



**State of California  
Action Plan for Disaster Recovery  
from 2018 Disasters  
Action Plan Amendment No. 8**

**California Department of Housing and Community Development**

**Non-Substantial Amendment**

**Effective Date: February 2025**

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



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## I. Background and Summary of Changes

On January 27, 2020, the U.S. 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 of California to support California's unmet recovery needs, related to the Federal Emergency Management Agency (FEMA) Major Disaster Declarations DR-4407 and DR-4382 for the 2018 wildfire season. The funds were released in two allocations: Public Law 115-254 Unmet Needs allocation of \$491,816,000 and Public Law 116-20 Unmet Needs allocation of \$525,583,000.

The California Department of Housing and Community Development (HCD) manages CDBG-DR funds, in accordance with the goals and objectives set forth in the state's initial HUD-approved Action Plan for 2018 disasters ("18DR-Action Plan").

This is a non-substantial Action Plan Amendment Number 8 (APA 8) that modifies some provisions in the Homebuyer Assistance Program by providing clarity and consistency with related programs and program requirements and removing inapplicable content. This amendment will also change the current \$10 million threshold for substantial amendments to \$50 million, as articulated in the initial Action Plan.

Page numbers are provided with the proposed changes. Removed and replaced text updates have been made in the context of the named section within the action plan.

### Summary:

Action Plan Amendment 8 (APA 8) will address changes in the following items:

- **Homebuyer Assistance Program:** Edits in this section create consistency with other requirements, align the Program with first mortgage requirements, reflect a change in the mode of funding distribution, and remove services that are not offered as part of homebuyer assistance.
- **Substantial Amendment:** Edits in this section provide an update on the threshold increase for substantial amendment from \$10 million to \$50 million for addition or deletion of any CDBG-DR funded program, any funding change, or any change in the designated beneficiaries of the program.

## II. Action Plan Amendment

Text updates inserted or deleted made in the context of the section within the Action Plan are listed below.

### 1. IV. Proposed Disaster Recovery Programs

#### Program Overviews

#### B. Homebuyer Assistance Program (APA 2) (page 159)

In this section a clarification was made to include taxes and insurance as part of the closing costs. This is consistent with the requirements of the recipients' escrow accounts.

**Remove:** 7. Eligible Program Costs:

- Down payment assistance (up to 20 % of the purchase price)
- Housing adjustment incentive
- Rate buydown to lowest possible rate
- All reasonable closing costs (legal, closing fee, title search, conveyance documents, notary fees, surveys, recording fees, lender fees, appraisal, inspection), except for taxes and insurance. These are usual and customary homeowner expenses.

**Replace:** 7. Eligible Program Costs:

- Down payment assistance (up to 20 percent of the purchase price)
- Housing adjustment incentive
- Rate buydown to lowest possible rate
- All reasonable closing costs (legal, closing fee, title search, conveyance documents, notary fees, surveys, recording fees, lender fees, appraisal, inspection), including taxes and insurance. These are usual and customary homeowner expenses.

Also, a change was made to this section to align the Program with the first mortgage pricing.

**Remove:** Form of Assistance: Forgivable loan. Term of forgiveness will be a minimum of 2 years.

**Replace:** Form of Assistance: Forgivable loan. Term of forgiveness will be a minimum of five years.

Also, wrap around housing and credit repair counseling services are not the usual and customary services offered as part of homebuyer assistance. Additionally, this modification also reflects a change in the mode of funding distribution (the subrecipient model instead of partnership).

**Remove:** Housing Counseling: Housing counseling assistance will provide program applicants with wrap around housing and financial educational services including financial literacy education, homebuyer counseling, credit repair counseling, and counseling to mitigate default/foreclosure proceedings. HCD will work with HUD-approved housing counseling agencies which are uniquely situated to assist with the delivery of these services as part of the long-term recovery efforts provided through CDBG-DR funding.

**Replace:** Housing Counseling: Housing counseling assistance will provide program applicants with financial educational services including financial literacy education, homebuyer counseling, and counseling to mitigate default/foreclosure proceedings. Subrecipient will work with HUD-approved housing counseling agencies which are uniquely situated to assist with the delivery of these services as part of the long-term recovery efforts



provided through CDBG-DR funding.

## **2. VII. Citizen Participation**

### **A. Publication**

#### **Substantial Amendment** (page 192)

A substantial amendment criterion is modified.

**Remove:** Any funding change greater than \$10 million of the CDBG-DR allocation, or

**Replace:** Any funding change greater than \$50 million of the CDBG-DR allocation, or