



**State of California
Action Plan for Disaster Recovery
from 2018 Disasters
Action Plan Amendment No. 7**

California Department of Housing and Community Development

Public Comment Period: August 26th through
September 27th, 2024

Submitted to HUD:

Approved by HUD:

**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)**

August 2024



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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 DR4382 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.

HUD issued an approval of California's initial 18DR Action Plan on November 19, 2020 to HCD. 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 the seventh amendment to this Action Plan.

The 18DR-Action Plan amendment, number seven ("APA7"), is a substantial amendment; it proposes to close an existing program from the initial HUD-approved Action Plan and repurpose the funds to other programs to prioritize the areas with the greatest unmet need,

This amendment proposes to reallocate \$105,220,977.02 from the 2018 Owner Occupied Rehabilitation and Reconstruction Program (OOR) to the Disaster Recovery Multifamily Housing Program (DR-MHP), Homebuyer Assistance Program (HBA), Workforce Development, and Infrastructure Program. The OOR program will continue to serve eligible applicants who have submitted applications prior to the program application deadline. The remaining funds of OOR program will be repurposed to as follows:

1. Reallocate \$87,550,273 from the OOR Program to DR-MHP.
2. Reallocate \$16,344,239.27 from the OOR Program to HBA.
3. Reallocate \$1,006,978.75 from the OOR Program to the Workforce Development Program.
4. Reallocate \$319,486.00 from the OOR Program to the Infrastructure Program.

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 7 (APA 7) will address changes in the following items:

1. **Executive Summary, Proposed Use of CDBG-DR Funds:** Provides an update for the closure of the OOR program and budget adjustments to repurpose funds from the OOR program to other housing programs.
2. **Proposed Disaster Recovery Programs, Programs Overview:** This section updated for program distribution and budget changes as follows:
 - A. Owner Occupied Housing Rehabilitation and Reconstruction Program: This section updated to reflect the closure of the OOR program and reduce the budget by



\$105,220,977.02. These funds will be reallocated to the DR-MHP Program, HBA Program, Workforce Development Program and Infrastructure Program.

- B. Multifamily Housing Program: Update to budget by relocating \$87,550,273 from the OOR Program and prioritize the areas with the greatest unmet need.
- C. Infrastructure Program: Update to program distribution and budget changes. Reallocation of \$319,486.00 to the Infrastructure Program from the OOR Program.
- D. Workforce Development Program: Update to program distribution and budget changes. Reallocation of \$1,006,978.75 to the Workforce Development Program from the OOR 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. Executive Summary

Remove: **FIGURE 1: 2018 CDBG-DR BUDGET SUMMARY – APA 6 BUDGET (page 4 of APA 6)**

Program	Current Budget	APA 4 Change	APA 4 Budget	Local Assistance (APA 6 change)	Percentage
Total CDBG-DR Funds	\$1,017,399,000	N/A	\$1,017,399,000	N/A	100.0%
Housing	\$483,794,752	\$46,061,064.20	\$529,855,816.20	N/A	52.08%
Owner Occupied Rehabilitation and Reconstruction	\$207,107,638	\$15,275,984.19	\$222,383,622.19	\$199,033,341.84	21.86%
Homebuyer Assistance Program	\$26,000,000	\$332,686.65	\$26,332,686.65	\$23,567,754.56	2.59%
Multifamily/Small Rental Housing Program	\$250,687,114	\$30,452,393.36	\$281,139,507.36	\$250,687,114	27.63%
Infrastructure	\$347,428,488	\$41,920,212.80	\$389,348,700.80	\$347,441,663.22	38.27%
Local Infrastructure /FEMA Match	\$317,428,488	\$41,920,212.80	\$359,348,700.80	\$347,441,663.22	35.32%
Paradise Sewer A&E	\$30,000,000	\$--	\$30,000,000	N/A	2.95%
Economic Revitalization	\$40,695,960	\$5,846,412.33	\$46,542,372.33	N/A	4.57%
Workforce Development	\$40,695,960	\$5,846,412.33	\$46,542,372.33	\$40,694,942.60	4.57%
Planning	\$28,217,000	\$(27,434,839)	\$782,160.67	N/A	0.33%
Technical Assistance & Capacity Building	\$15,000,000	\$(15,000,000.00)	\$0		0.00%
Regional & Local Planning Activities	\$13,217,000	\$(12,434,839.33)	\$782,160.67	N/A	0.33%
State and Local Program Delivery	\$66,392,850	\$(66,392,850.00)	\$0	\$0	0.00%
Administration	\$50,869,950	\$ --	\$50,869,950	N/A	5.00%



Replace: **FIGURE 2: 2018 CDBG-DR BUDGET SUMMARY – PROPOSED APA 7 BUDGET**

Program	Current Budget	APA 7 Change	APA 7 Budget	Percentage
Total CDBG-DR Funds	\$1,017,399,000	N/A	\$1,017,399,000.00	100.00%
Housing	\$529,855,816.18	\$(1,326,464,75)	\$528,529,351.43	52.1%
Owner-Occupied Rehabilitation and Reconstruction	\$222,383,622.17	\$105,220,977.02	\$117,162,645.15	21.9%
Homebuyer Assistance Program	\$26,332,686.66	\$16,344,239.27	\$42,676,925.93	2.6%
Multifamily/Small Rental Housing Program	\$281,139,507.36	\$87,550,273.00	\$368,689,780.36	27.6%
Infrastructure	\$389,348,700.81	\$319,486.00	\$389,668,186.81	38.3%
Local Infrastructure /FEMA Match	\$389,348,700.81	\$319,486.00	\$389,638,186.81	38.3%
Paradise Sewer A&E	\$30,000,000	N/A	\$30,000.00	0.0%
Economic Revitalization	\$47,324,533.01	\$1,006,978.75	\$48,331,511.76	4.7%
Workforce Development	\$46,542,372.34	\$1,006,978.75	\$47,549,351.09	4.6%
Planning	\$782,160.67	N/A	\$782,160.67	0.1%
Technical Assistance & Capacity Building	\$0	N/A		0.00%
Regional & Local Planning Activities	\$782,160.67	N/A		0.0%
State and Local Program Delivery	\$0	N/A		0.00%
Administration	\$50,869,950	N/A		5.00%

