

Community Development Block Grant

Mitigation Action Plan Amendment 2



Public Comment Period: December 15, 2022- February 15, 2023

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HUD Approval: May 19th, 2023

Public Law 115-123, February 9, 2018

Public Law 116-20, June 2019

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I. Background and Summary of Changes

On January 6, 2021, the Department of Housing and Urban Development (HUD) released Federal Register Notice 86 FR 561 that allocated an additional \$64,907,000 of Community Development Block Grant Mitigation (CDBG-MIT) funds under Public Law 116-20 for the State of California.¹ The additional funds are to support mitigation efforts in areas impacted by FEMA Disasters DR-4382 and DR-4407, covering Butte, Los Angeles, Ventura, Lake, and Shasta Counties, with no less than 50 percent of the funds expended in the most impacted distressed areas (MIDs). HCD received approval for its prior 2017 CDBG-MIT Action Plan on June 4, 2020.² The January 2021 Federal Register Notice states that grantees that have previously received CDBG-MIT allocations are able to amend their original Action Plan to create a single CDBG-MIT Action Plan covering both 2017 and 2018 disasters through a Substantial Action Plan Amendment. HCD's substantial action amendment (MIT APA1) was submitted and approved by HUD in July of 2021. The CDBG-MIT Action Plan Amendment two (MIT APA2) is a substantial amendment which updates public participation and public comment information, creates a new program (Owner Occupied Rehabilitation and Reconstruction-Mitigation), and updates existing program design for the Planning and Public Services and Resilient Infrastructure programs.

Summary:

MIT APA2 addresses the following items:

- I. **Summary of Changes:** Updates community participation and public comment periods, updates to the public meetings held for APA 1. Provides information for the first Citizen Advisory Committee meeting, and on the CIP approval.
- II. **Executive Summary:** Provides a summary of APA 2 changes and updates to anticipated mitigation needs and update with public meeting information from APA 1.
- V. **Proposed Mitigation Projects and Leverage:**
 - A. **Mitigation Activities and Allocation of Funds:** Provides updates to criteria to determine Method of Distribution and clarified connection between Planning and Public Services Programs and the Resilient Infrastructure Programs. Provides updated budget to include the Owner-Occupied Rehabilitation and Reconstruction – Mitigation Program and clarifies program and activity delivery costs.
 - B. **Mitigation Programs:** Provides programmatic update to the Resilient Infrastructure Program and the Planning and Public Services Programs. Adds in the Owner-Occupied Rehabilitation and Reconstruction – Mitigation Program.
- VI. **Community Participation and Public Comment:** Provides summary of APA 1 Public Hearing and local government consultation, and updates on the first Citizen Advisory Committee meeting.
- VII. **Grant Management:** Provides updates on reimbursement payments and clarity on who reconciles expenditures and adds in language for pre-award costs.

Appendix B: adds in the Public Comments from the Action Plan and APA 1 and clarifies the comment period.

¹ Department of Housing and Urban Development. August 2019. Federal Register Notice. 84 FR 45838. Available at: <https://www.govinfo.gov/content/pkg/FR-2019-08-30/pdf/2019-18607.pdf>

² Department of Housing and Urban Development. January 2021. Federal Register Notice. 86 FR 561. Available at: <https://www.govinfo.gov/content/pkg/FR-2021-01-06/pdf/2020-29261.pdf>

III. Action Plan Amendments

A. Summary of changes

1. Community Participation and Public Comment

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Remove: The State provided a summary of the consultations completed in compliance with PL 116-20 requirements. The State will hold a public hearing for public comment on the Action Plan Amendment in compliance with its Citizen Participation Plan.

Replace: The State provided a summary of the consultations completed in compliance with PL 116-20 requirements. The State published the CDBG-MIT Action Plan Amendment No. 1 for 30-days on its website, and held two public meetings, and hosted one stakeholder briefing to discuss the proposed changes to the Action Plan. All participation and public comment activities comply with HCD's Citizen Participation Plan.

2. Citizen Advisory Committee

Remove: The State entered into an agreement with the Governor's Office of Planning and Research (OPR) Technical Advisory Council for the Integrated Climate Adaptation and Resilience (ICARP) Technical Advisory to serve as the State's Citizen Advisory Committee (CAC). In accordance with 84 FR 45856, the State will convene meetings to solicit and respond to public comments on its CDBG-MIT activities.

Replace: The State entered into an agreement with the Governor's Office of Planning and Research (OPR) Technical Advisory Council for the Integrated Climate Adaptation and Resilience Program (ICARP) to serve as the State's Citizen Advisory Committee (CAC). In accordance with 84 FR 45856, the State will convene meetings to solicit and respond to public comments on its CDBG-MIT activities. The State hosted its first CAC meeting on June 11, 2021.

3. Grant Management

Remove: The State updated the overview of its capacity for managing federal grants and the integration of the PL 116-20 funds into its system. Further details of updates to grant administration and financial management functions are outlined in the Certifications and Implementation Plan, the CDBG-DR Grants Administration Manual (GAM), and the CDBG-DR GAM Mitigation Addendum (CDBG-MIT GAM Addendum).

Replace: The State updated the overview of its capacity for managing federal grants and the integration of the PL 116-20 funds into its system. Further details of updates to grant administration and financial management functions are outlined in the Certifications and Implementation Plan, the CDBG-DR Grants Administration Manual (GAM), and the CDBG-DR GAM Mitigation Addendum (CDBG-MIT GAM Addendum). HUD approved the Certifications and Implementation Plan on June 25, 2021.

B. Executive Summary, Anticipated Mitigation Needs

Page 16

Remove: HCD will conduct public meetings for this 2018 CDBG-MIT Action Plan Amendment, adhering to safe social distancing mandates, to provide the public with a summary of the updated Mitigation Needs Assessment and proposed program design.

Replace: HCD conducted public meetings for the 2018 CDBG-MIT Action Plan Amendment, adhering to safe social distancing mandates, to provide the public with a summary of the updated Mitigation Needs Assessment and proposed program design in May 2021. HCD hosted two public meetings, one in English and one in Spanish, as well as a briefing for nonprofit partners working in the areas impacted by the 2018 disasters.

C. Mitigation Activities and Allocation of Funds

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Remove:

TABLE 1: CDBG-MIT ALLOCATION OF FUNDS

Program	Mitigation Need(s) Addressed	Program Allocation Under 115-123	Program Allocation Under 116-20	Percentage of Total
Resilient Infrastructure Program	Wildfires, Flood, Earthquakes	\$ 61,379,000	\$45,175,272	69.6%
Round 1	--	\$ 43,080,000	\$31,674,616	48.8%
Round 2	--	\$ 18,299,000	\$13,500,656	20.8%
Resilience Planning and Public Services	Wildfires, Flood, Earthquakes	\$ 22,440,000	\$16,486,378	25.4%
Planning/Capacity Building	--	\$13,200,000	\$9,671,143	14.9%
Public Services	--	\$9,240,000	\$6,815,235	10.5%
Administration	--	\$4,400,000.00	\$3,245,350	5.0%
Program	Mitigation Need(s) Addressed	Program Allocation Under 115-123	Program Allocation Under 116-20	Percentage of Total
Resilient Infrastructure Program	Wildfires, Flood, Earthquakes	\$ 61,379,000	\$45,175,272	69.6%
Round 1	--	\$ 43,080,000	\$31,500,656	48.5%
Round 2	--	\$ 18,299,000	\$13,500,656	21.1%
Resilience Planning and Public Services	Wildfires, Flood, Earthquakes	\$ 22,440,000	\$16,486,378	25.4%

Program	Mitigation Need(s) Addressed	Program Allocation Under 115-123	Program Allocation Under 116-20	Percentage of Total
Planning/Capacity Building	--	\$13,200,000	\$9,671,143	14.9%
Public Services	--	\$9,240,000	\$6,815,235	10.5%
Administration	--	\$4,400,000.00	\$3,245,350	5.0%

Replace:

The below budget represents the addition of the Owner-Occupied Rehabilitation and Reconstruction – Mitigation program for both 2017 and 2018 CDBG-MIT grants. Additionally, the budget adds in the allowable local assistance awards for each program. Local assistance awards represent the total available funds for awards to local governments for the specified program. Local assistance awards include the activity delivery costs incurred by the local governments as well as project costs.

