



State of California 2018 Community Development Block Grant- Disaster Recovery (CDBG-DR) Action Plan Summary

California Department of Housing and Community Development

California Action Plan Summary

UNMET NEEDS ALLOCATION: \$162 Million

- On August 14, 2018, HUD allocated \$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 (2017 Declarations).
- On February 3, 2020, HUD allocated an additional \$38 million in CDBG-DR to support the State of California's unmet infrastructure recovery needs related to the 2017 Declarations.
- 80 percent (approximately \$130 million) goes to HUD-defined Most Impacted and Distressed (MID) areas.

HUD DESIGNATED MOST IMPACTED AND DISTRESSED AREAS

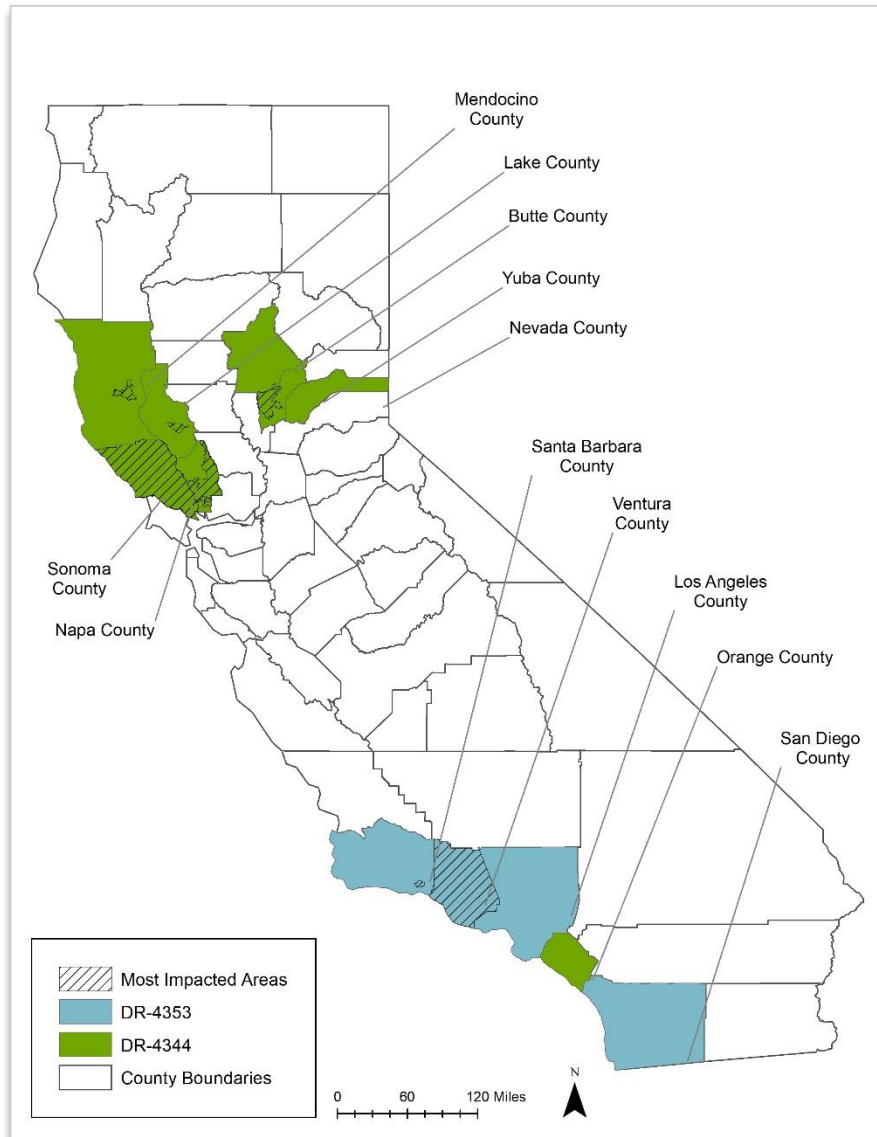
Most Impacted and Distressed Counties: Sonoma and Ventura

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

Most Impacted and Distressed 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)

Map of Most Impacted and Distressed Areas



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 (Public Law 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.
- November 12, 2018, HCD published State Action Plan on HCD website for public comment through December 12, 2018.
- March 15, 2019, HUD approved the State of California's Unmet Needs Action Plan.
- August 21, 2019, HUD executed the grant agreement and established the line of credit for the \$124 million.

