



U.S. Department of Housing and Urban Development
San Francisco Regional Office - Region IX
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MAR 15 2019

Mr. Ben Metcalf
Director
California Department of Housing and Community Development
2020 W. El Camino Avenue, Suite 500
Sacramento, CA 94252-2054

Dear Mr. Metcalf:

SUBJECT: State of California 2018 Community Development Block Grant Disaster Recovery Action Plan for DR-4344 and D-4353

The U.S. Department of Housing and Urban Development has reviewed and is approving the Community Development Block Grant disaster recovery (CDBG-DR) Action Plan as submitted by the California Department of Housing and Community Development (HCD) on December 18, 2018. As a result of the lapse in appropriations for Fiscal Year 2019, and the resultant inability to satisfactorily complete the review and approval process consistent with HUD's customary timeline, HUD's action plan review period was extended through March 15, 2019.

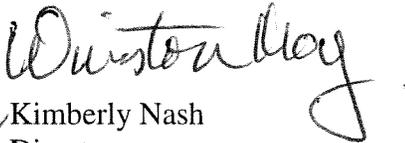
The Action Plan addresses the use of \$124,155,000 of CDBG-DR funding allocated to the State of California to address unmet long-term recovery needs arising from damage caused by the 2017 wildfires, flooding, mudflows, and debris flows. The Action Plan must be made available to the public via the HCD website. These funds were appropriated by the Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2018 (Public Law 115-123) and are governed by Notices published in the *Federal Register* on February 9, 2018 and August 14, 2018.

At this time, the Department is reviewing California's Implementation Plan, Capacity Assessment, and Financial Certifications to ensure that HCD has sufficient capacity to manage these funds and the associated risks. After the Department and the State of California complete the review of the Implementation Plan, Capacity Assessment, and the Financial Certifications, HUD will proceed with the obligation of these funds. The applicable grant agreements and grant conditions will be forwarded separately.

The Department takes this opportunity to highlight that at least 70 percent of funds must be used to support activities benefiting low- and moderate-income persons. Further, the August 14, 2018 Notice requires grantees to primarily consider and address unmet housing needs. A grantee may allocate funds to address unmet economic revitalization and infrastructure needs, but in doing so, the grantee must identify how unmet housing needs will be addressed or how its economic revitalization or infrastructure activities will contribute to the long-term recovery and restoration of housing in the most impacted and distressed areas. HCD is encouraged to revisit the unmet needs assessment in the Action Plan as new data becomes available and recovery progresses.

The Department remains committed to assisting California in its efforts to recover from the devastating effects of the 2017 wildfires, flooding, mudflows, and debris flows and looks forward to working with you and your staff in partnership to address the long-term recovery needs. If you have any questions regarding this allocation, please contact me at (415) 489-6572.

Sincerely,


for Kimberly Nash
Director
Community Planning
and Development Division

cc:

Mark Stivers, Acting Deputy Director, Financial Assistance

Maziar Movassaghi, HCD Branch Chief

Susan Naramore, Specialist - Resilience and Recovery / NDR Project Manager