 1) analyzing climate risk, and 2) analyzing adaptive capacity. For example, the California Healthy Places Index (HPI) is an interactive online data and GIS mapping tool that allows users to easily visualize the social and economic conditions that shape health in each neighborhood in California. HPI is validated with life expectancy and provides census tract rankings across the state. As of 2017, the HPI platform also includes climate change indicators. This tool provides graphic overlays of climate risks, vulnerabilities and indicators of adaptive capacity, along with the healthy places index score, and other key decision support layers. HPI moves data into action by providing policy briefs outlining best practices to address risks associated with climate indicators. HCD may also use the Equity Checklist, intended to assist agencies to ensure that plans and investments identify and protect the state’s most vulnerable populations. This checklist can be used alongside any decision-making process to improve equitable outcomes.

In addition to the HPI, tools include:

### **Cal-Adapt<sup>117</sup>**

Cal-Adapt is the state’s portal for the climate data and science produced for the Fourth Climate Change Assessment (released in August 2018), which includes new projections of climate scenarios at the neighborhood level and wildfire projections for the entire state. Viewers for key climate variables and many data sets are available to the public. The platform also includes a web Application Programming Interface (API) to allow users to build their own applications. Accessible data includes annual averages, extreme heat, sea level rise, snowpack, wildfire, cooling degree days and heating degree days, downscaled climate projections, and more.

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<sup>116</sup> Ibid 5, pg. 9 <http://www.climateassessment.ca.gov/state/docs/20180827-StatewideSummary.pdf>.

<sup>117</sup> Cal-Adapt, [www.cal-adapt.org](http://www.cal-adapt.org). Accessed December 2018.

## Urban Heat Island Index for California

The Urban Heat Island Index, developed by the California Environmental Protection Agency, quantifies the extent and severity of urban heat islands for individual cities, including urban heat island interactive maps that show the urban heat island effect for each census tract in and around most urban areas throughout the state. This can also help identify and prioritize areas across the state for adaptation efforts such as urban greening and cool roofs and pavements.

## CalEnviroScreen

CalEnviroScreen 3.0 is a screening tool that identifies communities most affected by and vulnerable to the effects of many sources of pollution and population-based disparities. It aggregates state-wide environmental, health, and socioeconomic information to produce scores for every census tract in the state. A census tract with a high score is considered more disadvantaged than a community with a low score as a result of pollution burden and population characteristics. When overlaid with climate impact and exposure data, CalEnviroScreen can provide insight into built and environmental exposure factors that contribute to vulnerability.

## California Building Resilience Against Climate Effects

The California Building Resilience Against Climate Effects (CalBRACE) Project developed climate change and health indicator narratives and data to provide local health departments and partners with tools to better understand the people and places in their jurisdictions that are more susceptible to adverse health impacts associated with climate change, specifically extreme heat, wildfire, sea level rise, drought, and poor air quality. The assessment data, known as Climate Change & Health Vulnerability Indicators for California (CCHVI), can be used to screen and prioritize where to focus deeper analysis and plan for public health actions to increase resilience.

## Government Alliance on Race and Equity Toolkit

The Government Alliance on Race and Equity (GARE) is a national network of government working to achieve racial equity and advance opportunities for all. The Racial Equity Toolkit is designed to integrate explicit consideration of racial equity in decisions, including policies, practices, programs, and budgets. Use of a racial equity tool can help to develop strategies and actions that reduce racial inequities and improve success for all groups.<sup>118</sup>

HCD will utilize these tools throughout the lifecycle of its CDBG-DR funded projects and programs. Most critically, the tools will be employed during the project planning stage as a means of evaluating the impacts of planning decisions and how they may affect racial, ethnic, and low-income concentrations. Furthermore, the tools will be used to assess specific project details, including location, design, and construction materials, among others to ensure affordable housing is made available where it is most needed and constructed in a manner resilient to natural hazards.

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<sup>118</sup> ICARP, [Defining Vulnerable Communities in the Context of Climate Adaptation](#). Accessed December 2018.

## General Plans

All city and county governments in California are required to produce and periodically update general plans - documents that act as long-term blueprints for each community's vision of future growth (see Section III, I. Planning). Each general plan is required to include a chapter on the "housing element," the guidelines of which are designed and updated by the Office of Planning and Research to achieve the state housing goal of prioritizing "attainment of decent housing and a suitable living environment for all Californians." The housing element guidelines require communities to "identify disadvantaged areas within the area covered by the general plan" and "identify objectives and policies to promote safe and sanitary homes in disadvantaged communities."<sup>119</sup>

HCD reviews housing elements to determine if they are adequate. Housing law was strengthened to give HCD various incentives and powers to ensure that enough affordable housing sites are identified and other requirements.

### E. Displacement of Persons and/or Entities

HCD develops all programs with the intent to minimize displacement of persons or entities, following its [Residential Anti-displacement and Relocation Assistance Plan \(RARAP\)](#) in accordance with 24 CFR part 42.325. All program guidelines, applications, and technical assistance provided will include policies around displacement. HCD will minimize displacement of persons or entities as a result of the implementation of CDBG-DR projects by ensuring that all programs are administered in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) of 1970, as amended (49 CFR Part 24) and §104(d) of the Housing and Community Development Act of 1974 and the implementing regulations at 24 CFR Part 570.496(a). All recovery programs outlined in this Action Plan will be implemented with the goal of minimizing displacement of families from their home, whether rental or owned, and/or their neighborhoods. HCD will coordinate with HUD-certified housing counseling organizations to ensure that information and services are made available to both renters and homeowners as appropriate and/or required.

The relocation assistance requirements at § 104(d)(2)(A) of the Housing and Community Development Act and 24 CFR 42.350 are waived to the extent that they differ from the requirements of the URA and implementing regulations at 49 CFR part 24, as modified by the Notice, for activities related to disaster recovery. Without this waiver, disparities exist in relocation assistance associated with activities typically funded by HUD and FEMA (e.g. buyouts and relocation).

The impacts of the disasters are vast and, in many cases, have destroyed homes. In the instance that homes may be rehabilitated, HCD will opt for rehabilitation to minimize the displacement of the homeowner. Additionally, the required affordability periods of at least 15 and 20 years for multifamily rental units will also assist with prevention of displacement.

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<sup>119</sup> Office of Planning and Research, *Required Elements: Designing Healthy, Equitable, Resilient, and Economically Vibrant Places* [http://www.opr.ca.gov/docs/OPR\\_C4\\_final.pdf](http://www.opr.ca.gov/docs/OPR_C4_final.pdf).

## F. Protection of People and Property

The State of California has a long history of promoting building design and zoning to protect people and property from harm due to natural disaster. Since the mid-1980s the state has promoted “defensible space” for homeowners living in fire prone areas. In 1993 the nonprofit California Fire Safe Council was established to promote fire safety and to support local community fire safe councils. In 2005 a comprehensive set of state legislation passed to require homeowners to maintain defensible space and established local Fire Safe Councils. At the same time the California Wildland Urban Interface (WUI) codes were adopted requiring local jurisdictions’ zoning comply with the state’s standards.

### Wildland-Urban Interface (WUI) Requirements

The WUI is the area where structures meet or intermingle with undeveloped wildland vegetation. These structures are vulnerable to fire damage, as they are close to fire hazards. In 2003, The California State Fire Marshall, in consultation with the Director of Forestry and Fire Protection and HCD, was tasked with developing statewide fire protection requirements for roofs, exterior walls, structure projections, and structure openings of buildings located in WUI Fire Areas. These requirements became fully effective in 2007, and all new homes built in the WUI Fire Areas must meet these building requirements.

Through a collaborative effort of the California Department of Forestry and Fire Protection (CAL FIRE), Office of the State Fire Marshal, local fire districts, building associations and other public safety organizations, the WUI codes have been developed to encourage ignition resistant construction in California’s fire prone areas. The codes include specific material, design and construction standards to maximize ignition resistance.

The WUI codes are a requirement for new buildings in Fire Hazard Severity Zones in State Responsibility Areas (where the state is primarily responsible for the prevention and suppression of forest fires), and otherwise adopted at the discretion of local districts responsible for their own fire protection. A majority of impacted areas are located in State Responsibility Areas.

Building standards include specific regulation of materials and design for roofing, attic ventilation, exterior walls, decking and underfloor.<sup>120</sup> WUI regulations also require that homeowner’s clear flammable vegetation within 30 feet of buildings and modify vegetation within 100 feet around buildings to create a defensible space for firefighters to safely protect vulnerable property and to reduce fuels by which fire may continue to grow or spread.

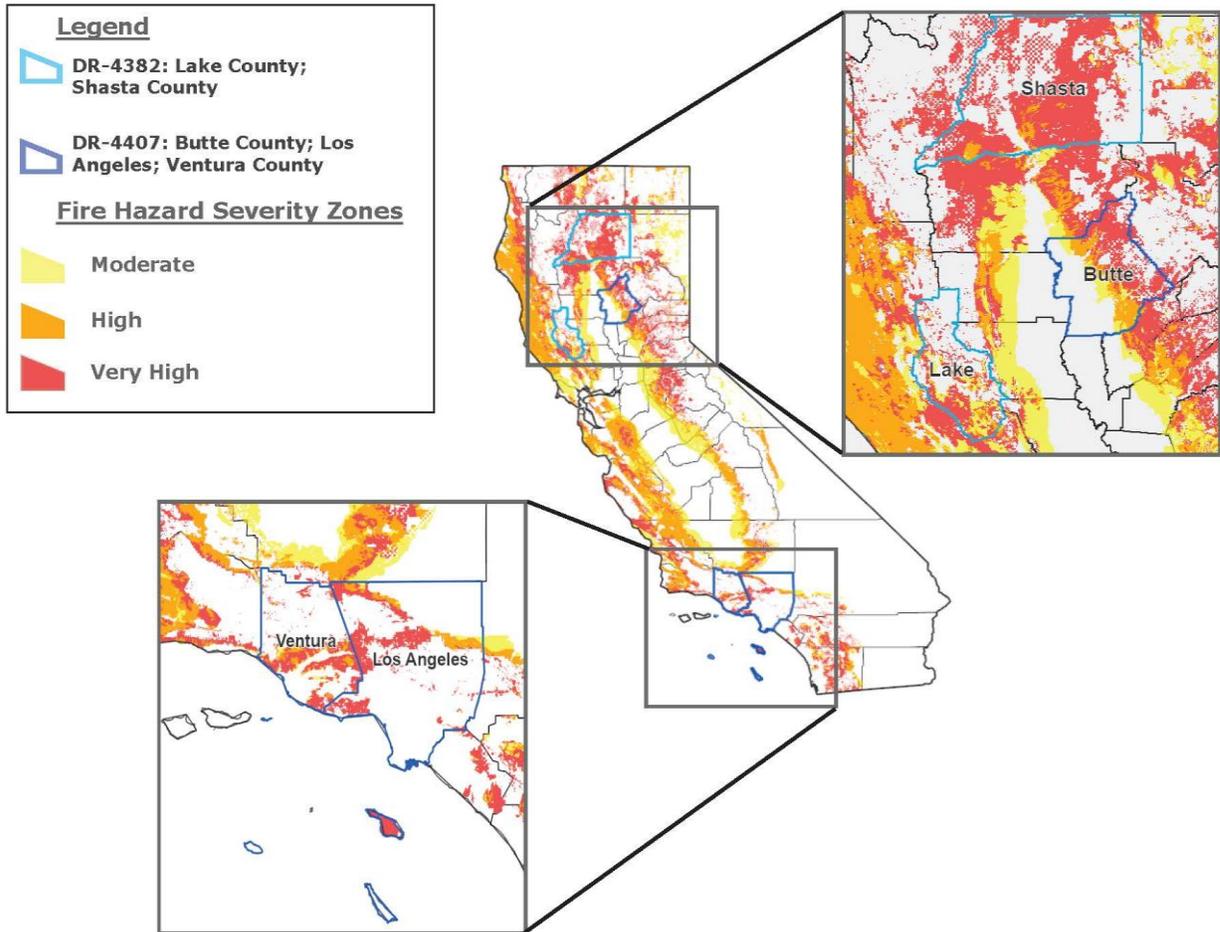
In accordance with the Federal Register Notice requirement to support the adoption and enforcement of modern and/or resilient building codes and mitigation of hazard risk, structures located in any Fire Hazard Severity Zone within State Responsibility Areas, any Local Agency Very-High Fire Hazard Severity Zone, or any Wildland Urban Interface Fire Area designated by the enforcing agency. The following maps show the fire hazard

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<sup>120</sup> California Department of Forestry and Fire Protection & Office of the State Fire Marshal, “Wildland-Urban Interface Building Codes Fact Sheet,” [http://www.fire.ca.gov/fire\\_prevention/downloads/BSR\\_fact\\_sheet.pdf](http://www.fire.ca.gov/fire_prevention/downloads/BSR_fact_sheet.pdf), May 2007.

areas for the counties impacted by the DR-4382 and DR-4407 disasters.

**FIGURE 85: FIRE HAZARD SEVERITY ZONES**



Source: CAL FIRE

### G. Construction Standards

The State Housing Law Program under HCD continuously refines the building standards to ensure they comply with new or changing laws and regulations and develops statewide building standards for new construction of all building types and accessories. The State Housing Law Program also develops the building standards necessary to provide accessibility in the design and construction of all housing other than publicly funded housing. The building standards are published as the California Building Standards Code under the California Code of Regulations, Title 24, and construction standards in the Standard Agreement must meet or exceed all applicable requirements for housing or building construction.

All new construction is required to pass quality inspections and code enforcement inspections over the development of the project, in addition to meeting accessibility requirements of both the federal Fair Housing Act and Section 504 of the Rehabilitation

Act of 1973. HCD will require a post construction warranty period of one-year for all work performed, including any work completed by subcontractors.

### **1. Federal Green Building Standards**

HUD requires all rehabilitation, reconstruction, and new construction to be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigating the impact of future disasters. Wherever feasible, the State of California follows best practices, such as those provided by the U.S. Department of Energy, Home Energy Professionals: Professional Certifications and Standard work specifications.

For CDBG-DR funded projects, HUD requires green building standards for replacement and new construction of residential housing.

### **2. State Green Building Standards**

All new construction of residential buildings or reconstruction of substantially damaged buildings must incorporate the state's green building standards. California Green Buildings Standards Code (CALGreen) is California's green building code, enacted as mandatory in 2011, and adopted to address five divisions of building construction and improve public health, safety and general welfare. The divisions addressed are as follows: planning and design, energy efficiency, water efficiency and conservation, material conservation and resource efficiency, and environmental quality. CALGreen applies to the planning, design, operation, construction, use, and occupancy of nearly every newly constructed building or structure in the state, as well as additions and alterations to existing buildings that increase the building's conditional area, interior volume, or size.<sup>121</sup>

### **3. 2019 Building Energy Efficiency Standards**

The State of California intends to promote high quality, durable and energy efficient construction methods in areas impacted by the 2018 fires. All newly constructed buildings must meet locally adopted building codes, standards and ordinances. The California Energy Commission adopted new building standards, effective January 1, 2020, that require all newly constructed homes to include solar photovoltaic systems. Homes built with the 2019 standards will use approximately 53 percent less energy than those built under current 2016 standards. The California Energy Commission estimates a cost of \$9,500 per home for initial solar installation.<sup>122</sup> However, AB 179, exempts disaster repair projects from these requirements, but the State will work towards implementing some of the measures when financially feasible. The state will advise applicants of other state resources available through utility providers or the Public Utilities Commission that provide direct assistance to homeowners to address energy efficiency or self-generation incentive programs.