UNMET NEEDS ACTION PLAN HIGHLIGHTS (\$124 million)

HCD PROGRAMS

- **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 (\$3.5 million):** Provides funding to impacted local governments to ensure that critical infrastructure recovery needs, including but not limited to utility and water control infrastructure, are met. CDBG-DR funds can be used to pay for critical infrastructure recovery project costs as well as the local cost share on approved FEMA Public Assistance projects.



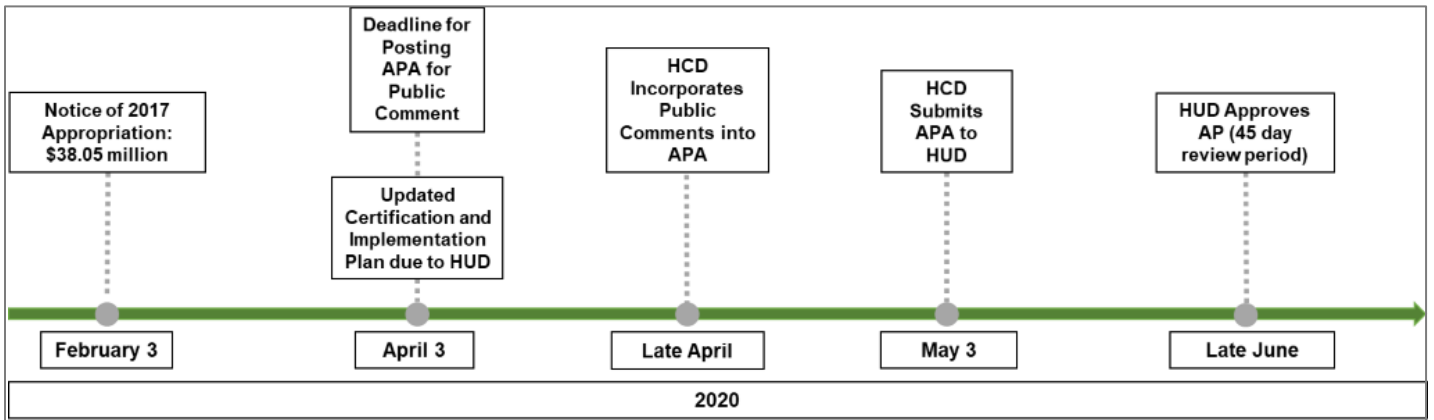
The following chart outlines the breakdown of CDBG-DR Unmet Needs funding by program area and funding amounts required to meet MID and LMI requirements for the initial \$124 million unmet recovery needs funding. When Action Plan Amendment number 1 is finalized, the below table will be updated by HCD to include the additional \$38 million.

Allocation Breakdown	Allocation Amount	% of Total Funds	Minimum to MID Area	Maximum Outside of MID Area	Minimum to LMI	% of Minimum to LMI
Owner Occupied Rehab and Reconstruction	\$47,627,648	38%	\$38,102,118	\$9,525,530	\$34,368,480	72%
Multifamily Housing	\$66,787,799	54%	\$53,430,239	\$13,357,560	\$48,194,595	72%
Infrastructure Program	\$3,531,803	3%	\$2,825,442	\$706,361	\$0	0%
State Administration	\$6,207,750	5.0%	N/A	N/A	N/A	N/A
Total CDBG-DR Funds	\$124,155,000	100%	\$99,324,000	\$24,831,000	\$86,908,500	70%