TABLE 2: CDBG-MIT ALLOCATION OF FUNDS

2017 CDBG-DR MIT				
Program	Mitigation Need(s) Addressed	Program Allocation Under 115-123	Percentage of Total	Local Assistance Awards
Resilient Infrastructure Program (2017)	Wildfires, Flood, Earthquakes	\$ 61,379,000	69.6%	\$60,989,199
Round 1	--	\$ 43,080,000	48.8%	\$41,127,248
Round 2	--	\$ 18,299,000	20.8%	\$19,861,951
Resilience Planning and Public Services (2017)	Wildfires, Flood, Earthquakes	\$ 20,779,050	23.5%	\$16,486,378
Planning/Capacity Building	--	\$11,539,050	13%	\$11,187,775.62
Public Services	--	\$9,240,000	10.5%	\$8,849,578.13
Owner Occupied Rehabilitation and Reconstruction – MIT	Wildfires, Flood, Earthquakes	\$1,650,000	1.9%	N/A
Administration (2017)	--	\$4,410,950	5.0%	N/A
2018 CDBG- MIT				
Program	Mitigation Need(s) Addressed	Program Allocation Under 116-20	Percentage of Total	Local Assistance Awards
Resilient Infrastructure Program	Wildfires, Flood, Earthquakes	\$45,175,272	69.6%	\$40,131,868.44

Resilience Planning and Public Services	Wildfires, Flood, Earthquakes	\$12,286,378	18.9%	\$10,517,283
Planning/Capacity Building	--	5,471,143	8.4%	\$4,657,160.49
Public Services	--	\$6,815,235	10.5%	\$5,860,122.83
Owner Occupied Rehabilitation and Reconstruction – MIT		\$4,200,000	6.4%	N/A
Administration	--	\$3,245,350	5.0%	\$3,245,350

Criteria to Determine Method of Distribution (page 103)

Remove: For those entities who require capacity building, HCD has proposed a track within the Resilience Planning and Public Services Program that would provide subrecipients with the ability to gain expertise, complete planning initiatives, or otherwise be better prepared to manage CDBG-MIT funding prior to submitting a Resilient Infrastructure Program application for grant funding.

Replace: For those entities who require capacity building, the Resilience Infrastructure Program will provide subrecipients with technical assistance opportunities: a) application workshops at the pre-application phase; and b) over-the-counter assistance during the application phase. The goal of this assistance is to assist them in gaining grant management experience and CDBG regulatory requirements, assessing their planning initiatives, or otherwise being better prepared to manage CDBG-MIT funding prior to submitting an application for Resilient Infrastructure Program funding. Participation in the Resilience Planning and Public Services Program is not a requirement for subrecipients to submit a Resilient Infrastructure Program application.

D. Mitigation Programs

1. Resilient Infrastructure Program

a. Program Description (page 104)

Remove: HCD developed a competitive application by which eligible applicants (units of local government) can apply for funding to support projects that reduce risk to the MID. HCD will follow the same application process for the 2018 MIT funds.

Replace: For 2017 funding, HCD developed a competitive application by which eligible applicants (units of local government) applied for funding to support projects that reduce risk to the MID.

For 2018 funding, HCD will utilized an allocation methodology that prioritizes MID jurisdictions. Projects submitted by eligible jurisdictions are reviewed against priority thresholds to ensure program compliance.

Remove: Local jurisdictions and local governments have the opportunity to submit projects identifying a mitigation need through a Notice of Intent (NOI) for Resilient Infrastructure Program funding. The purpose of the NOI is to facilitate the completion of a mitigation needs assessment

that HCD uses to allocate funds based on the NOI review. An application period will follow the allocation announcement. The application will require local entities to provide evidence of sufficient capacity in implementing one or more resilient infrastructure projects. HCD will create two rounds of funding under the Resilient Infrastructure Program and utilize the same process for 2017 and 2018 funding.

Round One: The first round will make CDBG-MIT funding available to local projects that have completed designs, are already moving forward in initial design stages, or can exhibit some level of “shovel-readiness.” In addition, the first round will serve jurisdictions that can demonstrate prior experience in implementing risk reduction projects of scale and scope similar to what they are proposing. Local jurisdictions that are not able to present shovel ready projects and exhibit a minimum standard of capacity for Round One project funding will be afforded an opportunity to complete relevant planning initiatives and build capacity through the Resilience Planning and Public Services Program. Once eligible applicants are able to present fully developed project proposals and demonstrate a proper level of capacity, they would be eligible to apply for funding to implement their mitigation project. HCD anticipates the majority of Round One projects to be implemented, completed, and have met a National Objective within the first six years of the grant period.

Round Two: Funds are being reserved for a second round of applications to serve eligible applicants that require additional time to present fully developed project proposals and demonstrate sufficient capacity. Due to method of distribution by rounds, this program will remain active over the course of the entire grant period to ensure eligible jurisdictions in the MID that require time for planning activities and need capacity building support can implement projects of similar risk reductive impact in comparison to jurisdictions ready to implement projects during Round One. HCD will establish additional evaluation criteria under Round Two to ensure resilient infrastructure projects from applicants who received capacity building funding are given priority.

Replace: For 2017 Mitigation Resilient Infrastructure Program, local jurisdictions and local governments have the opportunity to submit projects identifying a mitigation need through a Notice of Intent (NOI) for Resilient Infrastructure Program funding. The purpose of the NOI is to facilitate the completion of a mitigation needs assessment that HCD uses to allocate funds based on the NOI review. An application period will follow the allocation announcement. The application will require local entities to provide evidence of sufficient capacity in implementing one or more resilient infrastructure projects.

2017 Round One: The first round will make CDBG-MIT funding available to local projects that have completed designs, are already moving forward in initial design stages, or can exhibit some level of “shovel-readiness.” In addition, the first round will serve jurisdictions that can demonstrate prior experience in implementing risk reduction projects of scale and scope similar to what they are proposing. Local jurisdictions that are not able to present shovel ready projects and exhibit a minimum standard of capacity for Round One project funding will be afforded an opportunity to complete relevant planning initiatives and build capacity through the Resilience Planning and Public Services Program. Once eligible applicants are able to present fully developed project

proposals and demonstrate a proper level of capacity, they would be eligible to apply for funding to implement their mitigation project. HCD anticipates the majority of Round One projects to be implemented, completed, and have met a National Objective within the first six years of the grant period.

2017 Round Two: 2017 MIT Resilient Infrastructure funds are being reserved for a second round of applications to serve eligible applicants that require additional time to present fully developed project proposals and demonstrate sufficient capacity. Due to method of distribution by rounds, this program will remain active over the course of the entire grant period to ensure eligible jurisdictions in the MID that require time for planning activities and need capacity building support can implement projects of similar risk reductive impact in comparison to jurisdictions ready to implement projects during Round One. HCD will establish additional evaluation criteria under Round Two to ensure resilient infrastructure projects from applicants who received capacity building funding are given priority.

For 2018 Mitigation Resilient Infrastructure Program, HCD will administer funds in one round through an allocation methodology that prioritizes MID jurisdictions that have seen 1% or more of total structures destroyed by fire and have more that 0.5% of total land designated as moderate, high, or very high fire hazard risk.

Jurisdictions within the MID that do not meet the allocation requirements will still be eligible to submit projects towards a 20% set aside. Eligible jurisdictions will then be required to submit project applications which will be reviewed against eligibility thresholds to ensure they meet program requirements.

d. Delivery (page 107)

Remove: HCD plans to administer Resilient Infrastructure Program funding in two rounds under two Notices of Intent (NOIs). This is the same process for both the 2017 and 2018 MIT funds. As described above, the first round will make CDBG-MIT funding available to local projects that have completed designs, are already moving forward in initial design stages, or can exhibit some level of shovel-readiness. This round serves to incentivize local entities who have actively established priority projects through their local mitigation planning efforts and are ready to implement the full scope of such a project if they had the required funding. The first round will also help in identifying those applicants who may need additional support and capacity building to properly implement a CDBG-MIT activity.

After HCD completes awarding and obligation of funds to approved Round One projects, it will open a second round for local jurisdictions that required additional time to present fully developed project proposals and demonstrate sufficient capacity. The figure below presents the anticipated program launch schedule and funding amount by round. While HCD considers Round One's current allocation as outlined below, it may reduce and move budgeted funds into Round Two if Round One does not award all budgeted funds to acceptable project applications. In the event a Round One unallocated amount is moved into Round Two to support additional projects, HCD will continue to follow all CDBG-MIT requirements, particularly to ensure the expenditure of 50 percent of the CDBG-MIT allocation within six years of grant agreement execution with HUD.

