California Action Plan Summary

UNMET NEEDS ALLOCATION: $124 Million

- Public Law 115-123 appropriated $124 million in Community Development Block Grant-Disaster Recovery (CDBG-DR) funds to support the State of California’s unmet recovery needs related to the FEMA Major Disaster Declarations DR-4344 in October 2017 and DR-4353 in December 2017.
- 80 percent to HUD-defined Most Impacted and Distressed (MID) areas: approximately $99 million.
- An additional $88 million will be spent on mitigation efforts; guidance from HUD on how to spend these funds is forthcoming.

HUD DESIGNATED MOST IMPACTED AND DISTRESSED AREAS

**Most Impacted Counties:**
Sonoma and Ventura

**Eligible Counties:** Butte, Lake, Los Angeles, Mendocino, Napa, Nevada, Orange, San Diego, Santa Barbara, Sonoma, and Ventura.

**Most Impacted Zip Codes:**
- 95470 (Mendocino County),
- 95901 (Predominantly Yuba County),
- 94558 (Predominantly Napa County),
- 95422 (Predominantly the City of Clearlake in Lake County),
- 93108 (City of Montecito, located in Santa Barbara County)
TIMELINE FOR UNMET NEEDS ACTION PLAN

- September 8, 2017, President Donald J. Trump signed the Continuing Appropriations Act of 2018 and the Supplemental Appropriations for Disaster Relief Requirements, 2017 (Pub. L. 115-56), (Appropriations Act), which included $7.4 billion to support response and recovery from disasters across the nation.
- August 14, 2018, HUD published the Federal Register allocating $124 million to California.
- HUD approved the State Unmet Needs Action Plan on 3/15/19.

The timeline below reflects HCD’s current estimate as of 3/19/19.

**ACTION PLAN NEXTS STEPS**

**HCD NEXT STEPS**

- Work with HUD to finalize the Certifications and Implementation Plan.
- Launch homeowner survey to understand applicant program interest in coordination with community stakeholders.
- Develop owner occupied housing, multifamily housing, and FEMA PA match infrastructure program.
- Issue Request(s) for Proposals for consultant support to assist with CDBG-DR program and hire program staff.

**GENERAL REQUIREMENTS FROM FEDERAL REGISTER**

- **Overall Benefit Requirement** – 70% of the total allocation must benefit low and moderate income households (individuals whose income is below 80% of area median income).
- **Documented Tie Back to the Disaster** – Each project must have a documented tie back to the appropriate disaster.
- **Duplication of Benefits** – CDBG-DR funds must address an identified unmet recovery need and cannot replace or duplicate other funding available to address the same need.
- **Environmental Review** – Upon submittal of an application, work on a property must stop until the required environmental review process is completed. Once review is completed, funds can be committed to a project and work can start.
• **One for One Replacement Waiver** - One for one housing replacement requirement is waived.

• **Infrastructure Match Funding** - Funds may be used for local match of FEMA or US Army Corps of Engineers (USACE) projects ($250K cap for USACE); all projects must comply with CDBG-DR requirements.

• **Timing of Funding** - The State must expend 100 percent of its allocation of CDBG-DR funds on eligible activities within six years of HUD’s execution of the initial grant agreement.

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**UNMET NEEDS ACTION PLAN HIGHLIGHTS**

**PROGRAMS TO ADMINISTER AND OVERSEE**

• **Owner Occupied Housing Rehabilitation and Reconstruction Program ($47.63 million)**: Provides funding for rehabilitation and reconstruction of owner-occupied single-family homes damaged or destroyed by the 2017 disasters.

• **Multifamily Housing Program ($66.7 million)**: Provides funding for constructing apartment complexes and mixed-use developments. Preference will be given to individual renter households who were displaced due to the disasters.

• **FEMA-Public Assistance Match Infrastructure Program ($3.53 million)**: Provides funding to impacted local governments to ensure that critical utility and water control infrastructure recovery needs are met. CDBG-DR funds will be used to pay the local cost share on approved FEMA Public Assistance projects.

The following chart outlines the proposed breakdown of CDBG-DR Unmet Needs funding by program area, and funding amounts required to meet MID and LMI requirements.

<table>
<thead>
<tr>
<th>Item Breakdown</th>
<th>Summary</th>
<th>% Total CDBG-DR Funds</th>
<th>Most Impacted and Distressed</th>
<th>LMI Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total $</td>
<td></td>
<td>Minimum $ to MID</td>
<td>Maximum $ Outside of MID</td>
</tr>
<tr>
<td>Owner Occupied Rehab and Reconstruction</td>
<td>$47,627,648</td>
<td>38.36%</td>
<td>$38,102,118</td>
<td>$9,525,530</td>
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<tr>
<td>Multifamily Housing</td>
<td>$66,787,799</td>
<td>53.79%</td>
<td>$53,430,239</td>
<td>$13,357,560</td>
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<tr>
<td>Infrastructure Program</td>
<td>$3,531,803</td>
<td>2.84%</td>
<td>$2,825,442</td>
<td>$706,361</td>
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<tr>
<td>State Administration</td>
<td>$6,207,750</td>
<td>5.0%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Total CDBG-DR Funds</td>
<td>$124,155,000</td>
<td>100%</td>
<td>$99,324,000</td>
<td>$24,831,000</td>
</tr>
</tbody>
</table>

For more information visit: [http://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr.shtml](http://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr.shtml) or email disasterrecovery@hcd.ca.gov.