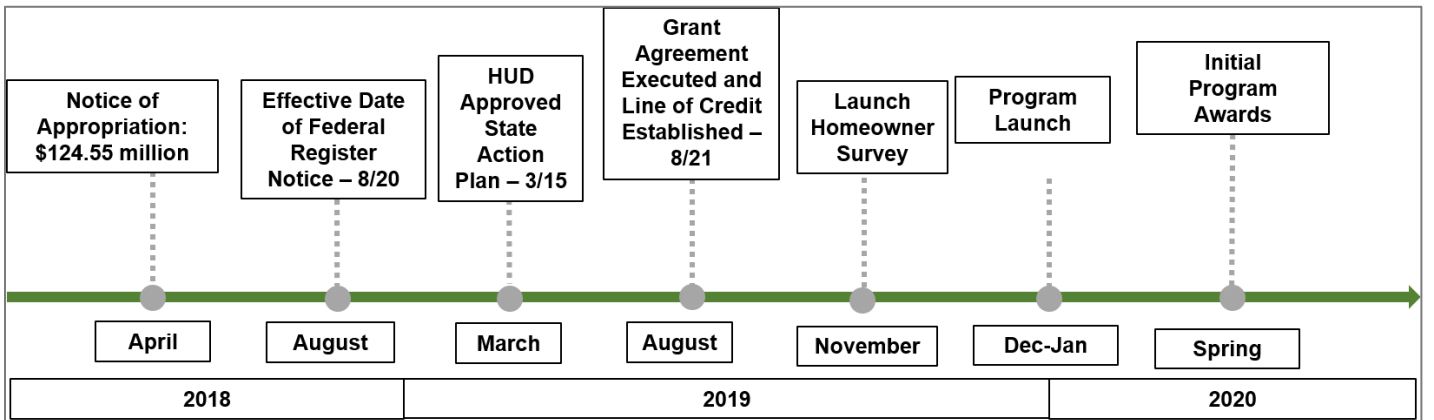
TIMELINE FOR ADDITIONAL \$38 MILLION ACTION PLAN AMENDMENT

- October 15, 2018, and June 6, 2019 respectively, Donald J. Trump signed Division 1 Supplemental Appropriations and Division D Disaster Recovery Act (Public Law 115–254) and Supplemental Appropriations Act (Public Law 116–20) which included \$4.11 billion to support response and recovery from disasters across the nation in 2017, 2018, and 2019.
- January 27, 2020, HUD published the Federal Register allocating \$38 million to California to address unmet infrastructure recovery needs.
- Late March/early April 2020, Action plan amendment, number one, will be available for public comment for 30 days prior to submission to HUD. HCD will prepare this action plan amendment to incorporate the \$38 million into the unmet needs allocation and address infrastructure unmet recovery needs.
- May 3, 2020, the action plan amendment is due to HUD.

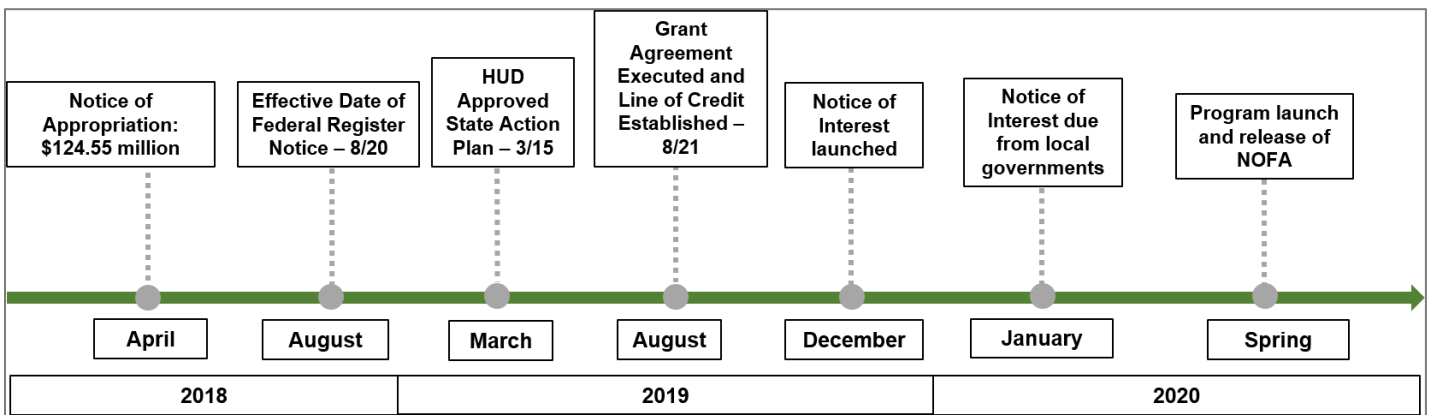
The timeline below reflects HCD's timeline for the \$38M supplemental infrastructure allocation (Note: APA = Action Plan Amendment):