TABLE 3: PROPOSED FUNDING ROUNDS FOR 2017 AND 2018 MIT ALLOCATIONS

Resilient Infrastructure Fund	Approximate Launch Date	Program Allocation
Round 1 - 2017	Early 2021	\$ 43,080,000
Round 2 - 2017	2024	\$ 18,299,000
Round 1 - 2018	Late 2021	\$31,674,616
Round 2 - 2018	TBD	\$13,500,656

Following full program design, HCD will release a NOI to receive applications from eligible local jurisdictions for consideration under Round One. HCD will encourage local entities to build partnerships on both a state and local level if doing so accelerates the implementation schedule of their project. In this scenario, HCD expects a single entity to submit the project application but to outline the partners' roles and responsibilities within the project description. HCD will evaluate applications once the submission window closes and award selected project applications until either Round One funding is fully obligated or until the next eligible project application no longer meets the minimum standards outlined in the policies and procedures.

The NOIs will be open to local governments (counties and municipalities).

There will be no limit to the number of NOI's or project applications a local entity can submit. If a local entity has multiple applications determined to be eligible for funding, HCD will fund those projects pending an assessment of that entity's capacity to implement multiple projects concurrently.

Project applications that are either not funded or do not meet established requirements will be allowed to submit under Round Two. As appropriate, HCD will encourage jurisdictions to take part in the capacity building portion under the Resilience Planning and Public Services Program to ensure proper local implementation, oversight, and compliance with CDBG-MIT requirements. Eligible applicants will receive technical assistance regarding CDBG-MIT requirements, and HCD and its partners will help applicants identify or address both the short-term and long-term mitigation needs, develop and incorporate additional resilience elements in proposed projects, and develop projects that are scalable and replicable.

Replace:

HCD plans to administer the 2017 Resilient Infrastructure Program funding in two rounds under two Notices of Intent (NOIs). As described above, the first round will make CDBG-MIT funding available to local projects that have completed designs, are already moving forward in initial design stages, or can exhibit some level of shovel-readiness. This round serves to incentivize local entities who have actively established priority projects through their local mitigation planning efforts and are ready to implement the full scope of such a project if they had the required funding. The first round will also help in identifying those applicants who may need additional support and capacity building to properly implement a CDBG-MIT activity.

After HCD completes awarding and obligation of 2017 funds to approved round one projects, it will open a second round for local jurisdictions that required additional time to present fully developed project proposals and demonstrate sufficient capacity. The figure below presents the anticipated program launch schedule and funding amount by round. While HCD considers round

one’s current allocation as outlined below, it may reduce and move budgeted funds into round two if round one does not award all budgeted funds to acceptable project applications. In the event a round one unallocated amount is moved into round two to support additional projects, HCD will continue to follow all CDBG-MIT requirements, particularly to ensure the expenditure of 50 percent of the CDBG-MIT allocation within six years of grant agreement execution with HUD.

TABLE 4: PROPOSED FUNDING ROUNDS FOR 2017 MIT RESILIENT INFRASTRUCTURE ALLOCATIONS

Resilient Infrastructure Fund	Approximate Launch Date	Program Allocation
Round 1 - 2017	Early 2021	\$ 41,127,248
Round 2 - 2017	2024	\$ 19,861,951

Following full 2017 program design, HCD will release a NOI to receive applications from eligible local jurisdictions for consideration under round one. HCD will encourage local entities to build partnerships on both a state and local level if doing so accelerates the implementation schedule of their project. In this scenario, HCD expects a single entity to submit the project application but to outline the partners’ roles and responsibilities within the project description. HCD will evaluate applications once the submission window closes and award selected project applications until either round one funding is fully obligated or until the next eligible project application no longer meets the minimum standards outlined in the policies and procedures.

The NOIs will be open to local governments (counties and municipalities).

There will be no limit to the number of NOI’s or project applications a local entity can submit under the 2017 Resilient Infrastructure Program. If a local entity has multiple applications determined to be eligible for funding, HCD will fund those projects pending an assessment of that entity’s capacity to implement multiple projects concurrently.

Project applications that are either not funded or do not meet established requirements will be allowed to submit under round two. As appropriate, HCD will encourage jurisdictions to take part in the capacity building portion under the 2017 Resilience Planning and Public Services Program to ensure proper local implementation, oversight, and compliance with CDBG-MIT requirements. Eligible applicants will receive technical assistance regarding CDBG-MIT requirements, and HCD and its partners will help applicants identify or address both the short-term and long-term mitigation needs, develop and incorporate additional resilience elements in proposed projects, and develop projects that are scalable and replicable.

For the 2018 Resilient Infrastructure Program, HCD will administer the program by allocating funds to jurisdictions within the MID that have seen 1% or more of total structures destroyed by fire and have more that 0.4% of total land designated as moderate, high, or very high fire hazard risk.

Jurisdictions within the MID that do not meet the allocation requirements are still eligible to submit projects towards a 20% set aside. Applicants will then be required to submit project applications which will be reviewed against eligibility thresholds to ensure they meet program requirements.

TABLE 47: PROPOSED 2018 RESILIENT INFRASTRUCTURE PROGRAM ALLOCATIONS

Jurisdiction	Allocation
Butte County	\$6,109,510.13
Lake County	\$2,346,659.90
Los Angeles County	\$3,998,793.56
Malibu	\$588,934.12
Paradise	\$10,273,223.81
Redding	\$357,150.53
Shasta County	\$8,431,222.35
20% Set Aside	\$8,026,373.60
TOTAL	\$40,131,868.00

The following jurisdictions will be eligible to apply towards the 20% set aside:

- City of Agoura Hills
- City of Anderson
- City of Calabasas
- City of Chico
- City of Gridley
- City of Lakeport
- City of Los Angeles
- City of Oroville
- City of Shasta Lake
- City of Westlake Village

Jurisdictions that receive an allocation or those eligible to apply towards the set aside may submit projects up to the available funding amount through an over-the-counter application process. In addition, tribal entities located in the MID are eligible to apply for the 20% set aside.

Following full 2018 Resilient Infrastructure program design, HCD will open the application period for eligible jurisdictions through the HCD standard Over the Counter (OTC) process. The application period will be open for ninety (90) days. While the HCD expects a single entity to submit the project application, if a jurisdiction with a direct allocation chooses to partner with a smaller jurisdiction, the application must outline the partners' roles and responsibilities within the project description. HCD will evaluate applications as they are received until all funding has been obligated.

For 20% set-aside, HCD close the application portal, as soon as receive applications that add up to the total program award amount for the 20% set-aside. If the program is undersubscribed, HCD may extend OTC period, reallocate to other program, or use the allocation methodology and proportion the funding out in allocations to interested jurisdictions. Final details will be available in the policies and procedures.

There will be no limit to the number of 2018 Resilient Infrastructure project applications a local entity can submit; however, there will be a \$2.5 million project cap. If a local entity has multiple applications determined to be eligible for funding, HCD will fund those projects pending a due diligence assessment of that entity's capacity to meet all requirements of the program.

Eligible 2018 Resilient Infrastructure applicants will receive technical assistance regarding CDBG-MIT requirements, and HCD and its partners will help applicants identify or address both the short-term and long-term mitigation needs, develop and incorporate additional resilience elements in proposed projects, and develop projects that are scalable and replicable.

e. Eligibility (page 108)

Remove: Proposed projects will be assessed by HCD. Specific eligibility criteria include:

- The proposed project must be located in a HUD-designated Most Impacted and Distressed area or be shown to have a demonstrable benefit to a HUD-designated Most Impacted and Distressed area.
- All sources of funding required to complete the project must be identified and secured or readily accessible.
- The proposed project must relate to infrastructure that meets the definition of a mitigation activity.
- The applicant must demonstrate sufficient capacity to manage and operate project specific CDBG-MIT funding.

Replace: Proposed 2017 projects will be assessed by HCD. Specific eligibility criteria include:

- The proposed project must be located in a HUD-designated Most Impacted and Distressed area or be shown to have a demonstrable benefit to a HUD-designated Most Impacted and Distressed area.
- All sources of funding required to complete the project must be identified and secured or readily accessible.
- The proposed project must relate to infrastructure that meets the definition of a mitigation activity.
- The applicant must demonstrate sufficient capacity to manage and operate project specific CDBG-MIT funding.