5. Proposed Use Of CDBG-DR Funds (Page 12)

Remove: The majority of funds will be allocated to housing recovery programs. This includes the state-run Owner Occupied Rehabilitation and Reconstruction Program which allows affected residents to apply directly to the state for grants up to \$200,000.

Replace: The Owner Occupied Rehabilitation Program, as originally articulated in the initial Action Plan as a stand-alone program will close for new applicants as of January 31, 2024. The program will continue to assist eligible applicants who submitted applications prior to the deadline.

2. Program Overviews (page 132)

A. Housing Recovery Programs

The following provides a summary of the section with language added for closing of a program, updating allocation methodology, and increasing allocation amounts.



B. Owner Occupied Housing Rehabilitation and Reconstruction (page 139)

This section updated to reflect the close of the Owner Occupied Housing Rehabilitation and Reconstruction Program to new applicants and reallocating remaining funds to other housing programs.

Timeline. (Page 137)

Remove: The Owner Occupied Housing Rehabilitation and Reconstruction Program is expected to commence in quarter two of 2019 and remain operational through the end of the grant term.

Replace: The Owner Occupied Housing Rehabilitation and Reconstruction Program closed to new applicants effective January 31, 2024. The program will continue to assist eligible applicants who submitted applications prior to the deadline.

C. Multifamily Housing Program

Allocation Methodology. (Page 140)

Add: To prioritize the areas with the greatest unmet need, Action Plan Amendment 7 will redirect remaining funds from the OOR program to MHP to support the oversight and implementation of the current projects and support subrecipients in the MID area with projects that have already been underwritten by DR-MHP and conditionally approved, as follows:

DR-MHP Allocation in MID

Jurisdiction	Additional Allocation Amount (proposed allocation)
County of Butte	\$10,619,642
County of Butte	\$17,870,696
County of Butte	\$18,511,098
Town of Paradise	\$28,801,012
City of Clearlake	\$11,747,825
TOTAL	\$87,550,273

D. Homebuyer Assistance Program (page 143)

This section updated to reflect the increase in the allocation amount by \$16,344,239.27

Remove: Allocation Amount: \$25,000,000

Replace: Allocation Amount: \$42,676,925.93

E. Infrastructure Program (page 156)

This section updated to reflect the increase in the allocation amount by \$319,486.00



Remove:

10. Unmet Needs

Funding stand-alone infrastructure projects that tie to DR-4382 or DR-4407 and the local portion of the non-federal share match on federal disaster-related grants in support of housing meet the requirement to address housing recovery needs first. Necessary infrastructure recovery must be complete before housing recovery is complete. The unmet needs assessment identified \$2,838,348,374 in unmet infrastructure recovery needs. Of the CDBG-DR funds received, \$389,348,700.80 will be used for Infrastructure Recovery Programs, which includes an estimated 38 percent of the total program allocation.

Figure 6: Unmet Infrastructure Recovery Need

CATEGORY	IDENTIFIED UNMET NEED	CDBG-DR FUNDED
Infrastructure Recovery	\$2,838,348,374	\$389,348,700.80

Replace:

10. Unmet Needs

Funding stand-alone infrastructure projects that tie to DR-4382 or DR-4407 and the local portion of the non-federal share match on federal disaster-related grants in support of housing meet the requirement to address housing recovery needs first. Necessary infrastructure recovery must be complete before housing recovery is complete. The unmet needs assessment identified \$2,838,348,374 in unmet infrastructure recovery needs. Of the CDBG-DR funds received, \$389,668,186.81 will be used for Infrastructure Recovery Programs, which includes an estimated 38 percent of the total program allocation.

Figure 6: Unmet Infrastructure Recovery Need

CATEGORY	IDENTIFIED UNMET NEED	CDBG-DR FUNDED
Infrastructure Recovery	\$2,838,348,374	\$389,668,186.81

F. Workforce Development Program (page 157)

This section updated to reflect the increase in the allocation amount by \$1,006,978.75

Remove: Allocation Amount - HCD is allocating \$46,542,372.33 to support workforce development in disaster impacted areas.

Replace: Allocation Amount - HCD is allocating \$47,549,351.09 to support workforce development in disaster impacted areas.

III. Public Comment

In keeping with the State's Citizen Participation Plan, as articulated in Section 1 and 4, under Publication, of the initial HUD-approved Action Plan, HCD published this proposed Action Plan Amendment, Number 7, on the CDBG-DR Action Plan webpage (<https://www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/action-plans-and-federal-register-notice-frns>) in English and Spanish.

APA 7 will be available for public review and comment for thirty (30) days from August 26th, 2024, through 5:00 p.m. Pacific Standard Time on September 26th, 2024.

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, 651 Bannon Street, Suite 700 | Sacramento, CA 95811

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 September 26th, 2024.

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 7. 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 7, 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.