### **4. Residential Construction Standards**

All residential construction projects will comply with the housing construction codes of

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<sup>121</sup> California Department of Housing and Community Development, "Building Standards: CALGreen Compliance" <http://www.hcd.ca.gov/building-standards/calgreen/index.shtml>.

<sup>122</sup> California Energy Commission, May 9, 2018 News Release & 2019 Building Energy Efficiency Standards, Frequently Asked Questions, [https://www.energy.ca.gov/title24/2019standards/documents/2018\\_Title\\_24\\_2019\\_Building\\_Standards\\_FAQ.pdf](https://www.energy.ca.gov/title24/2019standards/documents/2018_Title_24_2019_Building_Standards_FAQ.pdf).

the State of California, including all units developed under the Owner-Occupied Housing Recovery Program or the Multifamily Housing Recovery Program. Housing construction codes for building in California follow federal and state laws, regulations, and adaptations for construction of single family and multifamily units.

## **5. Elevation Standards**

HCD will require its subgrantees and contractors to comply with the national floodplain elevation standards for new construction, repair of substantially damaged structures, or substantial improvements to residential structures in flood hazard areas. All structures designed for residential use within a 100-year (or one percent annual chance) floodplain will be elevated with the lowest floor at least two feet above the base flood elevation level and comply with the requirements of 83 FR 5850 and 83 FR 5861.

Property owners receiving assistance through the Owner-Occupied Housing Recovery Program will be required to acquire and maintain flood insurance if their properties are located in a FEMA designated special flood hazard area.

Costs of elevation will be included as part of the overall cost of rehabilitation of a property. Many homes in the impacted areas with substantial damage need updates to meet current federal, state and local code requirements when repaired. If a home is within a 100-year floodplain, a cost estimate will be completed and compared with local and national averages comparable to the home's size, number of feet required for elevation and the geography of the location. Any building that has a total cost of repairs greater than 50 percent of the pre-disaster value of the property is considered substantially damaged and will require the entire home to be brought into code compliance.

Where a neighborhood or large tract of houses have substantial damage and also require elevation, the overall impact of elevation on the long-term affordability and maintenance of the housing stock for that area will be considered in determining the best and most reasonable way-forward to provide repairs.

## **H. Appeals Process**

HCD will provide a mechanism for homeowners, businesses, cities, counties and other entities to receive timely responses to complaints and appeals in order to maintain quality operations. See Section V Part 3, Citizen Participation Plan, Citizen Complaints for information on how to file a written complaint to HCD.

Homeowners may appeal the quality of the rehabilitation work and file complaints. HCD will utilize a program implementation contractor to implement the owner-occupied housing program. HCD, along with the program implementation contractor, will develop a robust appeals process that will be outlined in the program manual.

The appeals process will include at a minimum a two-level process which includes a program appeals process and state level appeals process. Prior to an appeals process, program staff will work with homeowners and contractors to resolve issues and ensure the work completed meets code requirements and program standards. Contractors will be required to provide a one-year warranty period on work performed and will be required to address the homeowner's concerns about the quality and timeliness of the

work. The program will develop detailed procedures around process for homeowners the quality of rehabilitation work completed on their home if it does not meet program standards. The program staff will be required to review and manage the appeals process. In the event that an appeal is not resolved in the program appeals process, the state appeals process will be activated. Further details on the appeals processes will be outlined in the program guidelines. In the event that an economic revitalization program that funds business repair work is implemented, the program will have a similar appeals process. Information about the appeals process and filing a complaint will be provided to homeowners with program materials and guidelines. The process and expectations will also be explained to contractors and included within the construction contracts.

## **I. Planning and Coordination**

California is a vast state with varied environment, terrains, and unfortunately, natural disaster risks. The State has long experienced the hazards of earthquakes, flooding, wildfires and droughts. While it continuously works to mitigate the effects of these events in its planning, zoning, building standards and infrastructure investments, it also seeks ways to understand the long-term implications of climate change and the increase in natural hazards on the state.

The state must work across agencies and jurisdictions to identify and help manage the needs of expanding or changing communities and the impacts of climate change on infrastructure, services, and housing. Planning efforts at the state and local levels that increase collaboration between agencies, and the public and private sectors help communities address the needs caused by growth, as well as provide opportunities to increase resilience against climate change and natural hazards.

The ultimate goal of the State's planning efforts is to promote sound and sustainable long-term recovery plans that are informed by an evaluation of the state's hazard risk and incorporate responsible land-use determinations, such as fire hazard area management. Outlined below are the State of California's long-term recovery planning activities, resources, and guidelines:

### **1. Long-term Recovery Planning**

HCD is participating in a long-term planning process called the California Disaster Recovery Framework (CDRF), similar to the FEMA National Disaster Recovery Framework, along with other state agencies involved in recovery efforts and federal partners. A long-term recovery plan is in development through the CDRF and will be adopted once completed.

HCD has also evaluated its internal capacity for long-term planning and administration of CDBG-DR to determine where capacity might be strained and additional resources would be needed to manage grant funds effectively and compliantly. Currently, HCD manages a large portfolio of CDBG projects (including 2017 allocations for CDBG-DR and CDBG-MIT) as well as a \$70 million CDBG National Disaster Resilience (NDR) grant. Furthermore, in November 2018 the citizens of California passed a \$4 billion bond measure for affordable housing programs, infill infrastructure projects, and a veterans'

homeownership program.<sup>123</sup> These programs, along with the allocation of over \$1 billion in CDBG-DR funding for the 2018 wildfires, has led to a large-scale plan for HCD to increase capacity in the coming months and years (and coordinate efforts across the department).

A Disaster Recovery Section within HCD has been established to solely manage the CDBG-DR funds. The section will be expanded to encompass up to 50 positions created by HCD to administer this additional \$1.02 billion in CDBG-DR grant funding. In addition, HCD plans to procure contractors to provide technical assistance and manage applicant-based programs run by HCD. HCD has developed milestones in its implementation plan that describe when and how it will address the capacity gaps identified and when it will bring key staff on board.

## **2. Statewide Planning Efforts**

### **Integrated Climate Adaptation and Resiliency Program**

The Integrated Climate Adaptation and Resiliency Program (ICARP) was established by Senate Bill (SB) 246 to develop a cohesive and coordinated response to the impacts of climate change across the state. Through its activities, ICARP develops strategies to coordinate climate activities at state, regional and local levels, while advancing social equity.

ICARP has two components: the State Adaptation Clearinghouse and the Technical Advisory Council (TAC). The State Adaptation Clearinghouse is a centralized source of information and resources to assist decision makers at the state, regional, and local levels when planning for and implementing climate adaptation projects to promote resilience across California.

The TAC brings together local government, practitioners, scientists, and community leaders to help coordinate activities that better prepare California for the impacts of a changing climate. (TAC members bring expertise in the intersection of climate change and the sector-based areas outlined in SB 246 PRC 71358(b).) The TAC supports the Governor's Office of Planning and Research (OPR) in its goal to facilitate coordination among state, regional, and local adaptation and resilience efforts, with a focus on opportunities to support local implementation actions that improve the quality of life for present and future generations.

### **California General Plan Guidelines**

The OPR is statutorily required by Government Code § 65040.2 to adopt and periodically revise the State General Plan Guidelines (GPG) for the preparation and content of general plans for all cities and counties in California. A general plan is the local government's long-term blueprint for the community's vision of future growth. The GPG serves as the "how to" resource for drafting a general plan. The 2017 version includes legislative changes, new guidance, policy recommendations, external links to resource documents, and additional resources.

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<sup>123</sup> California Secretary of State, <https://vote.sos.ca.gov/returns/ballot-measures>, Accessed December 2018.

### **Safeguarding Climate Action Team**

The Safeguarding California Climate Action Team (SafeCAT) was established to provide a venue for cross-sector collaboration and information sharing on development of the Safeguarding California plan, Executive Order B-30-15 TAG guidance implementation, and engagement with local and regional agencies. Co-led by the Office of Planning and Research and California Natural Resources Agency, the SafeCAT meets quarterly to provide updates on adaptation-related guidance documents, report updates, programs, etc., and provides a venue to discuss other collaborative efforts involving all agency members. The SafeCAT, together with the ICARP and its associated TAC, provide a suite of agency bodies and resources to foster information sharing and engagement with local and regional governments working to address the impacts of climate change. CalOES participates in the SafeCAT meetings as well and sits on the aforementioned TAC for the ICARP.

### **California Adaptation Planning Guide<sup>124</sup>**

The California Adaptation Planning Guide (APG) serves as a foundational resource for climate adaptation planning in California. This document presents the basis for climate change adaptation planning in California and introduces a step by step process for local and regional climate vulnerability assessment and adaptation strategy development. The document is intended as a starting point for all communities seeking climate adaptation planning guidance.

### **Safeguarding California Plan<sup>125</sup>**

The Safeguarding California Plan: 2018 Update is the state’s roadmap for everything state agencies are doing and will do to protect communities, infrastructure, services, and the natural environment from climate change impacts. This holistic strategy primarily covers state agencies’ programmatic and policy responses across different policy areas, but it also discusses the ongoing related work to with coordinated local and regional adaptation action and developments in climate impact science.

### **Executive Order B-30-15**

Executive Order B-30-15 directed state agencies to integrate climate change into all planning and investment, including accounting for current and future climate conditions in infrastructure investment. OPR was directed to convene a Technical Advisory Group (TAG) to develop guidance to support implementation of the Executive Order. The TAG included members from nearly every state agency, local and regional governments, non-governmental and community-based organizations, and the private sector. The TAG met from April 2016 through January 2017 and produced a guidance document called “Planning and Investing for a Resilient California: A Guidebook for State Agencies.” This document provides high level guidance on what future conditions to plan for and how state agencies should approach planning differently in light of a changing climate.

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<sup>124</sup> <https://www.caloes.ca.gov/cal-oes-divisions/hazard-mitigation/hazard-mitigation-planning/california-climate-adaptation>

<sup>125</sup> <https://www.slc.ca.gov/sea-level-rise/safeguarding-california-plan-2018-update/>

### **Assembly Bill (AB) 2800**

Bill AB 2800 states that “state agencies shall take into account the current and future impacts of climate change when planning, designing, building, operating, maintaining and investing in state infrastructure.” The “Climate-Safe Infrastructure Working Group” convened by the California Secretary for Natural Resources per AB 2800 released recommendations on infrastructure design and planning on September 5, 2018.

### **Cal-Heat<sup>126</sup>**

Cal-Heat is a new tool funded by the Fourth Climate Assessment to inform local public health officials’ initiatives to save lives during climate exacerbated extreme heat events.

### **Coastal Storm Modeling System**

The Coastal Storm Modeling System (CoSMoS) model, partly funded by the Fourth Climate Assessment, provides information about the complex interplay of coastal dynamics and climate change for California’s coast.

### **Adaptation Capability Advancement Toolkit**

The Adaptation Capability Advancement Toolkit, termed Adapt-CA, was created to help local governments overcome common organizational barriers and advance their capability to implement climate change adaptation measures. The Toolkit can help local governments assess their existing capabilities for climate adaptation and identify concrete actions to advance their capabilities for more effective planning and implementation of climate change adaptation activities. California Emergency Response Infrastructure Climate Vulnerability Tool (CERI-Climate).

California owns or operates over 600 facilities that are critical to the state's ability to respond to disasters. CERI-Climate is a decision-support tool that helps evaluate the risk to these facilities from flood and wildfire and how climate change may affect these risks.

## **3. Coordination with Local and Regional Planning Efforts**

### **Safety Elements**

The Safety Element is a state mandated element of a County’s General Plan intended to address protection of the community from natural hazards. The plan must include a safety element for protection from risks of various geologic hazards, flooding, and wildland and urban fires. HCD’s approval is required before a local government can adopt its housing element as part of its overall General Plan, thus, HCD partners with local governments as they develop, amend, and adopt their General Plans. The following table summarizes Safety Elements by County including the year the County last updated its Safety Element.

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<sup>126</sup> Cal-Heat, [www.cal-heat.org](http://www.cal-heat.org).



FIGURE 86: SAFETY ELEMENTS BY IMPACTED COUNTY

County	Safety Element Impact
Butte 2019 <sup>127</sup>	<ul style="list-style-type: none"> <li>• Policies to protect the community through the year 2030</li> <li>• Covers noise, floods, seismic and geologic hazards, fires, hazardous materials, disaster preparedness, and community health</li> <li>• Butte County Local Hazard Mitigation Plan adopted and made part of the Health and Safety Element of the General Plan November 5, 2019</li> </ul>
Lake 2008 <sup>128</sup>	<ul style="list-style-type: none"> <li>• Provides goals, policies, and implementation measures designed to protect public health, safety, and welfare of the community from unreasonable risks, while minimizing damage to structures, property, and infrastructure resulting from natural and man-made hazards</li> <li>• 2014 Addendum includes updates to the Safety Element regarding hazards and hazardous materials</li> </ul>
Los Angeles 2015 <sup>129</sup>	<ul style="list-style-type: none"> <li>• Identifies environmental hazards including seismic activity, geotechnical hazards, floods, and fires</li> <li>• Outlines regulations in place to mitigate risks and identifies agencies that provide oversight.</li> </ul>
Shasta 2018 <sup>130</sup>	<ul style="list-style-type: none"> <li>• Encompasses General Plan elements concerned with aspects of Shasta County’s natural and man-made environment which pose potential threats to human life or property, including: seismic and geologic hazards, flood protection, dam inundation, fire safety and sheriff protection, noise, and hazardous materials</li> <li>• Public Safety Group updated December 2018</li> </ul>
Ventura 2019 <sup>131</sup>	<ul style="list-style-type: none"> <li>• Designed to inventory and monitor natural and man-made resources with discretionary development as it pertains to environmental concerns.</li> <li>• Specific hazard mitigation goals aim to minimize the risks which may result from disasters by identifying programs for investigation and alleviation of risks, providing guidance for discretionary development, and outlining specific policies for risk reduction.</li> </ul>

#### 4. Regional Housing Need Allocation

Regional Housing Need Allocation (RHNA) is the state-mandated process to identify the total number of housing units (by affordability level) that each jurisdiction must

<sup>127</sup> Butte County General Plan, Ch.11, Health and Safety Element.

[https://www.buttecounty.net/Portals/10/Planning/General%20Plan/11\\_Health\\_Safety.pdf?ver=2019-12-18-140759-530](https://www.buttecounty.net/Portals/10/Planning/General%20Plan/11_Health_Safety.pdf?ver=2019-12-18-140759-530)

<sup>128</sup> Lake County General Plan, Chapter 7 Health and Safety,

<http://www.lakecountyca.gov/Assets/Departments/CDD/2008+General+Plan+Final+Version/2008+General+Plan+Docs/Chapter+7+-+Health+and+Safety.pdf>.