For 2018 Resilient Infrastructure program, HCD will fund up to \$2.5 million for each eligible project. Projects must meet the following requirements and at least one of the following thresholds:

2018 Resilient Infrastructure Program Requirements:

- Project must meet the HUD definition of mitigation
- Project must be a CDBG-MIT eligible infrastructure activity

2018 Resilient Infrastructure Program Thresholds:

Each project submitted for the 2018 Resilient Infrastructure Program must meet at least one of the threshold criteria listed below. All criteria are based on maximizing the Mitigation funding in the MID areas. A list of the threshold criteria is provided below. All final definitions of the criteria will be based off of the data from the Mitigation Needs Assessment including the CalOES Hazard Risk and Social Vulnerability Heat Map Dashboard, the CDC Social Vulnerability Index, Cal EnviroScreen 4.0, and Statewide Affordable Housing Opportunities Sites, and will be outlined in the policies and procedures and provided to eligible jurisdictions as part of the application package prior to the release of the NOFA.

- Leverage CalOES, CalFire, or at least other funding opportunity
- Benefit low resource community
- Benefit low-income community
- Benefit senior citizens
- Benefit persons with disabilities
- Benefit tribal lands or people

f. Prioritization (page 108)

Remove: Additional evaluation criteria include, but are not limited to:

- Identification of the priority project as a mitigation need on the local entity’s hazard mitigation plan,
- Establishment of the project as preserving functional use of or reducing risk to a critical lifeline(s),
- Projects that improve resilience for underserved communities and vulnerable populations,
- Leveraging of funding sources (including federal sources),
- The ability of the project to be replicated in other communities,
- CAL FIRE’s identification of an activity as a priority project,
- Quantitative data showing a project’s anticipated impact on current and future risks, and
- An acceptable operations and maintenance plan, if applicable.

Replace: Additional 2017 Resilient Infrastructure program evaluation criteria include, but are not limited to:

- Identification of the priority project as a mitigation need on the local entity’s hazard mitigation plan,
- Establishment of the project as preserving functional use of or reducing risk to a critical lifeline(s),
- Projects that improve resilience for underserved communities and vulnerable populations,
- Leveraging of funding sources (including federal sources),
- The ability of the project to be replicated in other communities,
- CAL FIRE’s identification of an activity as a priority project,
- Quantitative data showing a project’s anticipated impact on current and future risks, and
- An acceptable operations and maintenance plan, if applicable.

2. Resilience Planning and Public Services

a) Program Description

Remove (p. 109):

HCD completed individual mitigation needs sessions with interested state and local stakeholders as part of the initial 2017 Mitigation Needs Assessment, consulted with

stakeholders impacted by the 2018 disasters. HCD plans to consult with stakeholders as the Mitigation Needs Assessment is updated for the 2018 funds.

Replace:

HCD completed individual mitigation needs sessions with interested state and local stakeholders as part of the initial 2017 Mitigation Needs Assessment. HCD consulted with stakeholders impacted by the 2018 disasters when the Mitigation Needs Assessment was updated for the 2018 funds.

Remove (p. 109)

HCD allocated \$22,440,000 of 2017 CDBG-MIT funding to the Resilience Planning and Public Services program to address these needs. HCD will allocate an additional \$16,486,378 of 2018 CDBG-MIT funding to the Resilient Planning and Public Services Program, for a total of \$38,926,378.

Replace:

HCD allocated \$20,779,050 of 2017 CDBG-MIT funding to the Resilience Planning and Public Services program to address these needs. HCD allocated an additional \$12,286,378 of 2018 CDBG-MIT funding to the Resilient Planning and Public Services Program, for a total of \$33,065,428.

Remove (p. 110):

The 2017 program allocation was made available via an application process for subrecipients (i.e. local governments and non-profit entities) to implement resilience planning and public service projects. The 2018 program allocation will be made available via this established application process.

Replace:

The 2017 program allocation was made available via an application process for subrecipients (i.e., local governments and non-profit entities) to implement resilience planning and public service projects. The program was undersubscribed after the first application period. The remaining 2017 program allocation and 2018 program allocation will be made available via this established application process.

Remove (p. 111):

d) Delivery

Maximum awards per project under this program will be capped at \$500,000. Exceptions to the maximum award amount will be considered on a case by case basis, accounting for the amount of funding needed beyond the award cap, the benefits of the proposed project, and other funding included as leverage, among other factors. There are no limits on the number of project applications an entity can submit; however, no single entity can receive more than a total of \$2,500,000 in CDBG-MIT funding under this program.

Replace:

d) Delivery

Maximum awards per project under the 2017 PPS round one program were capped at \$500,000. Exceptions to the maximum award amount will be considered on a case-by-case basis, accounting for the amount of funding needed beyond the award cap, the benefits of the proposed project, and other funding included as leverage, among other factors. There are no limits on the number of project applications an entity can submit; however, no single entity could receive more than a total of \$2,500,000 in CDBG-MIT funding under the 2017 PPS round one program.

Add (p. 111):

Maximum awards per entity under the 2017 PPS round two and 2018 PPS programs will be capped at \$1,500,000. Exceptions to the maximum award amount will be considered on a case-by-case basis, accounting for the amount of funding needed beyond the award cap, the benefits of the proposed project, and other funding included as leverage, among other factors. There are no limits on the number of project applications an entity can submit up to the per entity award cap.

The PPS program will institute a project minimum requirement for projects submitted towards the 2017 Round 2 and 2018 program funds. Minimum awards per project under this program will be set at \$125,000. Exceptions to the minimum award amount will be considered for non-federal share match projects and for entities submitting applications for related projects that count towards the minimum award amount. For example, an entity may submit one application for a planning project and one for a public services project to provide outreach and education about the plan. Together the projects can meet the minimum award amount.

Remove (p. 111):

HCD will monitor and provide technical assistance to its subrecipients throughout program implementation, prior to release of the 2018 NOFA.

Replace:

HCD will monitor and provide technical assistance to its subrecipients throughout program implementation and prior to any PPS NOFA release.

Remove (p. 111):

e) Eligibility

Proposed projects will be assessed by HCD. Specific eligibility criteria include:

Replace:

e) Eligibility

Proposed projects will be assessed by HCD. Specific eligibility criteria for the 2017 PPS Round 1 program include:

Add (p. 111):

For the 2017 PPS round two and 2018 PPS programs, HCD will fund projects that meet the following requirements and at least one of the following thresholds:

2017 round two and 2018 PPS Program Requirements:

- Project must meet the HUD definition of mitigation
- Project must be a CDBG-MIT eligible planning or public services activity
- Projects must demonstrate a benefit to the MID

2017 Round Two and 2018 PPS Program Thresholds:

Each project submitted for the 2017 MIT PPS round two or 2018 MIT PPS must meet at least one of the threshold criteria listed below. All criteria are based on maximizing the Mitigation funding in the MID areas. A list of the threshold criteria is provided below. All final definitions will be based off of the data from the Mitigation Needs Assessment including the CalOES Hazard Risk and Social Vulnerability Heat Map Dashboard, the CDC Social Vulnerability Index, Cal EnviroScreen 4.0, and Statewide Affordable Housing Opportunities Sites, and will be outlined in the policies and procedures and provided as part of the NOFA package.

- Benefit low-income community
- Benefit tribal lands or people
- Benefit low resource community
- Benefit senior citizens
- Benefit persons with disabilities
- Benefit households that live in affordable housing
- Benefit remote community
- Benefit non-English-speaking populations

Remove (p. 111):

The NOFA for the 2017 CDBG-MIT funding opened on January 8, 2021 to local governments and local or regional non-profit organizations who assist in mitigation planning and disaster preparedness efforts. The NOFA closed for application submissions on March 5, 2021. The 2018 CDBG-MIT NOFA will be released Q2 of 2021.

Replace:

The NOFA for the 2017 CDBG-MIT funding opened on January 8, 2021 to local governments and local or regional non-profit organizations who assist in mitigation planning and disaster preparedness efforts. The NOFA closed for application submissions on March 5, 2021. The remaining 2017 PPS program funds will be made available in a Round 2 NOFA HCD will issue in 2023. The 2018 PPS program funding will also be released as a NOFA in 2023.

Once applications are received for the total program funds for 2017 and 2019 MIT Planning and Public Services Projects, HCD will close the OTC application period. If funds become available HCD reserves the right to re-open OTC application. If HCD is undersubscribed, applications by the OTC application period, HCD may extend the OTC application period or decide to reallocate to other program.

Remove (p. 112):

f) Prioritization

Evaluation criteria under this program primarily focuses on LMI benefit and MID requirements, but also considers other criteria, as listed below.

Replace:

f) Prioritization

Evaluation criteria under the 2017 PPS Round 1 program primarily focuses on LMI benefit and MID requirements, but also considers other criteria, as listed below.

