



**State of California
Action Plan for Disaster Recovery
from 2018 Disasters
Action Plan Amendment No. 4**

California Department of Housing and Community Development

Public Comment Period: May 1st – June 1st, 2023

Submitted to HUD: June 9th, 2023.

Approved by HUD: September 12th, 2023.

**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 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.

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 fourth amendment to this Action Plan.

This amendment proposes two updates:

Owner Occupied Rehabilitation and Reconstruction Program: 18DR APA 4 modifies the state's Owner-Occupied Rehabilitation and Reconstruction Program (OOR) to better assist LMI households who have a gap in their total assistance and as such cannot currently receive an award from the program. To ensure that assisted households can complete their repair or reconstruction projects, OOR makes awards only to projects that will be fully funded through the addition of the CDBG-DR assistance. HCD estimates there are over 100 applicant households experiencing such a shortfall. The amendment provides a path to award and project completion for this population by introducing a forgivable loan that may be awarded in addition to grant funds.

The forgivable loan will be based on the amount of the applicant's gap, is available only to qualifying Solution 1 (state managed reconstruction) LMI households and is capped at \$250,000. Loans will only be available in conjunction with a grant. The loan cap was determined based on an analysis of applicant need and is projected to assist 68% of that population. To allow for awarding the proposed forgivable loans, the amendment also proposes increasing the total CDBG-DR funding cap from \$500,000 to \$750,000, inclusive of both grant and loan funding. The amendment clarifies deed restrictions for the subsidized loan and the agreements to be signed and the form in which the assistance is provided.

General Budget Updates: General Budget Updates: 18APA 4 consists of two budget updates:

Activity Delivery Costs: The original 2018 Action Plan allocated \$66,392,850 to activity delivery costs (ADC) which HUD defines as the costs to deliver CDBG-DR programs. In the Action Plan budget, these funds were shown in their own line item. All ADCs must be directly tied to a CDBG-DR funded program in HUD's Disaster Recovery Grant Reporting system (DRGR). In order to align the program budgets in the Action Plan with the DRGR budgets, HCD is updating the Action Plan in 18APA 4 to show the \$66,392,850 is allocated to active programs.

Reduction of funding for the Planning Program: 18APA 4 reduces the planning budget by \$24,888,348.12 and moves the funding into programs where additional funding is needed to support the implementation of the programs. This budget change right-sizes the budgets for the existing 2018 DR Planning Program and the 2018 CDBG-Mitigation Planning and Public Services 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. APA 4 has been determined to be a substantial amendment.

Summary:

Action Plan Amendment 4 (APA 4) will address changes in the following items:

1. **Executive Summary**, proposed uses of CDBG-DR funds: Provides an update to include the subsidized loan for the OOR program and budget adjustments to allocate planning dollars and ADC costs.
2. **Program Overviews**
 - a. Owner Occupied Housing Rehabilitation and Reconstruction, Maximum Assistance: This section updated to provide an update to include the funding from the subsidized loan assistance.
 - b. Owner Occupied Housing Rehabilitation and Reconstruction, Maximum Assistance, Hardship: This section updated to provide an update to include the funding from the subsidized loan assistance.
 - c. Owner Occupied Housing Rehabilitation and Reconstruction, Deed Restrictions and Restrictive Covenants: Update to the deed restrictions.
 - d. Owner Occupied Housing Rehabilitation and Reconstruction, Form of Assistance: This section updated to provide an update to include the subsidized loan for the OOR program.
 - e. Multifamily Housing Program: Update to unmet needs section to change the program budget.
 - f. Multifamily Housing Program: Update to Allocation Methodology to align with the budget update.
 - g. Infrastructure Program: Update to unmet needs section to change the program budget.
 - h. Workforce Development: Update to unmet needs section to change the program budget.

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, proposed uses of CDBG-DR Funds (page 10)

Remove:



FIGURE 1: 2018 CDBG-DR BUDGET SUMMARY – PROPOSED APA 3 BUDGET

Program	Original Program Allocation	APA2 Change	Revised APA2 Allocations	Percentage of Total Program Allocation	APA3 No change
Total CDBG-DR Funds	\$1,017,399,000		\$1,017,399,000	100.0%	\$1,017,399,000
Housing	\$455,794,752	+28,000,000	\$483,794,752	47.55%	\$483,794,752
Owner-Occupied Rehabilitation and Reconstruction	\$205,107,638	+\$2,000,000	\$207,107,638	20.36%	\$207,107,638
Homebuyer Assistance Program		+\$26,000,000	\$26,000,000	2.56%	\$26,000,000
Multifamily/Small Rental Housing	\$250,687,114		\$250,687,114	24.64%	\$250,687,114
Infrastructure	\$317,428,488	\$347,428,488	\$347,428,488	34.15%	\$347,428,488
Local Infrastructure/ FEMA Match	\$317,428,488		\$317,428,488	31.2%	\$317,428,488
Paradise Sewer A&E		\$30,000,000	\$30,000,000	2.95%	\$30,000,000
Economic Revitalization	\$40,695,960		\$40,695,960	4.0%	\$40,695,960
Workforce Development	\$40,695,960		\$40,695,960	4.0%	\$40,695,960
Planning	\$86,217,000	(\$58,000,000)	\$28,217,000	2.77%	\$28,217,000
Technical Assistance & Capacity Building	\$15,000,000		\$15,000,000	1.47%	\$15,000,000
Regional & Local Planning Activities	\$71,217,000	(\$58,000,000)	\$13,217,000	1.30%	\$13,217,000
State and Local Program Delivery	\$66,392,850		\$66,392,850	6.53%	\$66,392,850
Administration	\$50,869,950		\$50,869,950	5.0%	\$50,869,950