<sup>129</sup> Los Angeles General Plan, Ch 12, Safety Element, [http://planning.lacounty.gov/assets/upl/project/gp\\_final-general-plan-ch12.pdf](http://planning.lacounty.gov/assets/upl/project/gp_final-general-plan-ch12.pdf)

<sup>130</sup> Shasta County General Plan, Ch. 5, Safety Element. [https://www.co.shasta.ca.us/docs/libraries/resource-management-docs/general-plan/safety-element-amendment-no-underline.pdf?sfvrsn=b657fa89\\_2](https://www.co.shasta.ca.us/docs/libraries/resource-management-docs/general-plan/safety-element-amendment-no-underline.pdf?sfvrsn=b657fa89_2)

<sup>131</sup> 104 Ventura County General Plan, <https://docs.vcrma.org/images/pdf/planning/plans/Goals-Policies-and-Programs.pdf> December 2016.

accommodate in its General Plan Housing Element. As part of this process, HCD identifies the total housing need for each county. Counties must then develop a methodology to distribute this need in a manner that is consistent with the development pattern as dictated by the Safety Element. Once a local government has received its final RHNA, it must revise its Housing Element to show how it plans to accommodate its portion of the region's housing need. HCD is the state agency responsible for oversight of the RHNA process and will ensure coordination with the CDBG-DR funds.

### **5. Local and Regional Recovery Plans**

In the development of the unmet needs analysis and program design for this Action Plan, HCD coordinated and consulted with local community recovery plans in order to ensure consistency and efficiencies across programming. For example, the Town of Paradise Long-Term Community Recovery Plan, published in June 2019, has been a valuable resource in determining how to best address the recovery needs of some of the hardest hit areas from the Camp Fire.

### **3. RESILIENCE TO NATURAL HAZARDS**

Together with HUD, HCD has created a set of guidelines for long-term recovery, which includes strategies to ensure that all selected activities promote long-term resilience. The “2017 California Wildfires Long Term Housing Recovery Toolbox”<sup>132</sup> provides for HCD to offer resilience technical assistance to impacted communities in the rebuilding process, including workshops on resilient construction materials, and develop and disseminate information on the mitigation effects of universal resilient design in rebuilding and rehabilitation process, and is directly applicable and will continue to be used for the 2018 wildfires.

HCD will also support local governments in updating their Hazard Mitigation Plans and assist other state agencies in developing strategies to leverage multiple federal funding sources, including Mitigation, to aid in resilient recovery.

CalOES and FEMA developed the “California Wildfires, Floods, & Mudflows: Incident Strategic Plan” (“The Plan”), which summarizes phases of disaster response, including long-term recovery as the final phase. The Plan notes that the Housing Task Force, established by the state and FEMA and inclusive of both short- and long-term committees, will support local jurisdictions in implementation of sustainable and resilient permanent housing solutions that are in line with mitigation priorities. The Plan also discusses the activities of the Joint Hazard Mitigation Branch (HM) that was established in November 2017 to implement long-term mitigation solutions throughout the State’s disaster recovery. HM, in collaboration with FEMA PA, will ensure that selected infrastructure projects include Hazard Mitigation measures wherever possible.

In implementation of mitigation measures, the state will work with existing local recovery plans’ identified mitigation priorities as much as possible. Butte County, for example, has adopted an updated Local Hazard Mitigation Plan as of November 2019 that includes an updated hazard mitigation planning process and identifies relevant hazards, vulnerabilities, and strategies the County will use to increase resiliency and

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<sup>132</sup> [2017 California Wildfires Long Term Housing Recovery Toolbox](#)

sustainability. HCD will work with local plans to implement most effective and locally vital resilience measures.

#### **4. INFRASTRUCTURE ACTIVITIES**

HCD will encourage subrecipients to integrate mitigation measures into all rebuilding activities funded through the programs outlined in this Action Plan. Additionally, any infrastructure activity proposed in this plan will be designed to achieve objectives outlined in regionally or locally established plans and will include policies that are designed to reduce future risk to the jurisdiction. These will be informed by the aforementioned planning activities in order to ensure a holistic approach by subrecipients and localities in their infrastructure and mitigation efforts.

HCD will encourage subrecipients and those entities carrying out infrastructure activities (including housing-related infrastructure) to consider the costs and benefits of a project when selecting CDBG-DR eligible projects. This may include the analysis of Benefit Cost Analyses performed for FEMA Hazard Mitigation Grants Program projects for projects where CDBG-DR is intended to be used as local match. Every infrastructure activity must demonstrate that it will contribute to the long-term and resilient recovery of impacted areas.

As with all of HCD's CDBG-DR programs, infrastructure activities will undergo an AFFH review prior to approval. This review will include an assessment of the demographics of the proposed infrastructure project area, socioeconomic characteristics, environmental hazards or concerns, and other factors material to the AFFH determination.

HCD will coordinate with federal, state, local, private, and nonprofit sources to assist subrecipients to align investments with other planned state or local capital improvements and infrastructure development efforts. Additionally, HCD will work with subrecipients to foster the potential for additional infrastructure funding from other sources.

HCD will rely on experts and professional engineers to employ adaptable and reliable technologies to guard against premature obsolescence of infrastructure.

#### **5. LEVERAGING FUNDS**

Over the last three decades, HCD has provided more than \$3 billion in funding for the development of affordable housing and associated infrastructure. As an agency, HCD manages non-entitlement programs, providing leadership and policies to preserve and expand safe and affordable housing opportunities and promote strong communities for all Californians. By administering programs that provide grants and loans from both state and federal housing programs, HCD has the opportunity to leverage existing programs, increasing the impact of CDBG-DR funding.

To maximize the impact of the CDBG-DR funding provided to the state, there will be an ongoing commitment to identify and leverage other federal and non-federal funding sources. Further, HCD will utilize existing relationships and strive to create new partnerships with other federal and state agencies, corporations, foundations, nonprofits, and other stakeholders as a means of leveraging all viable sources of funding. For its infrastructure needs, the state will prioritize leverage funding that provides infrastructure improvements directly benefiting housing recovery needs.



CDBG-DR funds will be used to address critical unmet needs that remain following the infusion of funding from other federal sources, including FEMA and the SBA. Existing state resources and other funds from the disaster appropriation will also be examined in an effort to ensure that all available funding is used where it is most needed.

Furthermore, the state has designed all housing programs in this Action Plan to cover the gap in funding remaining after insurance, private funds, and other assistance has been applied to each project. Understanding the limited funding for recovery, the state will encourage all program applicants to seek out other funding sources to meet their full recovery needs.

The state has authorized many housing programs that may complement the recovery effort. These programs are either competitive or issued based on a formula allocation; no loans or grants are made directly to individual households. Cities, counties, qualified CHDOs, affordable housing corporations, and other qualified applicants may apply to build more affordable housing in their community to speed recovery. The programs detailed in the tables below are currently managed by HCD.

**FIGURE 87: STATE HOUSING RELATED PROGRAMS COMPLEMENTARY TO CDBG-DR**

FUNDING SOURCE	PAST AWARDS	FUTURE FUNDING	PURPOSE/ POPULATION SERVED
Affordable Housing and Sustainable Communities (AHSC)	NOFA 2017 \$255 million; applications due January 2018; awards June 2018  NOFA November 2019 \$550 million; applications due February 2020; awards June 2020	Annual competitive cycle; amount available varies; award max \$20 million  NOFA expected October 2020 \$400 million	Two types of project areas: Transit Oriented Development and Integrated Connectivity with emphasis on disadvantaged communities; Rural Innovation Project Area Type
American Recovery and Reinvestment Act - Homeless Prevention and Rapid Re-Housing Program (ARRA - HPRRP)	\$42.7 million		Homeless Prevention Activities for homeless persons and persons at risk of homelessness
No Place Like Home (NPLH)	NOFA October 2019 \$622 million; applications due January 2020; awards June 2020	\$1.8 billion for multiple funding rounds	Supportive housing for persons experiencing homelessness and who are in need of mental health services; housing must have low



FUNDING SOURCE	PAST AWARDS	FUTURE FUNDING	PURPOSE/ POPULATION SERVED
No Place Like Home (Non-competitive)	NOFA Summer 2018; Rolling applications for counties through 2021	\$190 million	barrier to entry Distributed by formula allocation to each county based on their 2017 homeless Point-In-Time Count with a minimum allocation per county of \$500,000.
CalHome	NOFA November 2019 \$57 million		Grants to local public agencies and nonprofit developers to assist individual home rehabilitation, including manufactured homes not on permanent foundations
CalHome disaster special purpose	State funds distributed to counties impacted by DR-4344 (2017), DR-4353 (2017), DR-4382 (2018), and DR-4407 (2018)  Approx. \$100 million in Round 2 funding - NOFA September 2019		Grants to local public agencies and nonprofit developers to assist individual home rehabilitation, including manufactured homes not on permanent foundations
Housing for a Healthy California Program (HHC)	NOFA February 2020 \$33 million; applications due June 2020; awards October 2020		The HHC program creates supportive housing for individuals who are recipients of or eligible for health care provided through the California Department of Health Care Services, Medi-Cal program.



FUNDING SOURCE	PAST AWARDS	FUTURE FUNDING	PURPOSE/ POPULATION SERVED
Permanent Local Housing Allocation (PLHA)	Formula: NOFA February 2020 \$195 million; Apps due July 2020	Competitive: NOFA August 2020 \$13 million	May be used for low-income affordable homes; supportive housing and homeless programs
Supportive Housing Multifamily Housing Program (SHMHP)	NOFA November 2018, amended January 2019, \$155 million		To provide low-interest loans to developers of permanent affordable rental housing that contain supportive housing units. Eligible costs include facilities for child-care, after-school care, and social service facilities integrally linked to the restricted housing units.
Veterans Housing and Homelessness Prevention Program (VHHP)	NOFA November 2019 \$75 million; applications due January 2020; awards May 2020	HCD anticipates awarding approximately \$300 million in subsequent years funding rounds  Next NOFA expected November 2020 \$75 million	Veteran multifamily housing construction; 50 percent reserved for extremely low income (ELI) veterans and families
Multifamily Housing Program (MHP)	NOFA January 2020 \$175 million; applications due March 2020; awards June 2020  NOFA July 2020 \$175 million; applications due September 2020; awards December 2020	\$1.5 billion available in multiple rounds of competitive grants	Assist the new construction, rehabilitation and preservation of permanent and transitional rental housing for lower income households
Serna Farmworker Housing Grant	NOFA December 2019 \$70 million;	HCD anticipates awarding a total of	Finance the new construction,



FUNDING SOURCE	PAST AWARDS	FUTURE FUNDING	PURPOSE/ POPULATION SERVED
Program (FWHG)	applications over-the-counter February-April 2020  NOFA expected June 2020 \$70 million; applications over-the-counter August-October 2020	\$300 million	rehabilitation, and acquisition of owner-occupied and rental units for agricultural workers, with a priority for lower income households
Regional Early Action Planning (REAP)	NOFA February 2020 \$125 million; over-the-counter applications accepted through January 2021		Grant funding is intended to help regional entities and governments facilitate local housing production that will assist local governments in meeting their Regional Housing Need Allocation (RHNA).
Local Early Action Planning (LEAP) Grants	NOFA February 2020 \$125 million; over-the-counter applications due July 2020; awards ongoing		LEAP provides one-time grant funding to cities and counties to update their planning documents and implement process improvements that will facilitate the acceleration of housing production and help local governments prepare for their 6th cycle Regional Housing Needs Assessment
Mobile Home Park Rehabilitation and Resident Ownership Program (MPRRP)	NOFA expected June 2020 \$46 million	NOFA expected November 2020 \$46 million	Mobile home park resident organizations, nonprofit entities, and local public agencies. Low-income residents of



FUNDING SOURCE	PAST AWARDS	FUTURE FUNDING	PURPOSE/ POPULATION SERVED
			converted parks apply for individual loans to the entity that has purchased the park.
Transit Oriented Development Housing Program (TOD)	NOFA expected April 2020 (approximately \$75 million)	NOFA expected April 2021 (approximately \$75 million)	To increase public transit ridership by funding higher density affordable housing developments within one-quarter mile of transit stations and infrastructure improvements necessary for the development of specified housing developments
Infill Infrastructure Grant (IIG)	Competitive/Large Jurisdictions - NOFA October 2019 \$194 million; applications due March 2020; awards April 2020  Over-the-Counter/Small Jurisdictions - NOFA October 2019 \$85 million; applications first-come, first-served beginning March 2020; awards beginning March 2020	NOFA August 2020 \$194 million due October 2020	Grant assistance, available as gap funding to infrastructure improvements required for specific residential or mixed-use infill development
Local Housing Trust Fund Matching Grants (LHTF)	Last awarded 2014	NOFA expected Spring 2020 \$56.7 million	Providing matching funds to local and regional housing trust funds dedicated to the creation, rehabilitation, or preservation of



FUNDING SOURCE	PAST AWARDS	FUTURE FUNDING	PURPOSE/ POPULATION SERVED
			affordable housing, transitional housing and emergency shelters
California Tax Credit Allocation Committee	NOFA expected July 2020	\$1 billion in tax credits will be made available in multiple rounds	Providing federal tax credits for development of affordable multi-family developments in 13 counties impacted by 2017 and 2018 wildfires

**FIGURE 88: FEDERALLY FUNDED PROGRAMS ADMINISTERED BY HCD**

FUNDING SOURCE	FUNDING AVAILABLE	FUTURE FUNDING	POPULATION SERVED	DISTRIBUTION METHOD
Community Development Block Grant-Disaster Recovery (CDBG-DR)	\$1.18 billion allocated for the recovery from 2017 and 2018 disasters (DR-4344, DR-4353, DR-4382, and DR-4407)	One-time allocations by HUD tied to specific disasters	80 percent of funds to Most Impacted and Distressed; 70 percent to low-income households	HUD approves HCD's Action Plan
Community Development Block Grant – MIT (CDBG-MIT)	\$88 million allocated for mitigation activities associated with 2017 disasters (DR-4344, DR-4353)	One-time allocations by HUD tied to specific disasters	80 percent of funds to Most Impacted and Distressed; 50 percent to low-income	HUD approves HCD's Action Plan
Community Development Block Grant (CDBG)	HUD funds for non-entitlement cities and counties  NOFA January 2020 \$60 million	Annually	Low- and moderate-income residents through the creation and expansion of community and economic	Competitive



FUNDING SOURCE	FUNDING AVAILABLE	FUTURE FUNDING	POPULATION SERVED	DISTRIBUTION METHOD
			development opportunities in support of livable communities	
HOME Investment Partnerships Program (HOME)	HUD funds for non-entitlement cities, counties and Community Housing Development Organizations (CHDOs)  NOFA October 2019 \$42 million; applications due January 2020; awards May 2020	Annually	Low-income homeowners and renters; loans for homeowners to rehabilitate housing or rental assistance to renters	Competitive; 50 percent rural requirement; 15 percent CHDO requirement
National Housing Trust Fund Program (NHTF)	\$30 million awarded in February 2019	Approx. \$10 million annually announced via HCD NOFA	Extremely Low-Income (ELI) 30 percent of median income or less	Competitive application through MHP program
Emergency Solution Grants (ESG)	NOFA February 2020 \$11 million; applications due April 2020; awards June 2020	Annually	Individuals and families experiencing homelessness	Competitive
California Emergency Solutions and Housing (CESH)	\$53 million awarded in August 2018 and March 2019		Activities to assist persons experiencing or at risk of homelessness	Formula method to COC administrators

## PROPOSED DISASTER RECOVERY PROGRAMS

### 1. CONNECTION TO UNMET NEEDS

As discussed in Section II – Needs Assessment, there are remaining needs across all eligible activities. The needs assessment influenced the development and prioritization of recovery activities outlined in the Action Plan. In addition, HCD consulted with affected citizens, stakeholders, local governments, and public housing authorities to assess needs. The State heard from all locations the need for housing, infrastructure and economic revitalization in order to achieve a holistic recovery. The State also heard the need for planning activities to mitigate further impacts as a result lessons learned from the wildfires, and to increase capacity at the local level. Following the guidance in the federal register notice, along with California’s existing affordable housing crisis, the State will allocate over half of their funding to housing programs. The infrastructure program will address a portion of the almost three billion dollars identified in unmet need. The State will offer an economic recovery program to assist with identified needs for businesses and skilled laborers.