Remove (p. 112):

In addition to the prioritization criteria above, HCD will consider awards for funding under this program to local entities who are attempting to build capacity for implementing projects under the Resilient Infrastructure Program. Also, by supplementing planning efforts for these entities, HCD hopes to build upon an applicant's resilient infrastructure initiative. For example, a subrecipient awarded funding under the Resilient Infrastructure Program for roadway improvements may also receive specific prioritization for a public service project under this program to ensure the surrounding community knows its evacuation routes for future disasters.

Add:

3. Owner-Occupied Rehabilitation and Reconstruction Mitigation (OORM)

The Owner-Occupied Rehabilitation and Reconstruction Mitigation (OOR-M) provides supplemental grant awards to homeowner-participants in HCD's ReCoverCA Owner-Occupied Rehabilitation and Reconstruction Program (OOR) to pay for the incorporation of mitigation measures into their OOR homes, making them more resilient to future fire disasters. OOR will assist in covering the cost of compliance with the Safer from Wildfires framework which includes building materials that exceed WUI construction codes as well as hazardous tree removal and the creation of defensible space. All measures funded by the OOR-M Program will meet the definition of mitigation as defined in Section II.A. of the Main CDBG-MIT Notice (FR-6109-N-02).

The maximum assistance available from the OOR-M Program is \$50,000 and addresses the ubiquitous fire hazard reported across impacted counties by helping homeowners mitigate risk on their parcels by covering home hardening costs for eligible owner-occupied structures.

a) Program Description

HCD will incorporate mitigation measures into activities under the OOR by meeting or exceeding the State of California building code, which incorporates mitigation measures. For example, there are minimum standards for materials and material assemblies to provide a reasonable level of exterior wildfire exposure protection for buildings in WUI areas. In high-risk fire areas, WUI code is also applied, which is an additional code upgrade that includes fire resistant exterior materials and requirements to maintain defensible space around the home. The Safer from Wildfires framework includes enhanced requirements that exceed WUI building code. The program will apply the mitigation measures in the Safer from Wildfires framework to all homes that receive the supplemental mitigation grant awards. Additionally, All residential construction projects must comply with the current published housing construction codes for the State of California. Housing construction codes for building in California follow federal and state laws, regulations, and adaptations for construction of single-family units.

b) Eligible activities

Housing activities allowed under HCDA section 105(a) including hazard mitigation for single family owner-occupied rehabilitation, reconstruction, and/or new construction to assist in covering home hardening costs to include the cost of WUI construction codes and meet the definition of mitigation as defined in Section II.A. of the Main CDBG-MIT Notice (FR-6109-N-02).

c) Maximum assistance: \$50,000

The maximum assistance is \$50,000 per damaged structure after applying any duplication of benefits to the total cost of rehabilitation or reconstruction, and then to the mitigation portion of the funding.

d) 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 OOR-M activities will either meet the LMI housing national objective criteria related to disaster recovery or the new urgent need mitigation (UNM) national objective.

e) Delivery

The OOR-M program will be administered by the Owner-Occupied Housing Rehabilitation and Reconstruction program (OOR). OOR is delivered at the state level under the guidance of HCD's housing subject matter experts and contract managers. The state procured qualified vendors 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.

f) Applicant Eligibility

Applicants eligible for and participating in the OOR program will be eligible to receive OOR-M supplemental grant awards.

g) Prioritization

HCD will prioritize eligible OOR LMI households (Tiers 1-4) ahead of non-LMI households (Tiers 5-8). This is in recognition of the unique recovery challenges LMI households face after disaster as well as HUD's requirement for 70 percent of the total CDBG-DR funding to benefit LMI populations. Within the LMI population, HCD is prioritizing the rehabilitation or reconstruction of houses with major or severe damage over those with lesser damage. HCD equates Major or Severe Damage in this context with the FEMA Substantial Damage definition of a structure that has sustained damage greater than 50 percent of its pre-disaster value. Higher damage levels typically correlate with higher levels of unmet need.

h) Eligible and Ineligible Costs

Eligible costs within the OOR-M program support the completion of mitigation activities for an owner's primary residence. According to the Notice, mitigation activities are defined as those

activities that increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters.

Eligible costs include those expenses necessary to construct or rehabilitate homes to become more resilient to wildfire such as removal and replacement of building components and landscaping necessary to create defensible space. Additional eligible costs include:

- Hazardous tree stump grinding or removal.
- Near-home landscaping to create non-combustible defensible space within the immediate five-foot perimeter around the home.
- Defensible space landscaping within the five- to thirty-foot perimeter around the home.
- Construction materials to enclose under-deck areas.
- Fire resistant exterior wall construction materials that include fiber-cement siding and trim, dual pane windows and metal doors and garages.
- Fire resistant and non-combustible roofing construction materials that include enclosed fiber-cement soffits and fascia, and metal gutters and gutter guards.

Ineligible costs include those supporting the mitigation of second homes and any work that will result in the substantial improvement of a home located in a Special Flood Hazard Area.

Full details on eligible and ineligible costs will be outlined in the policies and procedures.

i) Form of assistance

Assistance is provided in the form of a grant award to qualifying applicants for the rehabilitation or reconstruction of their primary residence. HCD's construction management vendor enters into an agreement with the property owner and manages and performs all rehabilitation or reconstruction activities, as well as mitigation activities included within the contract scope of work. The award is provided in increments as construction and mitigation activities are completed.

E. Community Participation and Public Comment

a. Public Hearings (page 118)

Remove: 2018 CDBG-MIT • Public meeting – TBD

Replace: To publicize the CDBG-MIT Action Plan Amendment No.1, HCD hosted two public meetings, one in English, and one in Spanish via webinar. In addition to the two public meetings, HCD hosted an additional webinar for nonprofits active in the areas impacted by the 2018 disasters. The meetings all covered the proposed changes to the CDBG-MIT Action Plan, including updates to the mitigation needs assessment, proposed programmatic changes, and additional geographies added for the 2018 disasters. The public meeting recordings and presentations are posted on HCD's website, both the recordings and presentations are 508 compliant. HCD advertised the public meetings according to the requirements in its Citizen Participation Plan including public notices in English and Spanish, and guidance on how to request reasonable accommodation and additional language access services. The Action Plan Amendment was posted for public comment for 30 calendar days between May 17, 2021 and June 16, 2021 on HCD's website (<https://www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/action-plans-and-federal-register-notices-frns>). In addition to the public notices,

HCD sent out email communication to its statewide listserv announcing the public meetings and send email communication to jurisdictions and persons who expressed interest in CDBG-MIT activities announcing the public meetings and the public comment draft of the 2018 CDBG-MIT Action Plan Amendment.

b. Local Government Consultation (page 118)

HCD also conducted two presentations to impacted jurisdictions and elected officials. The first briefings were held on January 3, 2020, with 20 participants via online webinar. The second briefing took place on February 20, 2020 and included 16 local government participants via webinar. HCD consulted jurisdictions impacted by the 2018 disasters in March 2020, providing an update on the additional funding available and additional funding available through this Action Plan.

Add: In 2021, HCD continued its consultations with local governments impacted by the 2018 disasters through its regular communication with jurisdictions impacted by both the 2017 and 2018 disasters, and consultations with other impacted jurisdictions. These consultations are detailed in Appendix A.

c. Citizen Advisory Committee (page 119)

In accordance with the Notice (84 FR 45856), HCD developed a Citizen Advisory Committee (CAC) that convenes no less than twice annually to review the mitigation needs of California. The CAC will provide an opportunity to solicit and respond to public comments about ongoing HCD mitigation activities, and to inform future CDBG-MIT programs and activities. HCD is partnering with the Governor's Office of Planning and Research (OPR) and its Technical Advisory Council for the Integrated Climate Adaptation and Resiliency Program, hereafter referred to as the ("ICARP TAC"). This meeting will serve as the CAC for the State's CDBG-MIT funding. In order for the ICARP TAC to meet the Notice requirements and objective, two of the regularly scheduled quarterly ICARP TAC meetings per year will focus on HCD CAC, for the duration of this grant. HCD will produce relevant reports and presentations for the meetings.

ADD: The first convening of the CAC occurred on June 11, 2021.

F. Grant Management, Reimbursement payments (page 121)

Remove: Mitigation staff then reconcile expenditures with FISCAL and Grants Network, the systems of record for the state and HCD.

Processes for monitoring expenditures of subrecipients and payment processing are outlined in the GAM.

Replace: HCD Fiscal staff then reconcile expenditures with FISCAL and Grants Network, the systems of record for the state and HCD.

Processes for monitoring expenditures of subrecipients and payment processing are outlined in the GAM.