Replace:

FIGURE 2: 2018 CDBG-DR BUDGET SUMMARY – PROPOSED APA 4 BUDGET

	Current Budget	APA 4 Change	APA 4 Budget	Local Assistance	Percentage
Total CDBG-DR Funds	\$1,017,399,000	N/A	\$1,017,399,000.00	N/A	100.00%
Housing	\$483,794,752	\$46,061,064.20	\$529,855,816.20	N/A	52.08%

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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	\$40,741,655.74	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%

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 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 \$500,000 and subsidized loans up to \$250,000 to repair or rebuild their homes.

Remove: Though economic revitalization made up only about 16 percent of the total unmet recovery need, it still resulted in an unmet need of over \$1 billion. HCD is therefore allocating \$40.7 million toward a workforce development grant program to meet the otherwise unmet needs of the workforce impacted by the 2018 fires.

Replace: Though economic revitalization made up only about 16 percent of the total unmet recovery need, it still resulted in an unmet need of over \$1 billion. HCD is therefore allocating \$46,542,372 toward a workforce development grant program to meet the otherwise unmet needs of the workforce impacted by the 2018 fires.

Remove: HCD will allocate \$86.2 million toward planning efforts and to support local capacity building.



Replace: HCD has reallocated most of the original \$86.2 million, for planning efforts and support of local capacity building, to new housing and infrastructure programs. HCD has left \$782,160.67 allocated to the planning efforts.

2. Allocation of funds

Remove:

FIGURE 3: CDBG-DR PROGRAM BUDGET

PROGRAM	PROGRAM ALLOCATION	Percentage of Total
Total CDBG-DR Funds	\$1,017,399,000	
Housing Programs	\$480,794,752	47.3%
Infrastructure	\$347,428,488	34.1%
Economic Revitalization	\$40,695,960	4%
Program Delivery	\$66,392,850	6.5%
Planning	\$31,217,000	3.1%
Administration	\$50,869,950	5%
Total CDBG-DR Funds	\$1,017,399,000	100

Replace:

FIGURE 4: CDBG-DR PROGRAM BUDGET

PROGRAM	PROGRAM ALLOCATION	PERCENTAGE OF TOTAL
Total CDBG-DR Funds	\$1,017,399,000	
Housing Programs	\$529,855,816.20	52.08%
Infrastructure	\$389,348,700.80	38.27%
Economic Revitalization	\$46,542,372.33	4.57%
Program Delivery	\$0	0%
Planning	\$782,160.67	.08%
Administration	\$50,869,950	5.0%
Total CDBG-DR Funds	\$1,017,399,000	100.0%

3. Program Overviews

A. Housing Recovery Programs

Remove:

Together, the housing programs will receive \$455,794,752 of the total CDBG-DR allocation. This represents approximately 57 percent of the CDBG-DR program funds allocated to the State of California.

Replace:

Together, the housing programs will receive \$529,855,816.20 of the total CDBG-DR allocation. This represents approximately 52 percent of the CDBG-DR program funds allocated to the State of California.

Owner Occupied Housing Rehabilitation and Reconstruction Program (page 138)

Remove:

1. Allocation Amount: \$205,107,638

Eighty (80) percent of funds must address unmet need in the HUD-identified “most impacted and distressed” counties.

Replace:

Allocation Amount: \$222,383,622.19

Eighty (80) percent of funds must address unmet need in the HUD-identified “most impacted and distressed” counties.

Owner Occupied Housing Rehabilitation and Reconstruction (page 139)

Remove: The maximum amount of assistance is \$500,000 per damaged structure, after applying any duplication of benefits to the cost of the total rehabilitation or reconstruction. Reconstruction is permissible where the total cost of rehabilitation is greater than the cost to reconstruct or where rehabilitation is otherwise technically infeasible. Reconstruction is defined as the rebuilding of a structure on the same site in substantially the same manner. A reconstructed property must not increase the number of dwellings on site, although the number of rooms may increase or decrease.

Replace: Reconstruction is permissible where the total cost of rehabilitation is greater than \$100,000 or where rehabilitation is otherwise technically infeasible. Reconstruction is defined as the rebuilding of a structure on the same site in substantially the same manner. A reconstructed property must not increase the number of dwellings on site, although the number of rooms may increase or decrease. The maximum amount of assistance is \$750,000 per damaged structure, after applying any duplication of benefits to the cost of the total rehabilitation or reconstruction. Grant awards are capped at \$500,000, subsidized loans are capped at \$250,000, and together they may not exceed \$750,000.