Programs are developed to address the most severe unmet needs and in full compliance with the Federal Register Notices. Therefore, addressing the unmet housing and infrastructure recovery needs are the primary focus of the Action Plan. In addition to the unmet need, CDBG-DR funded programs must also consider eligible CDBG activities, must be responsive to CDBG national objectives, must comply with all regulatory guidance issued to HCD, and must consider best practices established through similar recovery initiatives. As part of the consideration of unmet needs, is a focus on the needs of protected classes and vulnerable populations. Those were taken into consideration when designing program priorities.

#### A. Allocation of Funds

As required by the Federal Register, Vol. 83, No. 28, Friday, February 9, 2018, and Vol. 85, No. 17, Monday January 27, 2020, this Action Plan must describe the method of distribution of funds and the descriptions of specific programs or activities HCD will carry out directly.

This Action Plan outlines the following: the eligible affected areas and subrecipients; criteria for eligibility; the methodology used to distribute funds to those subrecipients; activities for which funding may be used; and program requirements, including non-duplication of benefits. The Action Plan will also define how the uses of this allocation address necessary expenses related to disaster relief, long-term recovery and restoration of infrastructure, and housing and economic revitalization.

Grants under the Appropriations Act are only available for activities authorized under Title I of the Housing and Community Development Act of 1974 related to disaster relief, long term recovery, restoration of infrastructure and housing, and economic revitalization. Further, CDBG-DR funds can only serve to provide local match or unmet funding needs not already available through other federal funding sources.

The allocations for each recovery program are based on the unmet needs analysis, which identified housing and infrastructure as a crucial unmet recovery need. HCD



opens the Action Plan, and the associated program funding allocations, for public comment in July 2020. Input received from the public comment period will be used to adjust the program allocations, if needed, to be responsive to the needs of impacted residents of the state.

The primary recovery needs include owner occupied housing rehabilitation and reconstruction, rental housing, infrastructure repair, and economic revitalization. In accordance with the Federal Register Notice directive to first address the unmet housing recovery need, this Action Plan prioritizes the housing need, while also addressing the critical infrastructure need to ensure a holistic recovery is possible.

These programs are funded proportionate to the anticipated need and after accounting for necessary administrative costs, indirect costs, and planning costs.

The total CDBG-DR allocation set forth in PL 115-24 and 116-20 is \$1,017,399.00. HCD plans to allocate 87 percent of the allocation (\$880,312,050.00) to program funds that address the identified unmet recovery needs. HCD will offer programs that address housing, infrastructure, and economic revitalization needs. HUD sets forth a five (5) percent cap on administrative funding and fifteen (15) percent cap on planning funds. HCD will set aside five percent of the allocation (\$50,869,800.00) for administrative costs associated with disaster recovery at both the state and local level. The remaining \$86,217,000 will be allocated to planning activities. Figure 91 below is a breakdown of funding, and we will further describe sub-programs between housing, infrastructure and economic revitalization needs in later sections.

**FIGURE 89: CDBG-DR PROGRAM BUDGET**

<b>PROGRAM</b>	<b>PROGRAM ALLOCATION</b>	<b>PERCENTAGE OF TOTAL</b>
Total CDBG-DR Funds	\$1,017,399	
Housing Programs	\$455,794,752	45%
Infrastructure	\$317,428,488	31%
Economic Revitalization	\$40,695,960	4%
Program Delivery	66,392,850	6.5%
Planning	\$86,217,00	8.5%
Administration	\$50,869,950	5.0%
<b>Total CDBG-DR Funds</b>	<b>\$1,017,399</b>	<b>100.0%</b>

At this time HCD commits to directing 70 percent of allocated CDBG-DR funds to low and moderate income (LMI) individuals or areas in accordance with Section 103 of the Housing and Community Development Act of 1974. Funded activities that do not predominantly benefit LMI persons will address a different national objective and be

related to the unmet recovery need. Additionally, HCD commits to directing 80 percent of all CDBG-DR funding to the Most Impacted and Distressed areas as identified by HUD in 85 FR 4681. These Most Impacted and Distressed areas include Butte, Shasta, Lake and Los Angeles counties. A map of the Most Impacted and Distressed areas is shown as Figure 6: Most Impacted and Distressed Counties in Section II, part 2 of this plan.

Where possible, proposed activities must consider projects or programs that forward hazard mitigation to reduce future losses. Specific code compliance to achieve hazard mitigation, such as WUI codes, will be implemented where applicable according to local code and the unique needs of impacted communities.

## B. Program Allocations

HCD will distribute grant funds to beneficiaries using one of two methods:

1. **HCD administered programs**
2. **Subrecipient administered programs**

Allocations for the recovery programs are based on needs as identified through an analysis of several sources of data available to the State. As shown in Section II – Needs Assessment, the total unmet recovery needs surpass the CDBG-DR funds allocated to the state by HUD. HCD based programming decisions on best available data from multiple sources, including FEMA, SBA, private insurance, state agencies, and local governments, broad engagement with the public and stakeholders, and exhaustive conversations about program typologies and design options to maximize the benefits of the available funding.

### 1. HCD Administered

#### Owner-Occupied

Housing Rehabilitation and Reconstruction Program: Based on the unmet recovery needs, HCD will allocate \$205,107,638 to build on their 2017 disaster recovery program, and directly operate an Owner-Occupied Housing Rehabilitation and Reconstruction Program. HCD CDBG-DR Program Implementation staff will oversee an outreach and application intake process, environmental review and construction management program for homeowners whose homes were damaged or destroyed. The state will prioritize homeowners based on tiers which are outlined in Figure 95: Owner occupied Housing Recovery Applicant Prioritization. HCD has procured a qualified vendor to perform full scale program management duties to augment HCD capacity and ensure high quality customer service delivery. Program staff will work with the vendor to maintain program timeliness, provide oversight, and ensure all levels of the program are compliant. This represents 20 percent of the program funds towards owner-occupied reconstruction.

### 2. Subrecipient Administered

Subrecipients will engage with HCD to ensure that local infrastructure, economic development, planning and housing recovery needs are addressed. HCD developed a formula approach to allocate funds across the eligible geographies for each local program. HCD will establish programs through which subrecipients will submit project

proposals for funding. HCD will vet projects for CDBG-DR compliance and eligibility, ensuring that proposed projects adhere to federal requirements and the requirements set forth in the Action Plan. The implementation and management of individual projects will be the responsibility of participating subrecipients, while HCD will provide monitoring and broad oversight of subrecipient administered funds.

### **C. Method of Distribution within Programs**

Within each Program, funds are distributed using an objective methodology targeted towards the Most Impacted and Distressed areas. Distribution methods are sensitive to the needs of the affected population as well as the capacity of the units of local government that will engage in the recovery process. Proper distribution ensures that CDBG-DR funds will be used to maximum benefit to address unmet housing recovery, infrastructure repair and economic revitalization needs.

HCD assessed its internal capacity during the capacity assessment required by the Federal Register Notice. The capacity assessment concluded that, with organizational and staffing adjustments at HCD, a large statewide program could be successfully operated and administered directly by HCD.

HCD also assessed the capacity of local governments to administer CDBG-DR funded programs during recovery planning and coordination discussions. Topics covered included knowledge of and experience with key grant administration requirements, managing programs similar to what HCD was considering for inclusion in the Action Plan, and ability to add capacity and subject matter expertise through hiring or procurement.

Through the conversations and working sessions, HCD gained a clear understanding of local strengths and how best to leverage the capacity and expertise at the local level. These assessments concluded that local governments are best positioned to operate and manage project specific funding related to infrastructure repair, economic revitalization, small rental and multifamily housing. Additionally, planning funds will be used to provide local capacity and TA to assist with administration of the funding within the eligible jurisdictions.

#### **1. Multifamily/Small Rental housing program allocation**

Allocations are based on the FEMA IA applicant data of rental households in counties, entitlement and non-entitlement areas in relation to the total. In Butte County, the State also factored in the impact of displacement of LMI applicants. HCD is aware of the disparate impact that may occur in LMI households when trying to recover, and tried to address this through the allocation model. For applicants whose damaged rental properties were in Butte County, the totals were adjusted where LMI applicants listed addresses in new jurisdictions. Where Butte County LMI applicants subsequently listed new addresses outside the County, the State has set-aside a Phase II allocation available to all jurisdictions. This is intended to promote affordable housing development where there remains demonstrated need. Figures within the Program Overview go over these allocations.

## 2. Infrastructure funding allocation

The overall allocation to the infrastructure recovery program is based on the unmet needs analysis. Funding to eligible jurisdictions – counties, entitlement, and non-entitlement – will be determined through an NOI process and application.

## 3. Economic Revitalization/Workforce Development

The program allocation to economic revitalization is based on the unmet needs analysis, however is less than the identified need. This is a result of prioritizing funding in housing activities as required by HUD. Funding to eligible jurisdictions – counties, entitlement, and non-entitlement, school districts and colleges – will be determined through an NOI process and application. By focusing on workforce training, this makes more than just a short-term investment but a long-term investment in the resiliency of businesses and people.

## 2. PROGRAM OVERVIEWS

### A. Housing Recovery Programs

HCD proposes housing recovery programs to address the unmet recovery needs: an Owner Occupied Housing Rehabilitation and Reconstruction Program, Small Rental Repair program, and a Multifamily Housing Program.

Together, the housing programs will receive \$455,794,752 of the total CDBG-DR allocation. This represents approximately 57 percent of the CDBG-DR program funds allocated to the State of California. While the allocation falls short of the more than \$3 billion in unmet needs identified in owner and rental-occupied housing needs, it will assist thousands of households in recovery. At the outset of each program launch, an interest survey will be conducted to identify demand for the program being launched and inform the need for additional programming considerations. The survey will assist in ascertaining the specific recovery needs of impacted property owners as well as identify demographic information to assist in targeting recovery funds to vulnerable populations. Additionally, HCD has consulted with housing counseling agencies in the development of this Action Plan and will continue to work with these agencies as the housing recovery programs are implemented. HCD will follow policies and procedures for compliance with Affirmatively Furthering Fair Housing (AFFH) requirements during the planning and implementation of each housing activity to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing across the disaster-affected areas. Programs will also be developed with the intent to minimize displacement of persons or entities following 24 CFR part 42.325, 49 CFR part 24 of the URA, 104(d) of the HCDA, and regulations under 24 CFR part 570.496(a).

All projects under the housing programs will follow HCD's affirmative marketing procedures for outreach to protected class groups least likely to apply. Additionally, materials will be provided in other languages, such as Spanish, to accommodate LEP persons. Language access services for persons who are LEP and the availability of accessible features and reasonable accommodations for persons with disabilities will be provided through case management.



FIGURE 90: TOTAL UNMET HOUSING RECOVERY NEED

CATEGORY	TOTAL IMPACT	RESOURCES AVAILABLE	UNMET NEED (TOTAL IMPACT LESS APPLIED RESOURCES)
Housing	\$14,876,576,401	\$11,651,196,156	\$3,225,380,246

### B. Owner Occupied Housing Rehabilitation and Reconstruction Program

The primary objective of the Owner-Occupied Housing Rehabilitation and Reconstruction Program is the provision of decent, safe, and sanitary housing in the areas impacted by the August and November 2018 disasters. Additionally, the program is designed to ensure that the housing needs of very-low, low-, and moderate-income households and vulnerable populations, including individuals that were made homeless as a result of the disaster, are addressed to the greatest extent feasible. Furthermore, the program aims to not only address disaster-related damages but also to mitigate potential future damage.

The program will provide rehabilitation or reconstruction assistance to eligible applicants based on the extent of damage to their primary residences.

#### 1. Allocation Amount: \$205,107,638

- › Eighty (80) percent of funds must address unmet need in the HUD-identified “most impacted and distressed” counties.

#### 2. Maximum Assistance: \$200,000

The maximum amount of assistance is \$200,000 per damaged structure, after applying any duplication of benefits to the cost of the total rehabilitation or reconstruction. Reconstruction is permissible where the total cost of rehabilitation is greater than the cost to reconstruct or where rehabilitation is otherwise technically infeasible. Reconstruction is defined as the rebuilding of a structure on the same site in substantially the same manner. A reconstructed property must not increase the number of dwellings on site, although the number of rooms may increase or decrease.

- › Hardships: As a standard practice, program applicants requiring more than the \$200,000 cap on assistance must fund the remainder of their project with private funds or other resources; however, exceptions to the maximum award will be considered on a case-by-case basis. In situations where the applicant has a demonstrable hardship, the specific conditions will be evaluated to determine how best to proceed. A demonstrable hardship is a substantial or unexpected change in the applicant’s situation, after the disaster, that prohibits or severely affects their ability to provide a minimal standard of living or the basic necessities of life, including, food, housing, clothing, and transportation. Such instances typically include job loss, business failure, divorce, severe medical illness, and disability. Program staff will evaluate instances of demonstrable hardship on a case-by-case basis after review of the circumstances. The criteria for documenting such hardship will be included in the program guidelines. Applicants with an approved demonstrable hardship may have the award cap increased up to the amount

required to complete the repair or reconstruction of their property.

### **3. Eligible Activities**

Housing activities allowed under CDBG-DR; HCDA Section 105(a)(1), 105(a)(3-4), 105(a)(8) 105(a)(11), 105(a)(18), and 105(a)(25), include but are not limited to:

- › Single family owner-occupied rehabilitation, reconstruction, and/or new construction;
- › Repair and replacement of manufactured housing units;
- › Hazard mitigation;
- › Elevation;
- › Relocation Assistance;
- › Demolition only;
- › Public service within the 15 percent cap (e.g., housing counseling, legal counseling, job training, mental health, and general health services); and
- › Other activities associated with the recovery of single-family housing stock impacted.

### **4. Deed Restrictions**

To safeguard the CDBG-DR investment in the property, HCD will require a deed restriction on properties funded through the program. The deed restriction will remain in effect for a period of two years following the date of receipt of the certificate of occupancy of the rehabilitated or reconstructed structure. For the length of the deed restriction, the property must remain as the primary residence of the owner-occupants to whom the rehabilitation/reconstruction grant was made. This means the property cannot be sold, cannot be used as a second home, cannot be converted into rental property, and otherwise cannot have its use changed by the property owner of record at the time of the disaster. Compliance with the deed restriction will be monitored annually by HCD, and failure to comply with the deed restriction will result in grant fund recovery.

The deed restriction may be relieved on a case-by-case basis by HCD in certain circumstances. The specific language and requirements in the deed restriction will be set forth in the program manual and will be available for applicants to review prior to participating in the program.

### **5. National Objective**

In accordance with 24 CFR 570.208 and Section 104(b)(3) of the Housing and Community Development Act (HCDA), all CDBG-DR funded activities must satisfy a national objective. All Owner-Occupied Housing Rehabilitation and Reconstruction activities will meet either the urgent need or LMI housing national objective criteria related to disaster recovery. As stated in the Needs Assessment, the location of the disasters presents unique challenges for addressing housing impacts. The disasters impacted households of all incomes and landscapes, including dense urban neighborhoods and rural communities. While there are regional differences in the housing markets, all the impacted areas struggle to provide an adequate supply of affordable homes to area residents. Thus, the prioritization criteria for participation in

the Owner-Occupied Housing Rehabilitation and Reconstruction program will ensure that enough housing recovery programming will be directed toward LMI beneficiaries.