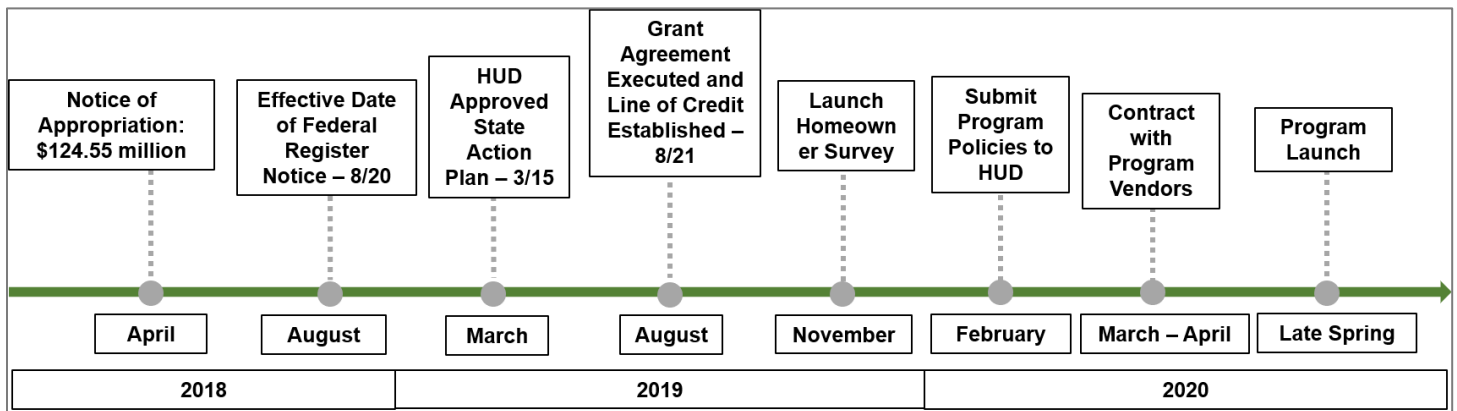
The timeline below reflects HCD's current program launch timeline for the \$124 million unmet recovery needs **estimate as of February 27, 2020**.



The timeline below reflects HCD's program launch timeline for the Multifamily Housing Program:



The timeline below reflects HCD's program launch timeline for the Owner Occupied Rehabilitation and Reconstruction Program:



NEXTS STEPS

HCD NEXT STEPS

- Finalize all disaster recovery program consultant/contractor procurements by Spring 2020.
- Launch owner occupied and multifamily housing programs by late Spring 2020.
- Continue to administer homeowner survey and begin accepting top tier applications in Spring 2020.
- Submit Action Plan Amendment No.1 for additional \$38 million for public review by late March/early April for final submission to HUD by May 3, 2020.

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 \$124 million CDBG-DR funds on eligible activities by August 20, 2025. The \$38 million will have a separate timeline, set by the terms of the forthcoming Grant Agreement with HUD.

For more information, visit the Community Development Block Grant Program - Disaster Recovery (CDBG-DR) page at <https://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr.shtml> or, send an email to disasterrecovery@hcd.ca.gov