Add: Under certain conditions, CDBG-DR and CDBG-MIT grantees and their subrecipients may incur costs prior to the effective date of their grant agreement. The grantee or subrecipient may then pay those costs (including reimbursing itself if it used its own funds to pay the costs) after the effective date of the grant agreement. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award and only with written approval of the Federal awarding agency.

If pre-award costs (also known as pre-agreement costs) are incurred for an eligible activity listed in this action plan, the payment for eligible costs must comply with the pre-award regulations at 24 CFR 570.200(h) and 570.489(b) and follow the guidance issued by HUD in CPD 15-07. Full eligibility criteria will be provided in the program guidelines.

G. Appendix B – 2017 Public Comments (page 132)

Remove: The following presents the public comments received for the CDBG-MIT Action Plan during the public comment period of February 21 – April 6, 2020, as well as HCD’s responses to the comments. Comments are grouped by topic area.

Replace: The following presents the public comments received for the CDBG-MIT Action Plan during the public comment period of February 21 – April 6, 2020, as well as HCD’s responses to the comments. Comments are grouped by topic area. No additional comments were received during the 2018 CDBG-MIT Action Plan Amendment public comment period from May 17, 2021, through June 16, 2021.

III. Public Comments

In keeping with the State’s Citizen Participation Plan, as articulated in Section V of the initial, HUD-approved Mitigation Action Plan, HCD published this proposed Action Plan Amendment, Number 2, on the CDBG-DR Action Plan webpage (<https://www.hcd.ca.gov/communitydevelopment/disaster-recovery-programs/cdbg-dr/cdbg-dr-2017/index.shtml>) in English and Spanish.

APA 2 will be available for public review and comment for forty five (45) days from December 15th through 5:00 p.m. Pacific Standard Time on January 31st, 2023. HCD extended the public comment period from 45 to 60 days, till February 15th, 2023, during the holidays to ensure that the public had adequate time to review and comment. Notifications were sent out announcing the extension of the public comment period.

Comments can be submitted by the following methods:

- Electronic mail to (DisasterRecovery@hcd.ca.gov); or
- Post mail to Disaster Recovery Section, Attn: Mona Akbar, HCD, 2020 West El Camino Avenue, Suite 200, Sacramento, CA 95833

If submitting comments via regular post mail, please factor delivery time into your mailing date. As above, all comments must be in writing and received by HCD by 5:00 p.m. Pacific Daylight Time on January 31st, 2023.

Residents who require a reasonable accommodation or other assistance to fully participate in the public comment process can request assistance by contacting the HCD Disaster Recovery Section via the same methods, listed above, for submission of public comments.

HCD will consider all public comments received, timely and in writing, via e-mail, or delivered in person at official public hearings regarding this Action Plan Amendment, Number 2. HCD will make public comments available to citizens, public agencies, and other interested parties upon request.

A summary of all comments received, timely, will be included in the final Substantial Action Plan Amendment, Number 2, submitted to HUD for approval. Following HUD approval, all comments received, timely, during the public comment period will be noted and summarized in the final, comprehensive Action Plan, as amended.

The following provides a summary of public comments for the 2017/2018 CDBG-DR MIT Action Plan Amendment #2 during the public comment period beginning December 15th, 2022, through February 15th, 2023.

Virtual Public Hearing – January 18th, 2023

The following transcript is from the virtual public hearing held on January 18, 2023, as the required public hearing for the 2018 CDBG-DR MIT Action Plan Amendment #2. Questions are from meeting participants and answers are from HCD staff.

1. Public Comment Question from Butte County

The amendment caps the MIT RIP projects at \$2.5m million dollars and this part of the cap severely hinders the county from deploying mitigation projects at the size and scope necessary to mitigate against future disasters and for this reason Butte County is request that the mitigation cap be eliminated allowing jurisdictions to prioritize projects by mitigation risk instead of the project cost. I understand that you are interested in having us use other funds to leverage the MIT-RIP funds, so I appreciate your list of those three project opportunities, however the timing of the funding does not align with the mitigation funding so if this is the case perhaps the procedures need to follow the conditional commitment during the MIT-RIP projects while all the funding is identified during the application process.

Two comments from Butte County:

- 1- like the cap to be eliminated and if that cannot happen then,
- 2- they would like the procedure to be changed so that it would allow for conditional commitments of MIT-RIP projects so we can identify funding during that application process to leverage the MIT-RIP funds.

HCD Response:

Thank you for your comment. Feedback is appreciated. Clarification from HCD - Conditional to MIT-RIP you would be receiving an award conditionally upon being able to obtain leverage funds, If the leverage funds are not obtained, what would be your recommendation.

Butte County Response:

That is the concern, the projects that HCD has identified, and funding sources are all competitive, so no funds are easy funds to acquire, so requiring us to leverage other funds in order to meet our needs with that \$2.5 Million dollar cap per project is really the challenge that we are facing.

HCD Response:

We will take that into consideration, given the information you have provided. We will have a criterion laid out for exception. There will be some circumstances that may qualify to exceed that cap. We will put that information into the policies and procedures, which we do anticipate

releasing before the NOFA so you can have that information beforehand to start taking a look at your projects and the leveraging.

Butte County Response:

We appreciate that, for some perspective, we have posted 30 projects in our list that we need mitigation funding for. Only 3 or 4 on that list that would fit within the 2.5 million dollars maximum. Projects we have, the size and scope would far exceed those 2.5 million dollars, widening road, evacuation routes, just from the local perspective, its not common that we have the project that would fit within the maximum limit. They would include that in the Public Comment letter.

HCD Response:

I believe we have the project list, if you can provide that to us via email. If you want to put in the email that there is only a handful that are within the \$2.5 million, we can certainly that that into consideration when we are shaping our policies. Butte county can include that in the public comment letter. Thank you.

2. Public Comment from Butte County

We understand that HCD has used the total structures destroyed, fire hazard severity zones, and the state responsibility area to determine the MIT-RIP funding allocation. We understand what data was used and the methodology, but we are asking for the specific data that was used and the specific methodology and the weighting of that data that was used to determine the allocation.

HCD Response:

We can provide information on the formula that was used to show how it was weighted.

Butte County:

So, you are not able to provide us the exact numbers that was used to determine the allocation. Will the information be able prior to the end of the public comment period?

HCD Response:

We can provide the math data on how we came to the numbers. Since others might be interested in the same issue that Butte County is requesting, we will provide the information to our website before the public comment is expired.

Written Public Comments

The following questions were received via electronic mail by HCD staff during the required 60-day public comment period for the 2018 CDBG DR MIT Action Plan Amendment #2. The public comment period was extended from 45 days to 60 days to allow for an extension for public comments.

a. Public Comment – Email Received 12/16/2022 from Butte County

We are interested in looking at the back up data for damaged structures that was used to set the allocation. Butte County would like to confirm that the data used was accurate. Our initial review of the allocation data posed some concern because we believe comparatively,

Butte County structural impact was greater than other jurisdictions, particularly Shasta County who received a greater allocation. We have had some experience with incorrect data being used and would like to confirm that the data used in the methodology is accurate.

We are also curious about comparative damage with other jurisdictions because the 1% damage threshold is a low percent and the allocation may not fairly represent the disproportionate damage of some of the highly-impacted jurisdictions, like Butte County.

HCD Response:

HCD developed its allocation methodology using the following sources:

- CAL FIRE’s 2007 Fire Hazard Severity Zones Map - Hazard Area per square mile, data can be found here: <https://osfm.fire.ca.gov/divisions/community-wildfire-preparedness-and-mitigation/wildfire-preparedness/fire-hazard-severity-zones/fire-hazard-severity-zones-map/> [osfm.fire.ca.gov]
- CAL FIRE Damage Inspection – CAL FIRE provided HCD with property level survey information on 12/30/2019. This parcel level data was used to determine the total number of damaged structures for the calculation completed in this action plan amendment. The full data is not publicly available, but a similar data set can be found on CAL FIRE’s website here: <https://arcg.is/0STSv4> [arcg.is]

The following table provides the total number of jurisdictions with damaged structures according to CAL FIRE damage inspection data from 2019:

County	CAL FIRE Total Damaged Structures for DR-4407 and DR-4382
<i>Paradise (Butte County)</i>	14,908
<i>Butte County (Unincorporated)</i>	4,641
<i>Shasta County (Unincorporated)</i>	1,485
<i>Los Angeles County (Unincorporated)</i>	785
<i>Malibu (Los Angeles County)</i>	767
<i>Redding (Shasta County)</i>	396
<i>Lake County (Unincorporated)</i>	307