## **6. Delivery**

The Owner-Occupied Housing Rehabilitation and Reconstruction Program is delivered at the state level under the guidance of HCD's housing subject matter experts and contract managers. The state procured a qualified vendor to perform full scale program management services, including capacity building HCD staff, marketing and distribution of the program survey, overseeing intake, completing eligibility and benefit determinations, providing case management through the process, quality control to prevent fraud, waste, and abuse, construction monitoring, and construction management. Applicants will have assigned case managers to support them through the recovery process from application to construction and project closeout.

## **7. Affirmative Marketing**

The program management consultant will follow HCD's affirmative marketing procedures for outreach to protected class groups least likely to apply to the Owner-Occupied Rehabilitation and Reconstruction Program. Additionally, materials will be provided in languages other than English, such as Spanish, to accommodate LEP persons. Language access services for persons who are LEP and the availability of accessible features and reasonable accommodations for persons with disabilities will be provided to applicants through case management.

## **8. Applicant Eligibility**

Applicants will be eligible to participate in the program if they meet the following criteria:

- › Must have owned the damaged home at the time of the qualifying disaster.
- › Must have occupied the home as their primary residence at the time of the qualifying disaster.
- › The home must have been damaged as a result of the qualifying disaster and located in an impacted county or zip code.
- › Must be current on property taxes or have an approved payment plan or tax exemption.
- › The property must have been correctly permitted and permissible for the zoning area or local development standard.
- › The property must be a single-family dwelling, such as a stick built, modular, or mobile home (i.e. not a condominium, duplex, fourplex, or another multi-owner property).

HCD will assess applicant eligibility on a case-by-case basis according to the eligibility criteria fully defined in the program manual.

## **9. Reimbursement**

The survey period will inform the possible use of owner-occupied recovery funds to pay for homeowner reimbursement payments. As noted above, distribution of the program survey will be marketed by the selected program management consultant. Distribution will also be supported through relationships with HUD approved housing counseling

agencies built during the development of the Action Plan. Once the survey period has been conducted to understand the current recovery needs of potential applicants, a more in-depth program design will be conducted that will inform applicant eligibility. Appendix B includes information regarding the public and stakeholder outreach to date. If significant need for reimbursements is identified, reimbursements may be paid through the owner-occupied recovery program. If a decision is made to fund reimbursement, applicants who began work after the disaster of their own initiative would be eligible for reimbursement payments for eligible costs incurred up to a year after the disaster. Reimbursement payments will follow the guidance issued by HUD in CPD-15-07.<sup>116</sup> Full eligibility criteria will be provided in the program guidelines, should reimbursement become an eligible program.

### **10. Owner-Occupied Small Rental Rehabilitation and Reconstruction**

The survey period will also inform the use of program funds to fund recovery of small rental property (i.e. one to four units). Small rental recovery funding will assist applicants who were the owner of record of rental properties at the time of the disaster. This program will be funded under the Multi-Family development program.

Properties must meet the following conditions:

- › Properties containing between one and four dwelling units prior to DR-4382 or DR-4407. A dwelling unit is defined as having complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.
- › Properties located in disaster impacted areas.
- › Properties that sustained damage as a result of the qualifying event.
- › Properties that have access to water, sewer, and electricity.

Rent to own, lease to own, or bond for deed properties are not eligible for assistance.

Rentals containing up to four units providing affordable rents to low- to moderate-income renters according to rent and income limit requirements will receive funding priority. HCD will prioritize funding for units with accessibility access compliant with Section 504 of the Rehabilitation Act and the federal Fair Housing Act.

All requirements of the Owner-Occupied program and subprograms (Reimbursement) as well as Small Rental within the Multi-Family Program will be outlined in detail in the program's policies and procedures manual and guidance provided to homeowners.

### **11. Applicant Prioritization**

Program applicants will be prioritized in accordance with the tiers outlined in Figure 95: Owner occupied Housing Recovery Applicant Prioritization. In addition to the prioritization methodology, funding decisions will account for the requirement to expend 80 percent of the grant in HUD designated Most Impacted and Distressed areas as well as the requirement for 70 percent of the total CDBG-DR funding to benefit LMI populations. HCD took into consideration the SoVI analysis, which identified several of the counties with high ratings primarily for increased elderly and disabled populations. This factored into the prioritization. Applicant prioritization criteria will be assessed during the survey of potential program applicants.



FIGURE 91: OWNER OCCUPIED HOUSING RECOVERY APPLICANT PRIORITIZATION

APPLICANT PRIORITIZATION TIERS					
	GEOGRAPHY		OWNER-OCCUPANT HOUSEHOLD INCOME		PROPERTY DAMAGED BY DR-4382 OR DR-4407
	4 Most Impacted Counties Only	All Areas That Received a Federal Disaster Declaration	LMI Only	All Incomes	Major or Severe Damage
Tier 1	X		X		X
Tier 2		X	X		X
Tier 3	X		X		
Tier 4		X	X		
Tier 5	X			X	X
Tier 6		X		X	X
Tier 7	X			X	
Tier 8		X		X	

Within each tier, owner occupied households with a household member that is disabled or has access or functional needs are given priority. Major or Severe Damage is a primary consideration for funding. HCD equates Major or Severe Damage in this prioritization context with the FEMA Substantial Damage definition of a structure that has sustained damage greater than 50 percent of its pre-disaster value. Currently, the data available do not specify amounts of damage for individual houses in MID areas. The results of the program survey should fill this gap and provide clarity on the levels of damage on homes within each tier. As results of the survey become available, HCD will develop criteria for damage assessments and prioritization for Owner Occupied recovery in the program’s policies and procedures manual.

**12. Eligible and Ineligible Costs**

HCD commits to funding activities eligible under Title I of the Housing and Community Development Act of 1974 and those activities specified by waiver in 83 FR 40314, 84 FR 6814, 85 FR 4681. Eligible scopes of work and eligible costs include:

- › Permitting, design, and planning
- › Reasonable relocation payments directly to owners displaced as a result of program construction

- › Replacement of fire damaged or destroyed necessary equipment, such as HVAC units or septic systems
- › Repairs to or replacement of damaged on-site utilities such as water, sewer, electric, and gas
- › Repairs to disaster damaged primary dwelling with standard grade materials
- › Reconstruction of the disaster damaged primary dwelling with standard grade materials
- › Upgrades required to meet current building code
- › Site work to meet WUI standards for homes in high risk areas (if applicable)
- › Handicap accessibility features (if applicable)
- › Lead-based paint and asbestos abatement (if applicable)

Ineligible items include:

- › Repair or replacement of auxiliary structures, such as detached garages or carports, storage units, outhouses, or sheds
- › Materials greater than standard grade unless required by the local jurisdiction or by State law, such as certain green building requirements
- › Partial or incomplete repairs or reconstructions of properties
- › Multifamily, condominiums, duplexes, triplexes, fourplexes or other rental property
- › Repair or replacement of luxury or non-critical items, such as swimming pools and security systems
- › Repair or replacement of personal property or building contents
- › New home purchase
- › New construction off-site of the damaged structure (except in the case of a mobile home unit in a mobile home park where the park is permanently closed due to the disaster).
- › Forced mortgage payoffs
- › Assistance for second homes

HCD will also ensure that construction costs are reasonable and consistent with current market costs for the area where the property will be rehabilitated or reconstructed.

### **13. Form of Assistance**

Assistance is provided in the form of a grant after a contractor has been selected to perform the scope. The scope of work is determined by a site inspection performed by qualified construction estimators. Once the scope of work has been determined, the applicant signs a three-party construction agreement between the applicant, contractor, and HCD. The assistance is provided based on approved construction inspections via two party check to the applicant and the contractor engaged to perform the work, or directly to the contractor depending on the program option selected by the applicant.

### **14. Timeline**

The Owner-Occupied Housing Rehabilitation and Reconstruction Program is expected

to commence following HUD's approval of the Action Plan and execution of the grant agreement between HCD and HUD and remain operational through the end of the grant term or the exhaustion of funds.

### **C. Multifamily Housing Program**

Multifamily housing projects are funded to meet the unmet rental housing need, including the needs of individuals displaced from rental mobile homes and individuals made homeless as a result of the disaster. Multifamily projects include apartment complexes and mixed-use developments. This will also include small rental assistance open to landlords with 1-4 units. These developments are also intended to help replace the rental housing units available to Housing Choice Voucher holders that were lost. However, this program will not include the rehabilitation, reconstruction, or replacement of shelters or transitional housing since there were no reports of damages to these facilities (refer to Section III, part 2(a)). The objective of the CDBG-DR funds is to provide necessary gap financing for large scale housing developments and small rental units.

Program guidelines will be established that outline the requirements of the program and rules for specific projects, including general eligibility, specific eligible and ineligible costs, and the criteria for evaluating project proposals. In addition, the guidelines will outline requirements relative to a minimum percentage of affordable units, the percentage of affordable versus market rate units, requirements for deep affordability, requirements for permanent supportive housing units, as well as the per unit maximum (see Prioritization section below for further details).

#### **1. Unmet Needs**

The unmet needs analysis identified significantly less damage to rental property than owner-occupied units. However, the impact to LMI populations were higher among renters than homeowners, and the State recognizes that renters are often harder to track and the State is in need of additional affordable housing. Multifamily housing projects will be funded to address the unmet housing recovery need. Of the \$455,794,752 identified to address the housing recovery need, \$250,687,114 will be used to address the rental housing recovery need through multifamily housing development.

#### **2. Affirmative Marketing and Fair Housing**

Multifamily program applications will include affirmative marketing plans according to HCD's affirmative marketing procedures and requirements for all CDBG-assisted housing with five or more units, including efforts to reach those least likely to apply and LEP persons. Applications should also demonstrate that the proposed projects will affirmatively further fair housing, and are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low-poverty, nonminority areas in response to natural hazard related impacts.

#### **3. Affordability Periods**

Projects should also be designed with the established community in mind to lessen the displacement of families and must commit to the affordability periods of 15 and 20 years according to the project type. If other funds requiring a longer affordability period are committed to the project, the longest affordability period will prevail for the project. This



also increases the resiliency of the vulnerable populations impacted as a result of the fires. Local governments helping to administer multifamily housing projects may either follow the state’s Residential Assistance and Relocation Assistance Plan to minimize displacement or develop its own plan with the state’s and public’s approval.

**4. Maximum Assistance**

Per unit maximum assistance will be consistent with HOME limits established by HUD for each participating jurisdiction. These limits are found in 83 CFR 25683<sup>117</sup>. If HUD has issued a regional per-unit subsidy increase for the participating subrecipient, the alternative subsidy amount may be used, up to 240 percent of the HOME subsidy limit. The minimum threshold for multifamily housing project participation is a total project cost of \$250,000 per project.

**FIGURE 92: PER UNIT CDBG-DR FUNDING LIMIT**

BEDROOMS	CDBG-DR FUNDING LIMIT/UNIT
0	\$61,280
1	\$70,250
2	\$85,424
3	\$110,512
4+	\$121,307

The appropriate HOME cost allocation<sup>118</sup> will be used on a per-project basis to ensure that CDBG-DR funds are applied to a proportionate share of total development cost. Individual projects are not subject to a funding cap, but subrecipients may not request CDBG-DR funds greater than the allocations indicated in the Allocation Methodology section and Figure 98 below. Furthermore, projects are subject to the per-unit funding limit in Figure 97 above.

If subrecipients are not able to provide qualifying projects, HCD may re-allocate funds to other projects or subrecipients in accordance with the prioritization criteria defined below.

**5. Eligible Activity**

42 USC 5305(a)(4) authorizes the clearance, demolition, removal, reconstruction, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements (including interim assistance, and financing public or private acquisition for reconstruction or rehabilitation, and reconstruction or rehabilitation, of privately owned properties, and including the renovation of closed school buildings).

The eligibility of housing projects is further established in 83 CFR 40315, which requires grantees to address unmet housing recovery needs with CDBG-DR funds.

**6. National Objective**

In accordance with 24 CFR 570.208, all CDBG-DR funded activities must satisfy a national objective. For the multifamily program, all projects will meet the low to moderate



income housing national objective. While proposed projects may be mixed-income units, CDBG-DR funds will only be applied to the affordable units for occupation by low- to moderate-income households.

### 7. Allocation Methodology

Funding is available to subrecipients based on a formula to determine a proportionate share of the total program allocation based on the impacts to that jurisdiction. HCD used a methodology to calculate the allocations based on the FEMA IA applicants. The sum of this FEMA IA funds disbursed for each subrecipient’s jurisdiction divided by the total unmet need for rental housing is the proportionate share of funding. This allocation also ensures that nearly 95 percent of multifamily housing recovery funds are spent in MID areas. It is also weighted for LMI applicants in Butte County who were displaced within and outside the County. Totals were adjusted using FEMA current addresses at the time of application to account for housing needs. For LMI applicants who registered new addresses outside the County, those funds have been turned into a Phase II oversubscription fund. Eligible jurisdictions can apply for additional funds from this source if they have additional multifamily housing needs.

**FIGURE 93: MULTIFAMILY HOUSING RECOVERY BY SUBRECIPIENT ALLOCATION**

	TOTAL APPLICANTS	% 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>

	TOTAL APPLICANTS	% OF TOTAL	MF ALLOCATION
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>

FIGURE 94: BUTTE COUNTY MF ALLOCATION: DETAILED

	Under 30% AMI	30-50% AMI	50-60% AMI	60-80% AMI	Over 80% AMI	Income Not Reported	LMI Displacement	Total	% of Total	MF Allocation
<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	1,552	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	-3,707	2,849	22.3%	\$55,906,660.49

## 8. Delivery

The Multifamily Housing Program is administered and monitored by HCD. However, HCD enters into a subrecipient agreement with local governments to manage the CDBG-DR funds for multi-family. HCD will leverage internal resources, bring on staff to increase capacity and expertise, and procure a consultant to provide technical assistance, maintaining the responsibility of overseeing the program and compliance of individual projects. Local jurisdictions will be responsible for implementation and oversight of approved projects, with regular monitoring by the state. HCD will publish program policies and procedures that will include the process for local governments to submit project proposals. Local governments are responsible for determining how to select projects within their jurisdictions (e.g. through an RFP, NOFA, or similar solicitation

process) and prioritize the use of the allocated funding (through cost estimates and analysis).

Once local governments have selected projects, they will submit proposals to HCD for review and approval. The review process will ensure compliance with the established program guidelines, regulatory requirements, and broader recovery goals. In reviewing the proposed projects submitted by local governments, newly constructed or substantially rehabilitated multifamily housing must comply with the accessibility requirements of both the federal Fair Housing Act and Section 504 of the Rehabilitation Act of 1973. As projects are approved, HCD will enter into a Master Standard Agreement with the local government, which will define each party's obligations, commit funding to the project, establish timelines and milestones, and reiterate relevant compliance requirements.

Subrecipients will operate the approved multifamily housing project(s) in accordance with their local requirements, the established program policies and procedures, and as set forth in a Master Standard Agreement between HCD and the subrecipient., and subsequent Notices to Proceed. Their role will include the procurement of qualified developers and/or construction contractors, project management, environmental reviews, compliance monitoring (including Section 3 and applicable labor and wage requirements), construction management, and project closeout. Subrecipients will open solicitations to qualified developers with projects. Procurements of developers and contractors must adhere to the procurement requirements set forth in 2 CFR Part 200.218 – 200.326. Construction advertisement and procurement will include notifying minority and women-owned businesses of contracting opportunities available for federally assisted projects.

