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I. Background and Summary of Changes

On February 3, 2022, the U.S. Department of Housing and Urban Development (HUD) allocated \$231,203,000 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-4558 and DR-4569 through the publication of the Federal Register, Vol. 87, No. 23, February 3, 2022 (87 FR 6364). This allocation was made available through Public Law 117-43.

Additionally, under the authority of Public Law 117-43, HUD announced on May 24, 2022, through Federal Register publication <u>87 FR 31636</u>, California would be receiving \$14,761,000 in CDBG-DR funding for the 2021 disaster, FEMA DR-4610. Then, subsequently, on November 30, 2022, <u>HUD announced through a press release: HUD Announces \$1.447 Billion for 2021 Disaster Recovery and Mitigation | HUD.gov / U.S. Department of Housing and <u>Urban Development (HUD)</u>, that California would be receiving an additional \$9,647,000 in CDBG-DR funding for DR-4610, for a total allocation of \$24,408,000. This additional funding is officially authorized through the January 18, 2023, Federal Register publication <u>88 FR 3198</u>.</u>

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 2020 and 2021 disasters ("2020 and 2021 DR-Action Plan").

In this substantial amendment for Action Plan Amendment 5 (APA 5), the State of California proposes the following changes:

- FEMA Hazard Mitigation Grant Program (HMGP): APA 5 proposes to add a new Hazard Mitigation Grant Program (HMGP) local match project for Plumas County for 2021 Allocation for home hardening.
- Owner-Occupied Mitigation (OOR-M): APA 5 proposes to increase the Owner-Occupied Mitigation (OOR-M) cap from \$50,000.00 to \$75,000.00 and to open eligibility to non-Low to Moderate Income (LMI) applicants after all eligible LMI applicants are served and if funding is available.
 - The amendment will also revise eligibility language for the 2020 OOR-M Program for Low to Moderate (LMI) income homeowners.
- **FEMA PA:** APA 5 proposes to revise FEMA PA match dates to reflect new implementation timelines.
- Multifamily Housing Program Mitigation (MHP-MIT): APA 5 proposes to combine the MHP Mitigation Funds with the MHP to increase the amount available for new construction that already meet the definition of Mitigation.

II. Action Plan Amendments

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

A. List of Changes

1. Executive Summary – Proposed Uses of CDBG-DR Funds (Pages 17-20)

Add: HCD will add a FEMA Hazard Mitigation Grant Program (HMGP) local match project for Plumas County for 2021 Allocation for home hardening.

2. 5. Program Details

Add: 5.9 FEMA Hazard Mitigation Grant Program (HMGP)

Program Description

The FEMA Hazard Mitigation Grant Program (HMGP) serves as a resource to fund programs that reduce the risk of loss of life and property and is activated following a presidential major disaster declaration. HMGP funds, provided at the amount of FEMA disaster recovery assistance under the presidential declaration, are allocated on a sliding scale formula based on an appropriate percentage of the estimated total of federal assistance (less administrative costs) wherein each individual activity is required to have at least a 25 percent non-federal cost share.

Plumas County received FEMA Hazard Mitigation Grant Program (HMGP) and using

those funds towards an Ignition-Resistant Construction and Defensible Space phased project. CalOES is the state implementing agency for this FEMA grant. Locals submit applications to CalOES first and then to FEMA for final review and approval.

This is a partnership between Plumas County (PC) and the Plumas County Fire Safe Council (PCFSC) that will reduce and/or prevent physical damages to residential properties resulting from wildfires by retrofitting residential properties to be more fire resilient. This program will leverage approximately \$2.5 million in HMGP funds to harden approximately 60-70 single family homes in a high fire risk county.

In response to the County's request to fund its Hazard Mitigation Grant Program (HMGP) which would move \$550,000 from the County's current ReCoverCA program to fund a portion of the nonfederal share match.

Budget Table

Per the table below, the requested \$550,000 in CDBG-DR funds would come from the HUD required, 15% Mitigation set-aside of the 2021 grant SFM program thereby reducing SFM funding to \$2,299,450.

Program	APA 3 Budget ("Before")	Proposed APA 5 Budget ("After")	Change, If APA 5 approved
Single Family Reconstruction (SFR)	\$20,162,800	\$20,162,800	\$0
Single Family Mitigation (SFM)	\$3,024,800	\$2,299,450	(\$725,350)
HMGP	\$0	\$725,350	\$725,350
Administration	\$1,220,400	\$1,220,400	\$0
Total	\$24,408,000	\$24,408,000	\$0

Program Tieback to Disaster/Unmet Needs/Vulnerable Population

Plumas County (DR-4610): This project is a partnership between Plumas County (PC) and the Plumas County Fire Safe Council (PCFSC) to mitigate homes in this rural, fire prone region. This Ignition-Resistant Construction and Defensible Space phased project is intended to reduce and/or prevent physical damages to residential properties resulting from wildfires by retrofitting residential properties to be more fire resilient. This wildfire mitigation project is intended to reduce or prevent physical damages to residential properties resulting from wildfires by retrofitting residential structures to be more fire resilient and creating a defensible space perimeter of 100' to reduce wildfire risk. The project locations are located in socially vulnerable areas with 85% properties located within Prepare California Match eligibility census tracts. These areas have a high fire hazard risk and a low ratio of median household income to state median.

Program 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 mitigation set aside funded activities must satisfy a national objective. All HMGP activities will meet the LMI or Urgent Need objective.