<i>Los Angeles City (Los Angeles County)</i>	62
<i>Agoura Hills (LA County)</i>	38
<i>Calabasas (Los Angeles County)</i>	21
<i>Westlake Village (Los Angeles County)</i>	21
Total	23,431

The previous action plans are at this link for additional information: <https://www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/action-plans-and-federal-register-notices-frns>

b. Public Comment – Email Received 12/19/2022 from Town of Paradise

First and foremost, the Town of Paradise wants to thank the HCD team for doing their best to listen and develop thoughtful and effective Recovery programs, such as CDBG-DR Mitigation. Following recent webinars and release of the Proposed Action Plan Amendment, the Town is submitting the following comments for Action Plan Amendment 2 for 2017/2018 CDBG-DR MIT:

1. The Town is appreciative of methodology derived and proposed for direct allocations to MID communities, such as the Town of Paradise.
2. The Town is proposing to submit, at this draft stage, the attached project list. As you will note, many projects were determined to be ineligible in CDBG-DR INF Round 1 and 2. These projects were recommended by HCD to consider again in MIT-PPS. We would appreciate an opportunity to talk through each of them to validate eligibility in the MIT program prior to submission, if possible. Please let us know the most appropriate stage to hold a meeting on this topic.
3. The Town is concerned with the \$2.5m project cap for two of our potential project submissions
 - a. Changeable Message Sign Network – Current estimates indicate a cost above \$3m. Could the project cap be considered to be eliminated or raised for MID communities?
 - b. Storm Drain Master Plan Implementation – This project is technically 40+ unique project areas and could be separated, if needed. More clarification would be great for projects with multiple locations (all as one with similar scope or can count as unique projects). Our goal would be to utilize all available funding remaining of our allocation after the other projects were confirmed eligible/ineligible – currently this would be about \$4M. Again, could the project cap be considered to be eliminated or raised for MID communities?
4. The Town also remains concerned with LMI requirements across allocations which are reliant upon pre-disaster data. We have submitted a request for information under separate email on the possibility of the Town performing a Low Income Survey.

Again, thank you for consideration of our comments.

Sincerely,



Marc Mattox

Public Works Director & Town Engineer
Town of Paradise | (530) 872-6291 x125
Website [\[townofparadise.com\]](http://townofparadise.com) | Contact Us
[\[townofparadise.com\]](http://townofparadise.com) | Facebook [\[facebook.com\]](https://facebook.com)

HCD'S Response:

Thank you for the comments and question below for the 2017/2018 CDBG DR Mitigation APA2. Please see the responses below and let us know if you have any further questions.

1. *The Town is appreciative of methodology derived and proposed for direct allocations to MID communities, such as the Town of Paradise. = Thank you*
2. *The Town is proposing to submit, at this draft stage, the attached project list. As you will note, many projects were determined to be ineligible in CDBG-DR INF Round 1 and 2. These projects were recommended by HCD to consider again in MIT-PPS. We would appreciate an opportunity to talk through each of them to validate eligibility in the MIT program prior to submission, if possible. Please let us know the most appropriate stage*

to hold a meeting on this topic. = HCD can meet with Paradise to answer questions about proposed projects beginning with the release of the Solicitations for the applications, which is anticipated to begin July. HCD will be releasing the Policies and Procedures (PnPs) prior to the Solicitation for Applications and will hold a pre-NOFA workshop. HCD is available to answer questions that address information provided in the PnPs and pre-NOFA workshop once those occur.

3. *The Town is concerned with the \$2.5m project cap for two of our potential project submissions*
 - a. *Changeable Message Sign Network – Current estimates indicate a cost above \$3m. Could the project cap be considered to be eliminated or raised for MID communities?*
 - b. *Storm Drain Master Plan Implementation – This project is technically 40+ unique project areas and could be separated, if needed. More clarification would be great for projects with multiple locations (all as one with similar scope or can count as unique projects). Our goal would be to utilize all available funding remaining of our allocation after the other projects were confirmed eligible/ineligible – currently this would be about \$4M. Again, could the project cap be considered to be eliminated or raised for MID communities?*

Thank you for your feedback on the 2018 CDBG-MIT Resilient Infrastructure Program. At this stage, HCD cannot comment on specific project eligibility. Scoring or eligibility will be determined during an application phase and described in program policies and procedures. The project caps are intended to maximize limited CDBG-MIT funding to support a wide variety of mitigation efforts across eligible entities.

HCD understands that some critical mitigation projects may not be viable with the \$2.5 million project cap; HCD will incorporate language into the policies and procedures noting exceptions to the project cap; however, exceptions are not common, are reviewed on a case-by-case basis and may require proof of pursuing leveraged funding as well as other criteria all which will be outlined in the program's policies and procedures.

On the proposed Storm Drain Master Plan Implementation, HCD would consider each project site an individual project which could be submitted via application.

4. *The Town also remains concerned with LMI requirements across allocations which are reliant upon pre-disaster data. We have submitted a request for information under separate email on the possibility of the Town performing a Low-Income Survey. = **Received; HCD has followed up with Town to discuss this further.***

c. Public Comment – Email Received 1/3/2023 from Butte County

Butte County has a few clarifying questions for the CDBG DRAFT Mitigation Action Plan-Amendment 2. We hope these might be addressed outside the public comment process. My apologies if these should be directed to another HCD staff member.

1. I.D.1.e., Under 2018 Resilient Infrastructure Program Thresholds (page 12) – *How are you defining and measuring “Benefit low resource communities”?*
2. 1.D.2.e. Under 2017 Round Two and 2018 PPS Program Thresholds (page 15) – *How are you defining and measuring “Benefit remote community”?*

With regarding to question 1 and 2, HCD will provide detailed information regarding the definitions and ways of measuring these threshold criteria in our policies and procedures (PnPs) and application. HCD will be releasing the PnPs prior to the NOFA/application release to allow potential applicants with more information and time to prepare their projects. HCD recognizes that the sooner potential applicants have this information the sooner they can start anticipating what potential funds they can use for their projects. In the posted Action Plan narrative, HCD provides the data sources that will be used to measure threshold. So, in the meantime, HCD recommends that potential applicants review that data as it relates to their projects.

2. I.D.2.d. (page 14) – *Are jurisdictions that are eligible under 2017 and the 2018 disasters, and who have already submitted applications to the \$1,500,000 maximum for 2017 funding, able to submit additional 2017 applications up to a second \$1,500,000 limit plus \$1,500,000 for 2018 funds?*

Yes. HCD's \$1.5 million cap is per grant round per entity, so potential applicants that are eligible for both 2017 Round 2 and 2018, have \$1.5 cap per grant round limit.

d. Public Comment – Email Received 1/4/2023 from Butte County

Thank you for confirming. Yes, we did receive your response. We would like to receive the formula for how the allocation was calculated based on the two sources of data.

HCD's response to Butte County on 1/30/23:

Thank you for patience. Here are the answers to your questions on the 2017/2018 CDBG DR MITIGATION Action Plan Amendment #2.

HCD's formula that was used to determine the allocation is as follows:

1. HCD took all eligible jurisdictions within areas impacted by DR-4407 and DR-4382 (Counties and Cities)
2. HCD narrowed the eligible Counties/Cities in the Most Impacted and Distressed Areas (MID) due to limited funding
3. HCD applied a threshold to those that have less than 1% of total structures destroyed (CAL FIRE damage inspection data) and less than 0.4% of total property designated as Moderate, High, and Very High Fire Hazard (2007 CAL FIRE Hazard Severity Zone data). Those above the threshold are eligible for a direct allocation, those below will not receive a direct allocation. Formula:
 - $\frac{[\text{Number of damaged structures within jurisdiction}]}{[\text{Total number of damaged structures in MID jurisdictions}]}$
 - If this percentage was over 1% of the total damage, that jurisdiction could be considered for an allocation
 - $\frac{[\text{Number of Moderate, High, and Very High Fire Hazard square miles within jurisdiction}]}{[\text{Total number of Moderate, High, and Very High Fire Hazard square miles within all MID jurisdictions}]}$
 - If this percentage was over 0.4% of the total damage, that jurisdiction could be considered for an allocation
 - If the jurisdiction had both more than 1% and more than 0.4% then they received a direct allocation

- For example:
 - Unincorporated Butte County
 - Total damaged structures within unincorporated county: 4,641
 - Total damaged structures in the disaster: 23,431
 - Acres in Moderate, High, and Very High Fire Hazard
 - Unincorporated Butte County - 843.81 acres
 - Total Acres – 4,636.29

4. For City jurisdictions with destroyed structures and Moderate, High, and Very High Fire Hazard that do not meet the threshold for a direct allocation (less than 1%, and less than 0.4%), their city numbers (of destroyed structures and mod/high/very high areas) are added to their county’s numbers if their County met threshold.