HCD will review developer experience as a part of the project review process to ensure that developers have multifamily housing development experience. Qualified developers must have completed at least three multifamily developments, at least one of which included affordable rental units. Multifamily developments funded under this CDBG-DR grant will adhere to standard requirements set by HCD to ensure compliance, as well as specific requirements set by the governing federal income limits. All requirements of the multifamily program will be outlined in detail in the policies and procedures manual and application requirements for subgrantees. HCD will provide technical assistance to ensure compliance with CDBG-DR requirements and consistency with the program guidelines. In addition, regular monitoring of the subgrantee and specific projects will be conducted to test compliance and ensure timely project completion.

## 9. Eligibility

Eligibility of multifamily housing project proposals will be assessed by HCD. Specific eligibility criteria include:

- The proposed project must be located in a Most Impacted and Distressed area, or otherwise have been impacted by DR-4382 or DR-4407.
- The proposed project must have a minimum of eight total units for Multifamily and will be 1-4 for Small Rental.
- The proposed project must have a minimum of four affordable units or 30 percent

of units must be affordable units, whichever is greater.

- The proposed project must meet one of the HCD project types defined in the “2018 Multifamily Housing Program Draft Guidelines” Article 2, Section 7302(e)(1-5)119.
- All sources of funding required to complete the project must be identified and secured or readily accessible.
- The proposed project must be cost reasonable, which is what a reasonable person would pay in the same or similar circumstances for the same or similar item or service. Cost reasonableness may be documented by comparing costs between vendors or by comparing submitted costs to an independent cost estimate.
- The proposed project must not exceed the HOME per-unit subsidy limit.
- The proposed project must meet the following affordable rent requirements and tenant income limits over the duration of the minimum affordability period. At a minimum, the following thresholds must be adhered to in all projects:
- HCD will determine the percent of units in an approved multifamily development that will be leased to tenants with an income of up to 80 percent of the area median income based on regulatory and program requirements.
- Affordable rents in multifamily projects will be determined by calculating Fair Market Rent along with the maximum of 30 percent of an LMI household’s income.
- Multifamily developments must meet the following affordability requirement: a minimum affordability period of 15 years for the rehabilitation or reconstruction of multifamily rental projects with eight or more units and a minimum affordability period of 20 years for the new construction of multifamily rental units with five or more units. Multifamily projects with funding sources that require longer affordability periods will have the longer affordability period prevail over the 15- or 20-year requirement.

HCD will monitor subgrantees to ensure that appropriate environmental reviews, award closings, monitoring, and closeout are conducted on a per-project basis. HCD will also monitor to ensure that the specific requirements of other funding sources committed to the project are also satisfactorily met. A monitoring plan will be established with the subgrantee upon closing of the grant award.

Details on affordable rent requirements, tenant income limits, and minimum affordability period can also be found under Section III, part 1(d).

## 10. Prioritization

Evaluation criteria will be fully defined in the program policies and procedures; however, initial prioritization will ultimately occur at the local level through the selection of projects to propose to HCD for funding. Subgrantees may not receive CDBG-DR funds in excess of the amounts allocated to them in the Allocation Methodology outlined above and as expressed in Figure 98. Projects proposed in MID areas will be prioritized above those that are proposed outside of MID areas by subgrantee, and non-MID allocated funds may be used in MID areas. HCD made these initial priorities based on impacts identified in the population analyses that showed a greater proportion of LMI, elderly, disabled people within the impacted areas as compared to the State averages. Subgrantees will provide their own priority ranking for HCD to review, but HCD will ultimately prioritize

the following projects. Priority evaluation will be outlined in subsequent application guidance.

- Projects providing housing for Extremely Low-Income (ELI) individuals or families. ELI is defined as income less than 30 percent of the area median income (AMI) or the federal poverty level, whichever is higher for the area of the proposed project. Approximately 1/3 of renter households impacted by the wildfires were at 30% AMI or below. This will be the Department's top priority.
- Projects providing permanent supportive housing (PSH) units. The HCD Supportive Housing Multifamily Housing Program (SHMHP) defines a PSH Multifamily Housing project as a project with a minimum of five supportive housing units, or a minimum of 40 percent of total units, whichever is greater, and must have associated supportive services for the intended target population living in the restricted units, pursuant to California Health and Safety Code Section 50675.14. If proposed projects have fewer than five supportive housing units or 40 percent of total units available as supportive housing, these projects will remain higher priority than a project with a comparable number of affordable rent units.
- Projects providing units of Transitional Housing (TH). California Health and Safety Code Section 50801(i) defines TH as housing with supportive services for up to 24 months that is exclusively designated and targeted for recently homeless persons. Transitional housing includes self-sufficiency development services, with the ultimate goal of moving recently homeless persons to permanent housing as quickly as possible, and limits rents and service fees to an ability-to-pay formula reasonably consistent with the United States Department of Housing and Urban Development's requirements for subsidized housing for low-income persons. Rents and service fees paid for transitional housing may be reserved, in whole or in part, to assist residents in moving to permanent housing.
- Projects providing a greater ratio of affordable rent units to total units.

In addition to the prioritization criteria above and the LMI requirement for CDBG-DR funded units, initial occupancy of multifamily units will aim to prioritize individuals and families that were impacted by the disasters to the greatest extent possible by utilizing affirmative marketing plans that aim to reach fire impacted residents. Examples of renters impacted by the disasters include renters that have lost rental units or have been displaced due to the impacts of DR-4382 and DR-4407.

Prior to receiving an award, HCD will conduct an underwriting analysis. A pro forma must be provided along with the project proposal. The specific requirements of the pro forma will be detailed in the funding application. A review of the pro forma and the project will be used to prioritize projects. Subgrantees may provide up to three alternatives to each proposed project to allow for ranked prioritization from HCD in consideration of those alternatives. HCD will also assess subgrantee capacity to execute and monitor the proposed project(s) as a factor in prioritization review.

## 11. Eligible and Ineligible Costs

HCD commits to funding activities eligible under Title I of the Housing and Community Development Act of 1974 or those activities specified by waivers in 83 FR 5851, 83 FR 40314, and 85 FR 4681. Selected projects will be funded through completion in

accordance with their financing needs. Alternate forms of funding, such as private investment, must be expended before CDBG-DR funds are released. HCD, in coordination with the subgrantee, will perform a check for duplication of benefit and federal funding supplantation prior to issuing an award to ensure that duplicative assistance is not provided for multifamily housing. DOB and supplantation checks will be maintained in the project file. Complete lists of eligible and ineligible costs will be provided in the program guidelines.

Eligible costs include:

- Architectural and engineering design
- Permitting fees
- Developer fees
- Mobilization, site prep, and clean up
- Construction costs

Ineligible costs include:

- Pre-proposal costs and proposal development costs
- Advances on construction
- Facility operating or maintenance expenses

HCD reserves the right to question the applicability and eligibility of costs on a per-proposal basis. HCD will also ensure that construction costs are reasonable and consistent with current market costs for the area where the multifamily construction will take place and HCD will require that construction contractors or developers present a plan to control costs over the duration of the project.

## **12. Form of Assistance**

Selected proposals will be funded by grant on a reimbursement basis via a Standard Agreement between HCD and the subgrantee. Specific payment terms and conditions are outlined in the Standard Agreement. The Standard Agreement will define financial and property management requirements as well as remedies to correct deficient or non-compliant projects. Master Standard Agreements will also contain CDBG-DR recapture provisions for non-performance or breach of subgrantee responsibility. HCD will monitor construction agreements between the subgrantee and the developer or contractor to ensure that proper financial controls and safeguards are in place to protect CDBG-DR funds.

## **13. Timeline**

The multifamily housing program will begin following HUD's approval of the Action Plan and execution of the grant agreement between HUD and HCD. Project proposals are expected to be submitted to HCD by Quarter 3 of 2021 for selection and construction will continue through the end of the grant term, or until all projects are complete and funds are expended. Individual construction timeframes will be specific to each selected proposal.

## D. Infrastructure Recovery Program

HCD recognizes that as part of a comprehensive long-term recovery program, the repair and enhancements of local infrastructure and mitigation efforts are crucial components. Infrastructure activities are vital not only for the long-term recovery and restoration of housing but for the long-term recovery and viability of communities. The Infrastructure Recovery program will provide disaster relief, long-term recovery, and restoration of infrastructure for local communities impacted by the 2018 Wildfires.

CDBG-DR funds will be used to fund the non-federal share or match on approved FEMA Public Assistance (PA) projects and Hazard Mitigation Grant Program (HMGP) projects, and stand-alone infrastructure projects with a demonstrated tie-back to the disasters that are in support of housing development.

HCD will make Infrastructure Program funding available to impacted jurisdictions based on eligible jurisdictions having an opportunity to submit eligible Infrastructure Recovery Program projects through a Notice of Interest (NOI) and application process. The NOI and application process requires the jurisdictions to prioritize the requests, in the event that not all projects are eligible or can be funded. The NOI and application process, as well as the prioritization criteria will be fully defined in the Infrastructure Program policies and procedures.

## E. Infrastructure Recovery Program Activities

HCD will provide impacted local governments funds to ensure that as many critical infrastructure recovery needs are addressed as possible, through multiple activities. A tie-back to the disaster is required for eligibility.

Infrastructure Recovery Program activities will be used to fund:

- › Non-match, “stand-alone” infrastructure projects that address identified unmet disaster recovery needs and increase the resilience of cities and counties that are not funded by other federal recovery programs;
- › The non-federal share or match on approved FEMA Public Assistance (PA) projects; and,
- › The non-federal share match on approved FEMA Hazard Mitigation Grant Program (HMGP) projects.

## F. Non-Match Infrastructure Projects

HCD will fund non-match, stand-alone CDBG-DR eligible infrastructure projects that can be funded with up to 100 percent CDBG-DR funding. These non-match, stand-alone projects are critical to address identified unmet disaster recovery needs and increase the resilience of cities and counties that are not funded by other federal recovery programs. Projects can include FEMA PA or HMGP projects that were determined ineligible by FEMA, but all projects will be subject to review for a tie-back to the DR-4382 or DR-4407 disaster events, supporting or expanding community resiliency, consistency with CDBG-DR requirements, and HCD’s policies and procedures.

Stand-alone infrastructure projects will require a completed environmental review by the subrecipients.

### **G. FEMA PA Match**

The Infrastructure Program proposes to fund the local portion of the non-federal share match for FEMA Category C (roads and bridges), Category D (water control facilities), Category E (public buildings and contents), and Category F (utilities), and Category G (parks, recreational, and other activities). Program policies and procedures will be established that outline the requirements of the program and rules for specific projects, including general eligibility, specific eligible and ineligible costs, and the criteria for evaluating project proposals. HCD understands that FEMA PA match amounts are ever-changing and will continue to assess the funds allocated to this program. HCD proposes using CDBG-DR funds as a match for approved FEMA PA projects (Categories C through G only).

### **H. FEMA HMGP Match**

HCD will fund the local portion of the non-federal share match for all infrastructure projects if identified by the local government. To be eligible for CDBG-DR funding, all projects must have a tie-back to the DR-4382 or DR-4407 disaster events. Program policies and procedures will be established that outline the requirements of the program and rules for specific projects, including general eligibility, specific eligible and ineligible costs, and the criteria for evaluating project proposals.

Because HMGP projects aren't required to tie-back to the specific disaster, HCD will define a clear process in its policies and procedures to demonstrate a tie-back to the DR-4382 or DR-4407 events. Additionally, HMGP funds have a wide range of eligible uses, so HCD will review all HMGP projects to ensure eligibility as a CDBG-DR funded infrastructure project. HMGP project qualifications will be included in the policies and procedures.

### **I. All Projects**

HCD will issue a NOI for Infrastructure Recovery projects. The jurisdictions that submit NOIs will have the opportunity to utilize the Infrastructure Recovery Program as a mechanism to fund standalone infrastructure projects, and FEMA PA and HMGP Match needs for eligible projects. HCD will review proposals for the use of funds with local governments and provide technical assistance and oversight to ensure that local governments receiving funds execute their infrastructure recovery effectively. All funded projects will be approved by HCD before funds are provided to subrecipients.

HCD will leverage internal resources, bring on staff to increase capacity and expertise, and HCD intends to procure a consultant to provide high-level technical assistance to eligible jurisdictions, to ensure proper oversight of the program and compliance of individual projects. Eligible cities and counties may work in coordination with other local entities with projects that may qualify under the Infrastructure Recovery Program, such as sewer or water districts. Local jurisdictions will be responsible for implementation and oversight of approved projects, with regular monitoring by HCD.

Projects must be compliant with applicable CDBG regulations, waivers, and alternative requirements identified in Federal Register Notices 83 FR 40314 (publication date: August 14, 2018) and 85 FR 4681 (publication date: January 27, 2020) and must have a tie-back to the DR-4382 and DR-4407 disaster events. Local jurisdictions may either

follow the state's plan to minimize displacement or develop their own with the state's and public's approval. Projects selected should be designed to improve and support infrastructure recovery, serving those with the greatest need. Projects must also consider Fair Housing, and ensure they do not have a disparate impact on protected classes or vulnerable populations.

### **1. Eligible Activity**

Infrastructure repair is an eligible activity according to 42 USC 5305(a)(2), which authorizes the acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency) of public works, facilities (except for buildings for the general conduct of government), and site or other improvements. In addition, CDBG-DR funds may be used as the non-federal cost share match for FEMA-PA or FEMA HMGP projects.

### **2. National Objective**

In accordance with 24 CFR 570.208, all CDBG-DR funded activities must satisfy a national objective. For the infrastructure program, all projects will meet the low to moderate income area or urgent need national objective. Infrastructure funding requires a case-by-case analysis of each project for meeting these requirements. It is the responsibility of the local government to substantiate LMA or urgent need as part of its proposal to HCD. LMA projects will be prioritized before urgent need.

### **3. Eligible Applicants**

The eligible applicants for Infrastructure Recovery Program funds are municipal and county governments that sustained infrastructure damage from the DR-4382 and DR-4407 disaster events.

### **4. Allocation Methodology**

HCD will make funding available to impacted jurisdictions based on eligible jurisdictions having an opportunity to submit eligible Infrastructure Recovery Program projects through a Notice of Interest (NOI) and application process. Additional details will be provided in the program policies & procedures.

### **5. Delivery**

HCD will provide technical assistance and coordinate closely with local governments during the application phase. Once proposals have been reviewed, HCD will provide funds to subrecipients for the delivery of infrastructure repair programming in accordance with a Standard Agreement with the local government. Monthly progress reports will be required from the subrecipient, and reimbursement will be provided to the subrecipient based on the documented completion of agreed upon project milestones. As projects are selected, HCD will continue to provide technical assistance and complete regular monitoring throughout the project lifecycle.

### **6. Prioritization & Criteria for Selection**

HCD will make Infrastructure Program funding available to impacted jurisdictions based on an application process for impacted counties and municipalities to request funding

for unmet infrastructure needs. The application process will also require the jurisdictions to prioritize the requests in the event that not all projects are eligible or can be funded. HCD is prioritizing infrastructure needed to support the rebuilding of homes in Low and Moderate Income Areas (LMA).

Prioritization criteria will be fully defined in the policies and procedures. The main prioritization will be:

- Housing related projects serving LMI as the highest priority;
- Non-Housing related LMI projects will be given second priority;
- Housing related projects that do not serve LMI areas will be given third priority; and,
- Non-housing related, non-LMI will be given fourth priority.