3. 2020 Disaster Recovery Multifamily Housing Program (MHP) and Multifamily Housing Mitigation (MHP-M) Set-Aside (Page 236-243)

Project Eligibility (Page 239)

Remove: MHP projects to rehabilitate or reconstruct multifamily properties are required to incorporate mitigation measures. The mitigation set-aside will aid in funding these proposed projects. The same eligibility requirements in place to fund the new construction of multifamily housing apply to the use of the mitigation set-aside for MHP mitigation. Existing multifamily property owners may apply to a separate NOFA to receive up to \$300,000 in grant assistance from the MHP mitigation set-aside for hardening multifamily units to the WUI code standards. Further details of this MHP mitigation activity and NOFA criteria will be forthcoming in a separate substantial action plan amendment.

Replace: The MHP Mitigation program funds of \$7,162,287 will be incorporated into the existing MHP program. This will increase the MHP program budget from \$128,347,766 to a new total of \$135,510,053. Mitigation set-aside funds could be used on new construction projects that tied back to the disaster to meet the definition of Mitigation. Specific to California - projects built to Chapter 7A in WUI areas meet the definition of Mitigation. Combining MHP and MHP-M will increase total number of housing units produced to address recovery needs of LMI renters.

Add: Budget Table

Per the table below, the \$7,162,287 from the Mitigation Set-Aside ("MHP-M") is combined with the MHP funds.

Program	APA 3 Budget ("Before")	Proposed APA 5 Budget ("After")	Change, If APA 5 approved
OOR	\$45,838,488	\$45,838,488	\$0
OOR-R	\$21,486,863	\$21,486,863	\$0
MHP	\$128,347,766	\$135,510,053	\$7,162,287
MHP-M	\$7,162,287	\$0	(\$7,162,287)
HBA	\$9,167,698	\$9,167,698	\$0
Infrastructure	\$7,639,748	\$7,639,748	\$0
Administration	\$11,560,150	\$11,560,150	\$0
Total	\$231,203,000	\$231,203,000	\$0

4. 2020 Owner Occupied Rehabilitation/Reconstruction – Mitigation (OOR-M) (Page 251-259) and 2021 Single Family Mitigation (SFM) (Page 271): Cap increase and Eligibility

2020 OOR-M: Program Maximum Assistance (Page 256)

Remove: Additionally, the OOR Mitigation program is eligible to owner-occupied properties that did not suffer damage in the DR-4558 or DR-4569 events, but are located in the MID, and can utilize the rehabilitation activity to enable the single-family unit to meet the WUI code standards to make their homes more resistant to wildfire. OOR applicants applying for rehabilitation to bring their homes up to WUI code standards may receive up to \$50,000 in grant assistance.

Replace: Additionally, the OOR Mitigation program is eligible to owner-occupied properties that did not suffer damage in the DR-4558 or DR-4569 events, and currently live in the MID, but not needed to have resided in the MID at the time of the disaster and can utilize the rehabilitation activity to enable the single-family unit to meet the WUI code standards to make their homes more resistant to wildfire. Increasing the cap from \$50,000 to \$75,000 per eligible OOM project will allow the program to expand the use of program funds to include necessary and reasonable, limited repairs to ensure mitigation measures are completed properly. Additionally, this grant cap increase will provide LMI homeowners with durable, resilient mitigation retrofits that will meet their service life expectancy.

2021 SFM: Program Maximum Assistance (Page 273)

Remove: Assistance is provided in the form of a grant award to qualifying applicants for the rehabilitation of their home to increase the wildfire resistance of a home through home hardening and vegetation management, including meeting California's WUI code standards. 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. Applicants applying for rehabilitation to bring their homes up to WUI code standards may receive up to \$50,000 in grant assistance.

Replace: Assistance is provided in the form of a grant award to qualifying applicants for the rehabilitation of their home to increase the wildfire resistance of a home through home hardening and vegetation management, including meeting California's WUI code standards. 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. Increasing the cap from \$50,000 to \$75,000 per eligible SFM project will allow the program to expand the use of program funds to include necessary and reasonable, limited repairs to ensure mitigation measures are completed properly. Additionally, this grant cap increase will provide LMI homeowners with durable, resilient mitigation retrofits that will meet their service life expectancy.

2020 OOR-M: How Program will Promote Housing for Vulnerable Populations - *Prioritization* (Page 255)

Add: Eligible low to moderate income homeowners is expanded to include households with income up to 120% area median income (AMI).

2021 SFM: How Program will Promote Housing for Vulnerable Populations – *Prioritization* (Page 272)

Add: Eligible low to moderate income homeowners is expanded to include households with income up to 120% area median income (AMI).

5. FEMA PA Assistance Match (Pages 259-262)

Program Estimated Begin and End Dates (Page 261)

Remove: Applications will be released in the quarter following HUD approval of this Action Plan and the Implementation and Capacity document. Technical assistance will be provided until sufficient applications are received and approved to expend the entire allocation of Infrastructure Recovery Program funds. Individual project completion timeframes will be determined on a case-by-case basis with the subrecipients, in accordance with their agreement.

Replace: Applications will begin in May 2024. Technical assistance will be provided until sufficient project intake forms are received and approved to expend the entire allocation of Infrastructure Recovery Program funds. Individual project completion timeframes will be determined on a case-by-case basis with the subrecipients, in accordance with their agreements with CalOES and HCD.

III. Public Comment

In keeping with the State's Citizen Participation Plan, as articulated in Section 3 of the initial, HUD-approved 2020 and 2021 Action Plan, HCD published this proposed Action Plan Amendment, Number 5, on the CDBG-DR Action Plan webpage (https://www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/action-plans-and-federal-register-notices-frns) in English and Spanish.

APA 5 will be available for public review and comment for thirty (30) days from August 26th through 5:00 p.m. Pacific Standard Time on September 27th, 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 27th, 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 5. 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 5, 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.