- For example – Chico, Gridley, and Oroville did not reach the threshold, but have destroyed structures and have acres within the Moderate, High, and Very High Fire Hazard Area. Their numbers were added to County jurisdictions total numbers.

5. Based on the two data points (damaged structures and property in high fire hazard zone), jurisdictions received a percent ratio of the total amount of funds available

- For example: Final total score for Unincorporated Butte County (including Chico, Gridley, and Oroville) equals the percentage of total damaged structures in the unincorporated area divided by the total damaged structures and the total acres within the unincorporated area that are Moderate, High, and Very High divided by the total number of acres.
- For example: The total score for unincorporated Butte County is then divided by the total scores for all jurisdictions that are over the threshold.

6. 20% set aside – 20% of funding is reserved for jurisdictions that are not eligible for a direct allocation. Jurisdictions that did not receive a direct allocation will be able to apply for funding in the set-aside.

- 20% x direct allocation amount of each jurisdiction with direct allocation. The 20% was subtracted from direct allocation amount per jurisdiction.

Based on this formula, HCD’s proposed allocation for the 2018 Resilient Infrastructure Program is:

Jurisdiction	Allocation
Butte County	\$6,109,510.13
Lake County	\$2,346,659.90
Los Angeles County	\$3,998,793.56
Malibu	\$588,934.12

Paradise	\$10,273,223.81
Redding	\$357,150.53
Shasta County	\$8,431,222.35
20% Set Aside	\$8,026,373.60
TOTAL	\$40,131,868.00

Butte County’s Response:

Thank you for your response. Unfortunately, I have still been unsuccessful conveying our request. We are looking for the exact numbers, weighting, and calculations within the formulate for item 5 of your email. We would like the numbers that allow us to recreate the allocation of \$6.1M for Butte County, as well as the allocation for the other entities. If we receive those figures today, we will be able to provide our Public Comment in consideration of that information.

HCDs Response on 2/13/23:

We have posted the 2018 Mitigation Resiliency Infrastructure Program (2018 MIT-RIP) Calculations data at this link:

<https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/dr/ca-mit-rip-allocation-data.pdf>

e. Public Comment – Email Received 1/5/2023 from City of Gridley

I have a quick question, just trying to make sure I understand these “changes” is this for jurisdictions that previously applied and received an award or does this allow for others to apply for this grant?

HCD Response:

This is the rules for the new program and upcoming notice of funding availability.

f. Public Comment – Email Received with letter 2/16/2023 from Butte County



Clerk of the Board

Andy Pickett
Chief Administrative Officer and Clerk of the Board

25 County Center Drive, Suite 200
Oroville, California 95965

T: 530.552.3300
F: 530.538.7120

buttecounty.net/administration

Members of the Board

Bill Connelly | Peter Durfee | Tami Ritter | Tod Kimmelshue | Doug Teeter

February 15, 2023

Mona Akbar
Disaster Recovery and Response Unit
Dept. of Housing and Community Development
2020 West El Camino Avenue, Suite 200
Sacramento, CA 95833

RE: Public Comment from the County of Butte on the Draft Mitigation Action Plan Amendment 2 (APA 2) of the 2018 CDBG-DR Action Plan

Dear Ms. Akbar,

On January 27, 2020, the US Department of Housing and Urban Development (HUD) allocated \$1,017,399,000 in Community Development Block Grant-Disaster Recovery (CDBG-DR) funds to the State to support California's unmet recovery needs related to FEMA Major Disaster Declarations DR-4407 and DR-4382 for the 2018 Wildfire season, including the Camp Fire. On December 15, 2022, State Housing and Community Development (HCD) issued the DRAFT Mitigation Action Plan Amendment 2 (APA 2), a substantial amendment which clarifies existing program design for Resilient Infrastructure (MIT-RIP) and Planning and Public Services (MIT-PPS). On January 13, 2023, HCD also posted 2018 Mitigation Resiliency Infrastructure Program (2018 MIT-RIP) Calculations data.

Butte County respectfully submits the following public comments for the APA 2:

Allocation Methodology

The APA 2 allocates \$6.1M to Butte County in CDBG-DR MIT-RIP funds which represents 15% of the total unmet need identified: \$40M. MIT-RIP funds are proposed to address risks to systems and structures to enable continuous operations of critical business and government functions during future disasters and improve responses for human health and safety. HCD used a methodology to calculate the MIT-RIP allocations that prioritizes the MID jurisdictions that have seen 1% or more of total structures destroyed by fire and have more than 0.5% of total land designated as moderate, high, or very high fire hazard risk.

Using the CalFire total damaged structures for DR-4407 and DR-4383, the damaged structure loss in Butte County (Unincorporated) represents nearly 20% of the total, while the damaged structure loss ratio in Shasta County represents 6%, and yet Shasta County's MIT-RIP allocation is \$2.6M greater than Butte County's. From the calculation data, it is evident risk was weighted higher than wildfire damage in setting the allocations.

In evaluating Butte County's unmet mitigation need, the County's current MIT-RIP estimate is nearly \$80M, at minimum, and includes a variety of proposed resilient infrastructure enhancements such as fuel reduction, evacuation projects, generators, and communication equipment and towers.

The methodology of selecting 1% as the base threshold for damaged structures allows for a greater spread of the funds over less impacted communities, however, it does not adequately weight funding for jurisdictions that experienced the greatest impact from the disasters. Likewise, the 0.4% threshold of land in moderate, high, or very high fire hazard risk is a disproportionately low threshold that does not prioritize jurisdictions with the greatest risk. Increasing the threshold percent will target funds to the jurisdictions with the greatest need.

While the County recognizes the impacts in communities like Shasta County and appreciates the need for funds in those area to address unmet need, the unmet need in Butte County exceeds these impacts due to the Camp Fire. As one of the most impacted and distressed counties (MID), Butte County is requesting the damaged structure ratio be weighted higher than any other data point considered. Given the overwhelming damaged/destroyed structure count in Butte County as a result of the Camp Fire, the significance of this data point in calculating the unmet need, and the dedication of these funds to address risks to systems and structures to enable continuous operations of critical business and government functions during future disasters, we request the vast majority of funds be allocated to Butte County.

Project Funding

Butte County acknowledges that HCD would like jurisdictions to use MIT-RIP funds to leverage other grant funds. The County has investigated those other funding sources and identified three potential sources; however, all are problematic. The CalFire Wildfire Prevention CCI Grant is focused on needs that do not align with the County's projects. CCI grants focus exclusively on fire mitigation rather than MIT-RIP's eligible fire, flood, and earthquake projects. MIT-RIP infrastructure grants are not eligible for match funding from California Office of Planning & Research Adaptation Planning Grant.

Without additional funding, the APA 2 caps each MIT-RIP project at \$2.5M which, given Butte County's proposed \$6.2M allocation, will only result in three projects. Butte County's estimated mitigation unmet needs for resilient infrastructure far exceed the cap at an estimated \$78M. The project cap severely hinders Butte County from deploying mitigation projects of the size and scope necessary to mitigate against future disasters.

At a minimum, without the cap removed, there should be some sort of conditional commitment for projects that lack complete funding, to allow for additional time to identify that funding.

Maximum Awards

The APA 2 states maximum awards per entity under 2017 PPS round two and 2018 PPS programs will be capped at \$1.5M (page 14.). The document should clarify if the cap is \$1.5M for each program; and, if a jurisdiction was awarded \$1.5M in 2017 MIT-PPS Round 1, if they are also eligible for an additional \$1.5M in Round 2. Butte County will proceed according to the inferred guidelines of a maximum availability of \$1.5M available for 2018 and an additional \$1.5M available for 2017 Round 2.

These comments are consistent with concerns Butte County staff has presented to HCD throughout the development of the 2018 CDBG-DR Action Plan.

Thank you for your consideration.

Sincerely,



Máximo A. Pickett
Chief Administrative Officer

HCD Response:

Thank you for the attached public comment letter for the 2018 CDBG DR Mitigation Action Plan Amendment #2.

The letter was received outside of the Public Comment period that ended on February 15th, 2023. HCD has previously replied to Butte County's questions and comments via email on January 30th and February 13th, 2023, on the allocation methodology, project funding, and maximum awards during the public meetings and or via email.

There were no additional questions from Butte County.