HCD will ensure that construction costs are reasonable and consistent with market costs for the location of the infrastructure project during the time of the infrastructure recovery work. HCD will require that the construction contractor implement cost control measures or verify that reimbursable costs were correctly controlled during the project. Standard Agreements with jurisdictions will include subrogation clauses in case of the event of non-compliance with the applicable requirements and regulations.

### **7. Eligible and Ineligible Costs**

HCD commits to funding activities eligible under Title I of the Housing and Community Development Act of 1974 or those activities specified by waiver in 83 FR 5851. CDBG - DR funds may fund the following activities:

Required FEMA PA local non-federal share (match) funding for approved projects under the following FEMA PA permanent work categories:

- Category C (Road and bridges);
- Category D (Water control facilities);
- Category E (Public buildings and contents);
- Category F (Public utilities); and
- Category G (Parks, recreational, and other facilities).

Required FEMA HMGP local non-federal share (match) for approved projects that meet the CDBG-DR requirements, including a tie-back to the DR-4382 and DR-4407 disaster events.

Non-match, stand-alone infrastructure projects that are eligible for and funded with up to 100% CDBG-DR funding, have a tie-back to the DR-4382 and DR-4407 disaster events, and address identified unmet disaster recovery needs.

### **8. Ineligible costs include:**

- › Required FEMA PA Match funding for approved projects under Categories A (Debris Removal) and Category B (Emergency Protective Measures).
- › FEMA HMGP projects not related to infrastructure and/or without a tieback to the 2018 disaster events.
- › Non-match, stand-alone projects not related to infrastructure, increased code



compliance, or DR-4382 and DR-4407 disaster events.

**9. Timeline**

HCD anticipates opening the NOI process and subsequent application period within 2-4 months of HUD approval of this Action Plan. Applications will be accepted on a rolling basis and technical assistance will be provided until sufficient proposals are received and approved to expend the entire allocation of Infrastructure Recovery Program funds. Individual project completion timeframes will be determined on a case-by-case basis with the subrecipients, in accordance with their agreement.

**10. Unmet Needs**

Funding PA Match for infrastructure recovery is consistent with the requirement to address housing recovery needs first. Necessary infrastructure recovery must be complete before housing recovery is complete. The unmet needs assessment identified \$2.8B in unmet infrastructure recovery needs. Of the CDBG-DR funds received, \$309M will be used for Infrastructure Recovery Programs, which includes an estimated 38 percent of the total program allocation.

**FIGURE 95: UNMET INFRASTRUCTURE RECOVERY NEED**

CATEGORY	IDENTIFIED UNMET NEED	CDBG-DR FUNDED
Infrastructure Recovery	\$2,838,348,374	\$317,428,488

**J. Economic Revitalization Programs**

HCD acknowledges the unmet economic revitalization need and is proposing a workforce development program and a small business loan and grant program. HCD is considering two programs that may be used to address the unmet economic recovery need. One will be funded now, 1) Workforce Recovery, and if future funding is made available, then HCD will fund a 2) Small Business Recovery program. HCD is focused on workforce training to support the impact on protected classes and LMI residents as a way to foster resilient communities through skilled labor.

**K. Workforce Recovery Program**

The primary objective of the Workforce Recovery Program is to prepare low and moderate-income participants with skill sets to contribute to California’s ongoing recovery effort. Often times following disaster, construction trades and other vital recovery contractors face a workforce shortage. Workforce recovery programs aim to augment capacity by increasing the stock of vital labor.

The Workforce Recovery Program partners with existing workforce training programs and providers to deliver free training to eligible participants. Eligible participants will be trained in construction trades to assist in the recovery effort to speed construction projects and other recovery initiatives to completion and to provide ongoing economic benefits to LMI residents.

Program guidelines will be established that outline the requirements of the program and rules for specific projects, including general eligibility, specific eligible and ineligible costs, and the criteria for evaluating project proposals.

- › Allocation Amount
- › HCD is allocating \$40,695,960 million to support workforce development in disaster impacted areas.

### **1. Eligible Activity**

Title I of the HCD Act 105(a)17 authorizes economic revitalization as an eligible CDBG-DR funded activity. Additionally, economic revitalization is specifically mentioned as an eligible use of CDBG- DR funds in the Federal Register Notice 83 FR 5844.

### **2. National Objective**

In accordance with 24 CFR 570.208, all CDBG-DR funded activities must satisfy a national objective. The Workforce Recovery satisfies the benefit to low-to-moderate income jobs.

### **3. Allocation Methodology**

The State plans to conduct a statewide application for workforce development subrecipient programs. HCD will develop a full set up guidelines for funding awards including rating factors.

### **4. Delivery**

The program is monitored at the state level but is delivered and administered through the use of local not-for-profit organizations acting as subrecipients to HCD. A Notice of Funding Availability (NOFA) will be used to solicit applications for funding from local workforce development and training organizations.

### **5. Eligibility**

Workforce Recovery Program applicants must demonstrate that 51 percent of their current program participants are LMI or that they will establish a program in which at least 51 percent of their participants are LMI. The applicant must also demonstrate past success delivering a similar workforce recovery training. These requirements will be detailed further in the workforce recovery program policies & procedures.

### **6. Prioritization**

In accordance with HUD requirements, 80 percent of available funding must be expended in the Most Impacted and Distressed areas. Additional priorities will include subrecipients serving predominately LMI areas, as well as entities with a demonstrated history of successful workforce development programming. Success of the proposed training program will be assessed as responses to the NOFA are reviewed. Prioritization criteria will be fully defined in the NOFA.

Individuals impacted by the disaster will be targeted by outreach and specific marketing campaigns to benefit fully from the Workforce Recovery Program. Marketing and outreach guidance will be developed to specifically target these populations as program design begins.



FIGURE 96: WORKFORCE RECOVERY PROGRAM PRIORITIZATION

WORKFORCE DEVELOPMENT PROGRAM PRIORITIZATION TIERS				
	Location of the Training Site		Income of the Beneficiary	
	4 Most Impacted Counties and Zip Codes	All Areas That Received a Federal Disaster Declaration	LMI Only	All Incomes
Tier 1	X		X	
Tier 2		X	X	
Tier 3	X			X
Tier 4		X		X

**7. Eligible and Ineligible Costs**

HCD commits to funding activities eligible under Title I of the Housing and Community Development Act of 1974 and those activities specified by waiver in 83 FR 5851. Qualifying workforce recovery programs are reimbursed for salaries and benefits for instructors, operating costs for educational programming, supplies, materials, and required equipment. Workforce recovery programming includes, but is not limited to, training in the following areas:

- Masonry
- Roofing
- Carpentry
- Concrete and flatwork
- Plumbing
- Heating, Ventilation, and Air Condition (HVAC)
- Electricity
- On-the-job Training (OJT)

**8. Form of Assistance**

Qualifying organizations receive funding from HCD to execute programming as a reimbursement for costs incurred.

**L. Small Business Recovery Program**

The primary objective of the Small Business Recovery Program is to provide funding to eligible small businesses located within impacted areas to assist them with ongoing operations and speed their recovery. Assistance is issued to qualifying small businesses

to reimburse the costs of lost or damaged inventory, stock, and equipment.

Program policies and procedures will be established that identify the requirements of the program and rules for applicants, including general eligibility, specific eligible and ineligible costs, and the criteria for evaluating applications.

### **1. Eligible Activity**

42 USC 5305(a)(17) authorizes the provision of assistance to private, for-profit entities, when the assistance is appropriate to carry out an economic development project (that shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods).

### **2. National Objective**

The Small Business Recovery Program will meet the LMI national objective. The mechanism for meeting the LMI national objective will be the creation and retention of jobs for LMI individuals. Participating small businesses will have their job creation and retention monitored to demonstrate compliance.

### **3. Allocation Methodology**

No program funds are currently allocated to the Small Business Recovery Program. If additional CDBG-DR funds become available in the future and the unmet housing recovery need is fully satisfied, HCD will explore options to utilize the Small Business Recovery Program defined herein.

### **4. Delivery**

The Small Business Recovery Program is implemented at the state level. Affected small businesses apply to HCD for assistance and are provided up to \$50,000 for recovery needs including repair or replacement of damaged equipment, stock, and materials lost due to the qualifying disaster. Awards are calculated in accordance to the eligibility and underwriting guidance outlined in the Federal Register Notice. Additional details will be included in program guidelines.

### **5. Eligibility**

Small Business Recovery Program applicants must conform to Small Business Administration (SBA) industry-specific definitions for small businesses. Applicants must demonstrate adverse impacts from the disaster, including damage or loss to equipment, stock, and materials necessary for ongoing business continuity. Assistance is provided after an analysis of other benefits received to prevent a duplication of benefits.

### **6. Prioritization**

Program funding prioritization first accounts for expending grant funds in the Most Impacted and Distressed areas. Applications for assistance from businesses which meet the SBA definition of a small business will be prioritized. Otherwise, applications for assistance are prioritized in the order in which they are received. Applicants that are not responsive or found to be ineligible are moved off the list after due diligence by their assigned case manager. If funds remain after serving the Most Impacted and Distressed areas, qualifying applicants outside of the Most Impacted and Distressed areas may be

served.

### **7. Eligible and Ineligible Costs**

HCD commits to funding activities eligible under Title I of the Housing and Community Development Act of 1974 or those activities specified by waiver in 83 FR 5851. Eligible costs include:

- Payment for working capital
- Replacement of inventory or stock destroyed by the qualifying event

### **8. Replacement of supplies and materials needed for business continuity** **Ineligible costs include:**

New equipment that serves as an upgrade to undamaged property or property that did not exist prior to the qualifying event

- Unsubstantiated or unsupported costs
- Construction activities

### **9. Form of Assistance**

Qualifying applicants receive assistance from HCD as a deferred forgivable loan to execute programming or as a reimbursement for costs incurred. All costs are reviewed by the program to ensure eligibility.

## **3. PLANNING AND ADMINISTRATION**

### **A. Planning**

Because of the recurring nature of wildfires in the impacted areas, planning efforts will be integral to a sound and long-term recovery process. HCD will make planning funds available to counties and impacted municipalities to fund resilience and mitigation planning efforts as well as updates to certain elements of the jurisdictions' General Plan. HCD encourages counties and municipalities to engage a broad range of stakeholders, from different sectors and community groups, in the planning processes to improve cross sector coordination and emphasize engagement with underserved or vulnerable populations and other underrepresented groups, to ensure that social equity and environmental justice issues are integrated into post-disaster planning.

HCD will also utilize planning funds to support necessary capacity building at the County and municipal levels, where needed. Planning activities also include those related to the preparation and revision of this CDBG-DR Action Plan and related public engagement to ensure awareness and understanding of the programs and activities outlined within this plan.

### **1. Eligible Activities**

Disaster recovery presents affected communities with unique opportunities to examine a wide range of issues such as housing quality and availability, environmental issues, and the adequacy of existing infrastructure. With an eye to the future, HCD will support long-term plans put in place by local and regional communities that promote sound, sustainable, and, equitable, long-term recovery planning informed by a forward looking evaluation of hazard risk, especially land-use decisions that reflect proactive fire

mitigation management and adaptation. HCD supports planning efforts towards certification as a FireWise community focused on resiliency and education of mitigating fire risks. HCD will coordinate as much as possible with local and regional planning efforts to ensure consistency, to promote community-level and/or regional (e.g., multiple local jurisdictions) post disaster recovery and mitigation, and to leverage those efforts.

## **2. Allocation Methodology**

HCD plans to retain a portion of the planning funds for activities at the State level. HCD will procure technical assistance planning services to award to the local jurisdictions to increase capacity and create knowledge transfer. For the portion of planning allocated at the local level, HCD will award planning funds through a NOFA process to allow for eligible applicants to submit planning activities for funding.

## **3. Delivery**

Planning funds will be administered at both the State and Subrecipient levels.

## **4. Timeline**

Planning activities will commence upon Action Plan approval and grant agreement execution between HUD and HCD. HCD will work immediately to procure planning support for the State and local governments. They will work on development of a NOFA to be issued in Q2 2021.

## **B. Administration**

Per the Federal Register, HCD is allowed to retain up to 5 percent of the total grant allocation to support grant administration. HCD will retain the four percent for state administrative costs, and allocate one percent for subrecipient administrative costs. This allocation is for the purposes of oversight, management, and reporting.

This allocation enables HCD to provide the administrative and support services for the management and citizen participation necessary to formulate, oversee, evaluate, and report on the State's CDBG-DR program. These activities include:

- Ensuring citizen participation (including outreach and publication of public notices).
- Preparation of the required CDBG-DR quarterly reports.
- Maintenance of the CDBG-DR website.
- Monitoring of the expenditures for CDBG-DR programs.
- Monitoring of subrecipients and contractors.
- Coordination with HUD, FEMA, and other Federal departments.
- Certification and maintenance of the necessary records that demonstrate that Federal requirements for environmental review, fair housing, relocation, labor standards, equal opportunity, and citizen participation are met.

Furthermore, Administration funds may be used to cover eligible costs associated with the administration of particular program activities.



#### **4. LONG-TERM COMMITMENTS**

HCD commits to funding activities which address long-term recovery and restoration of housing and infrastructure in the Most Impacted and Distressed areas. HCD leverages partnerships at the local level to ensure that subrecipients share a commitment and responsibility to long-term recovery and future disaster risk reduction.

## CITIZEN PARTICIPATION

The following Citizen Participation Plan has been developed in compliance with § 24 CFR 91.115 and applicable HUD requirements to set forth citizen participation policies and procedures as they relate to this Action Plan, intended to maximize the opportunity for citizen involvement in the planning and development of the California CDBG-DR recovery program—including proposed program activities and amount of funding.

The goal of the Citizen Participation Plan is to provide residents impacted by DR-4382 and DR-4407 with opportunities to participate in the planning and continued assessment of HCD's CDBG-DR recovery programs.

HCD has prioritized a robust citizen participation process to ensure all citizens and stakeholders are provided the opportunity to contribute to and understand their recovery process. Stakeholder briefings were held with all impacted jurisdictions in February 2020, providing forums for structured conversations directly with key stakeholders to inform them on the basics of CDBG-DR funds, assistance being considered for their communities, the methods and means by which such assistance may be provided, and general process and timeline. Prior to publication of the draft Action Plan, HCD held a second round of briefings with impacted jurisdictions to brief them on the unmet needs analysis, and the proposed programs to meet these needs.

Targeting the five impacted counties, virtual public meetings were held in March and April 2020 to provide a briefing to communities on the timeline, process, and eligible uses of CDBG-DR funding. These meetings were initially intended to be held in-person in the affected counties, but because of the evolving public health crisis posed by COVID-19, the decision was made to hold these via webinar to reduce the risk to participants. During these virtual meetings, HCD provided a briefing to communities on the timeline, process, and eligible uses of CDBG-DR funding. More information on how HCD will conduct future public meetings during this public health crisis can be found below.

Round II public meetings will be held in coordination with the Action Plan public comment period in mid- to late-July 2020. With the draft Action Plan published for public comment, Round II meetings will allow for dialogue about the proposed method of distribution, allocations, and programs.

### 1. PUBLICATION

Before the adoption of this Action Plan or any substantial amendments, HCD will publish the proposed plan or amendment on the CDBG-DR Action Plan webpage (<https://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbq-dr/cdbq-dr-2018/index.shtml>). The webpage will include links to action plans, action plan amendments, citizen participation requirements, and activity/program information for activities described in the action plan, including details of all contracts and ongoing procurement policies. The webpage will also store every HUD Quarterly Performance Report (QPR), with information accounting for how funds are being used and managed.

The draft Action Plan will be available for public review and comment for thirty (30) days from July 6, 2020 through August 7, 2020. The published draft Action Plan will be readily

accessible to all citizens, public agencies, and other interested parties. HCD will ensure accessibility by notifying citizens through appropriate means such as electronic mailings, website postings, physical postings in local areas, press releases, statements by public officials, media advertisements, public service announcements, newsletters, contacts with neighborhood organizations, and social media. HCD will ensure that all citizens have equal access to information about the programs, including persons with disabilities (vision and hearing impaired) and LEP. A Spanish version of the Action Plan will also be available. HCD consulted the “Final Guidance to Federal Financial Assistance Recipients Regarding Title VI, Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons,” published on January 22, 2007, in the Federal Register (72 FR 2732), to comply with citizen participation requirements.

A summary of all comments received during the public comment period will be noted and summarized in the final Action Plan.

## **2. CONSIDERATION OF PUBLIC COMMENTS**

The thirty (30) day public comment period of the for the Proposed Action Plan extends from July 6, 2020 through August 7, 2020. HCD considers all public comments received in writing, via e-mail, or delivered in person at official public hearings regarding this Action Plan or any substantial amendments. HCD will make public comments available to citizens, public agencies, and other interested parties upon request.

To ensure citizens have equal access and opportunity to provide comments on the Action Plan, HCD will post notices and work with local governments to ensure outreach to impacted residents and vulnerable populations. Additionally, HCD conducted a four-factor analysis to determine populations with Limited English Proficiency, will translate pertinent materials into Spanish, have American Sign Language (ASL) interpreters available and a Spanish language translator at every meeting. HCD will also provide translation services for additional languages if requested in advance.

## **3. CITIZEN COMPLAINTS**

HCD will provide a timely response to citizen complaints. Citizens may file a written complaint or appeal through the Disaster Recovery email:

[DisasterRecovery@hcd.ca.gov](mailto:DisasterRecovery@hcd.ca.gov)

Citizens may also submit complaints by postal mail to the following address:

ATTN: Disaster Recovery & Response Unit  
Housing & Community Development  
2020 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833

The response will be provided within fifteen working days of the receipt of the complaint, if practicable.

## **4. SUBSTANTIAL AMENDMENT**

HCD will engage citizens throughout the disaster recovery program to maximize the opportunity for input on proposed program changes that result in a substantial

amendment. Substantial Amendments are characterized by:

- An addition or deletion of any CDBG-DR funded program,
- Any funding change greater than \$10 million of the CDBG-DR allocation, or
- Any change in the designated beneficiaries of the program.

Substantial amendments will be available on the State of California CDBG-DR Action Plan website <https://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbq-dr/cdbq-dr-2018/index.shtml>) for public review and comment for at least 30 days before finalization and incorporation into the comprehensive Action Plan.

A summary of all comments received will be included in the final Substantial Amendment submitted to HUD for approval.

## **5. NON-SUBSTANTIAL AMENDMENT**

Non-substantial Amendments are minor, administrative changes that do not materially alter activities or eligible beneficiaries. Any such amendments will be presented to HUD five days prior to incorporation in the comprehensive Action Plan. Every amendment to the Action Plan (substantial and non-substantial) will be numbered and posted on the HCD website.

## **6. COMMUNITY CONSULTATION**

To ensure HCD sufficiently assesses the recovery needs of all areas affected by the disasters, HCD consulted with Indian Tribes, local governments, federal partners, nongovernmental organizations, the private sector, and other stakeholders and affected citizens in the surrounding geographic area to ensure consistency of the Action Plan with applicable regional redevelopment plans. HCD will continually provide opportunities for partners, local governments and citizens to provide input into programs and ensure outreach to all minority groups and persons with disabilities according to HCD's affirmative marketing plan.

### **A. Tribal Consultation**

HCD reached out to leaders from 47 tribes via mail and email in May and June 2020 (a complete list of tribes contacted can be found in Appendix B) to determine the following:

Facility damage (emergency shelters, transitional shelters, supportive housing, or housing for elderly/disabled).

Impacts to alternatively housed communities, including homeless encampments, single room occupancy buildings, migrant housing, or other.

Increase in client volume because of the disaster.

### **B. Stakeholder Consultation**

HCD staff traveled around the state and visited each of the HUD identified Most Impacted and Distressed areas. At these meetings, participants were given a brief overview of the proposed program with an opportunity to ask any questions that they may have of staff. Most of the meeting was open dialogue with local government officials,

community leaders, and nonprofit organizations asking questions and HCD staff providing responses. Key questions and concerns that were raised during these meetings are described below.

### **C. Local Government Consultation**

HCD met consistently with the local governments and housing authorities for all impacted areas allowing for point-in-time updates to the public to be directed through local governments informing citizens of the basics of CDBG-DR funds, assistance they may be eligible to receive, and general process and timeline. HCD leveraged existing networks and meeting schedules to ensure engagement was convenient. In each impacted area HCD met with public official, government departments, government agencies, community foundations and non-profit organizations.

### **D. Public Meetings**

HCD conducted extensive public and stakeholder outreach in direct coordination with impacted local governments; the meetings are detailed in Appendix B. In its two rounds of stakeholder meetings and public meetings, HCD presented program information for comment by stakeholders and the public.

HCD held Round I of public meetings during Action Plan development in March 2020 to both provide an overview of the Action Plan process and collect input from impacted citizens and community leaders. Round 1 meetings which were initially intended to be held in-person in the affected counties, were held via webinar per the Center for Disease Control's recommendation to limit public meetings and gatherings in response to the public health threat posed by the COVID-19 virus.

Four webinars were held for the impacted counties. Additionally, recordings of the webinars were publicly posted to <https://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbq-dr/cdbq-dr-2018/index.shtml>.

Participants were still able to provide comments and feedback via the webinar chat and HCD email.

The Round II public meetings, which will be held as webinars due to the ongoing public health concerns posed by the COVID-19 virus, will be held concurrently with the draft Action Plan public comment period, built from the feedback received in Round I and provided additional details for consideration. HCD will take the feedback on program design from Round II of the public meetings to finalize its program design decisions.

All public hearings were publicized by HCD as well as local government partners in the applicable jurisdictions. HCD also created and passed out summary memos on CDBG-DR funding and the proposed homeowner program, translated these documents and the presentations into Spanish, and passed them out to each meeting attendee.

The Round I series of meetings commenced on March 24, 2020 and were completed on April 2, 2020. Round II will begin on July 20, 2020 and end on July 23, 2020. The meeting schedule is as follows:

- Round I (webinars)
- Butte County – March 24, 2020, 6pm-8pm

- › Shasta County – March 25, 2020, 6pm-8pm
- › Lake County – March 26, 2020, 6pm-8pm
- › Los Angeles and Ventura counties – April 2, 2020
- Round II
- › Butte County – July 20, 2020
- › Shasta County – July 21, 2020
- › Lake County – July 22, 2020
- › Los Angeles and Ventura counties – July 23, 2020

For the round I webinars, the presentation slides were translated into Spanish and made publicly available here:

<https://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr/cdbg-dr-2018/index.shtml>.

Interpreters are made available at the in-person meetings to assist those participants in need of Spanish or sign language. Additionally, for in-person public meetings, HCD will choose locations that are accessible to persons with disabilities.

HCD accepts all comments from citizens, either sent in writing to the designated email (DisasterRecovery@hcd.ca.gov) or shared orally at the public meetings. Only comments submitted during the formal public comment period will be included in the public comment Appendix D to the Action Plan, coupled with a response from HCD.

### **A Note on COVID-19 and Virtual Public Engagement**

The unprecedented COVID-19 public health crisis has and will continue to impact HCD's typical Citizen Participation Plan and how the agency will be able to interact and engage with the general public. Public health is the number one priority, and as such, many meetings and hearings which are normally held in-person will be moved to virtual formats.

HCD will follow HUD's guidance on virtual hearings. As with in-person meetings, any virtual hearing will allow for real-time questions and comments (may be via text or chat boxes within webinars). Additionally, HCD will make every effort to provide these virtual hearings in a way that is accessible for persons with disabilities and Limited-English Proficiency. In all communications and advertising regarding a virtual public hearing, HCD will provide its contact information ([DisasterRecovery@hcd.ca.gov](mailto:DisasterRecovery@hcd.ca.gov)) and encourage any participants with accessibility requests to contact the agency prior to the hearing so accommodations can be made.

### **E. Stakeholder and Public Meeting Comments**

The following provides a summary of the key themes that were raised in the February stakeholder meetings with each impacted community:

#### **1. Housing and Displacement:**

Stakeholders highlighted the movement of displaced persons throughout fire-impacted areas, which has put a strain on communities with very low vacancy rates. It is also a consideration in determining where new construction will be located, and the type of

housing needed. This may include additional multi-family housing.

## **2. Cost of Reconstruction**

Stakeholders highlighted the significant increase in the cost of construction in fire-impacted communities. This is influenced by a variety of factors, including: limited capacity of the construction sector, cost to repair/rebuild damaged septic systems, cost to infill property impacted by debris removal, new housing and building codes.

## **3. Local Cost Share**

Stakeholders expressed a need for funds to support the local cost share for infrastructure projects, including road repair and reconstruction.

## **4. Public Sewers**

Stakeholders expressed an interest in exploring the possibility of placing new sewer systems in communities as they consider redevelopment plans that may impact population density.

## **5. Disaster Case Management**

Disaster case management service contracts are generally wrapping up in mid-2020 and stakeholders expressed a need for continuity of these services for impacted residents navigating the recovery process.

## **6. Workforce**

Stakeholders expressed concern that the lack of construction workforce in impacted communities may delay recovery and communicated a desire to explore opportunities to train additional workforce to help meet the increased construction demand.

The following summarizes the key themes that came out of the Round I public meetings held in March and April 2020:

## **7. Unmet Needs Analysis**

Attendees had questions about how HCD conducts its unmet needs analysis, such as how and from where the data/information is sourced.

## **8. Funding Timeline**

Attendees questioned when CDBG-DR funding will be available.

## **9. Allocation Methodology**

Residents inquired about the methodology used to distribute funds to different programs and how that translates to funding available in their community.

## **10. Reimbursement (for work already completed)**

Residents are concerned they will not be reimbursed for repair or reconstruction work they have completed using personal funds.

## **11. Dead tree removal and over-excavation**

Residents asked if CDBG-DR funds would be available to pay for dead tree removal or for rehab needs resulting from the State's clean-up program.



## **12. Housing Programs**

Attendees inquired about what specific types of housing programs will be available, including mobile homes.

## **13. Low-to-Moderate Income**

Attendees asked whether assistance would be available for impacted residents above the LMI thresholds.

The input received during the above referenced briefings and meetings has informed HCD's recovery plan, including decisions related to funding allocations and program design. HCD will continue to affirmatively outreach to all minority groups and persons with disabilities for future public meetings and consultations.

## **7. PUBLIC WEBSITE**

HCD will maintain a comprehensive website dedicated to CDBG-DR programs and related activities, including the final Action Plan, public comments, and Citizen Participation Plan. The website can be found at the following address: <https://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr/cdbg-dr-2018/index.shtml>

## **8. WAIVERS**

No waivers have been requested at this time.

## CERTIFICATION AND RISK ANALYSIS

The Department of Housing and Community Development submitted the Certification and Risk Analysis Implementation Plan to HUD on July 2, 2020.

### 1. CDBG-DR CERTIFICATIONS

24 CFR 91.225 and 91.325 are waived. Each grantee receiving a direct allocation under this notice must make the following certifications with its action plan:

- a. The grantee certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG program.
- b. The grantee certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.
- c. The grantee certifies that the action plan for disaster recovery is authorized under State and local law (as applicable) and that the grantee, and any entity or entities designated by the grantee, and any contractor, subrecipient, or designated public agency carrying out an activity with CDBG-DR funds, possess(es) the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and this notice. The grantee certifies that activities to be undertaken with funds under this notice are consistent with its action plan.
- d. The grantee certifies that it will comply with the acquisition and relocation requirements of the URA, as amended, and implementing regulations at 49 CFR part 24, except where waivers or alternative requirements are provided for in this notice.
- e. The grantee certifies that it will comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135.
- f. The grantee certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.115 or 91.105 (except as provided for in notices providing waivers and alternative requirements for this grant). Also, each local government receiving assistance from a State grantee must follow a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 (except as provided for in notices providing waivers and alternative requirements for this grant).
- g. State grantee certifies that it has consulted with affected local governments in counties designated in covered major disaster declarations in the non entitlement, entitlement, and tribal areas of the state in determining the uses of funds, including the method of distribution of funding, or activities carried out directly by the state.
- h. The grantee certifies that it is complying with each of the following criteria: (1) Funds will be used solely for necessary expenses related to disaster relief, long term recovery, restoration of infrastructure and housing and economic



revitalization in the Most Impacted and Distressed areas for which the President declared a major disaster in 2016 pursuant State of California 2018 CDBG-DR Action Plan Department of Housing and Community Development 167 to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.). (2) With respect to activities expected to be assisted with CDBG-DR funds, the action plan has been developed so as to give the maximum feasible priority to activities that will benefit low and moderate income families. (3) The aggregate use of CDBG-DR funds shall principally benefit low- and moderate-income families in a manner that ensures that at least 70 percent (or another percentage permitted by HUD in a waiver published in an applicable Federal Register notice) of the grant amount is expended for activities that benefit such persons. (4) The grantee will not attempt to recover any capital costs of public improvements assisted with CDBG-DR grant funds, by assessing any amount against properties owned and occupied by persons of low- and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless: (a) Disaster recovery grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (b) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (a).

i. The grantee certifies that the grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601– 3619), and implementing regulations, and that it will affirmatively further fair housing.

j. The grantee certifies that it has adopted and is enforcing the following policies, and, in addition, must certify that they will require local governments that receive grant funds to certify that they have adopted and are enforcing: (1) A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and (2) A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

k. The grantee certifies that it (and any subrecipient or administering entity) currently has or will develop and maintain the capacity to carry out disaster recovery activities in a timely manner and that the grantee has reviewed the requirements of this notice. The grantee certifies to the accuracy of its Public Law 115–56 Financial Management and Grant Compliance certification checklist, or other recent certification submission, if approved by HUD, and related supporting documentation referenced at A.1.a. under section VI and its Implementation Plan and Capacity Assessment and related submissions to HUD referenced at A.1.b. under section VI.

l. The grantee certifies that it will not use CDBG-DR funds for any activity in an



area identified as flood prone for land use or hazard mitigation planning purposes by the State, local, or tribal government or delineated as a Special Flood Hazard Area (or 100 year floodplain) in FEMA’s most current flood advisory maps, unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain, in accordance with Executive Order 11988 and 24 CFR part 55. The relevant data source for this provision is the State, local, and tribal government land use regulations and hazard mitigation plans and the latest issued FEMA data or guidance, which includes advisory State of California 2018 CDBG-DR Action Plan Department of Housing and Community Development 168 data (such as Advisory Base Flood Elevations) or preliminary and final Flood Insurance Rate Maps.

- m. The grantee certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.
- n. The grantee certifies that it will comply with environmental requirements at 24 CFR part 58.
- o. The grantee certifies that it will comply with applicable laws. The State of California Department of Housing and Community Development hereby certifies the above, as authorized by the Executive Director.

\_\_\_\_\_ Signed version submitted to HUD \_\_\_\_\_



## **APPENDICES**