Owner Occupied Housing Rehabilitation and Reconstruction (page 139)

Remove: As a standard practice, program applicants requiring more than the cap on assistance must fund the remainder of their project with private funds or other resources; however, exceptions to the maximum award will be considered on a case-by-case basis.

Replace: As a standard practice, program applicants requiring more than the assistance

maximum must fund the remainder of their project with private funds or other resources; however, exceptions to the grant, loan, and combined award caps will be considered on a case-by-case basis.

Owner Occupied Housing Rehabilitation and Reconstruction (page 140)

Remove: To safeguard the CDBG-DR investment in the property, HCD will require a deed restriction or restrictive covenant on properties funded through the program. The deed restriction or restrictive covenant will remain in effect for a period of two years, following the date of receipt of the certificate of occupancy of the rehabilitated or reconstructed structure.

Replace: To safeguard the CDBG-DR investment in the property, HCD will require a deed restriction or restrictive covenant on properties funded through the program. The deed restriction or restrictive covenant will remain in effect for a period of two years for grants and five years for subsidized loans, following the date of receipt of the certificate of occupancy of the rehabilitated or reconstructed structure.

Owner Occupied Housing Rehabilitation and Reconstruction (page 144)

Remove: Assistance is provided in the form of a grant after a contractor has been selected to perform the scope. The scope of work is determined by a site inspection performed by qualified construction estimators. Once the scope of work has been determined, the applicant signs a three-party construction agreement between the applicant, contractor, and HCD. The assistance is provided based on approved construction inspections via two party check to the applicant and the contractor engaged to perform the work, or directly to the contractor depending on the program option selected by the applicant.

Replace: Assistance is provided in the form of grants and subsidized loans made to qualifying applicants after a contractor has been selected to perform the approved scope. Applicants receiving a subsidized loan will be provided loan disclosures as described in the program policy and procedures. The assistance is provided as reimbursement payments for costs incurred and expended. Once the scope of work has been determined, the applicant is issued an award offer which states the amount and form of assistance (grant or grant and loan). Applicants who accept their offer will then execute program grant and loan documents (as applicable).

Multifamily Housing Program (page 145)

Remove:

1. Unmet Needs

The unmet needs analysis identified significantly less damage to rental property than owner-occupied units. However, the impact to LMI populations were higher among renters than homeowners, and the State recognizes that renters are often harder to track, and the State is in need of additional affordable housing. Multifamily housing projects will be funded to address the unmet housing recovery need. Of the \$455,794,752 identified to

address the housing recovery need, \$250,687,114 will be used to address the rental housing recovery need through multifamily housing development.

Replace:

1. Unmet Needs

The unmet needs analysis identified significantly less damage to rental property than owner-occupied units. However, the impact to LMI populations was higher among renters than homeowners, and the state recognizes that renters are often harder to track, and the state is in need of additional affordable housing. Multifamily housing projects will be funded to address the unmet housing recovery need. Of the \$529,855,816.20 identified to address the housing recovery need, \$281,139,507.36 will be used to address the rental housing recovery need through multifamily housing development.

Remove: **FIGURE 93: MULTIFAMILY HOUSING RECOVERY BY SUBRECIPIENT ALLOCATION**

	TOTAL APPLICANTS	% OF TOTAL	Original MF ALLOCATION	CHANGE (Phase II or Reallocation)	Current MF ALLOCATION
Total	12,775		\$250,687,114.00		\$250,687,114.00
Butte County	8,205	64.20%	\$161,008,827.43		\$178,982,374.42
Butte County	3,127	24.50%	\$61,361,926.06	\$9,823,547.00	\$71,185,473.06
Chico	1,656	13.00%	\$32,496,114.35		\$32,496,114.35
Gridley	122	1.00%	\$2,394,037.41		\$2,394,037.41
Oroville	451	3.50%	\$8,850,089.11	\$8,150,000.00	\$17,000,089.11
Paradise	2,849	22.30%	\$55,906,660.49		\$55,906,660.49
Lake County	511	4.00%	\$10,027,484.56		\$15,656,516.56
Lake County	387	3.00%	\$7,594,200.64	(\$7,594,200.64)	\$0.00
Clearlake	--	--	--	\$5,650,916.32	\$5,650,916.32
Lakeport	124	1.00%	\$2,433,283.92	\$7,572,316.32	\$10,005,600.24
Los Angeles County	1,498	11.70%	\$29,395,639.67		\$24,568,318.34
Los Angeles County	138	1.10%	\$2,708,009.53		\$2,708,009.53
Agoura Hills	246	1.90%	\$4,827,321.33	(\$4,827,321.33)	\$0.00
Calabasas	166	1.30%	\$3,257,460.74		\$3,257,460.74
Malibu	948	7.40%	\$18,602,848.07		\$18,602,848.07
Shasta County	1,183	9.30%	\$23,214,313.57		\$23,214,313.57
Shasta County	218	1.70%	\$4,277,870.13	\$745,683.78	\$5,023,553.91
Redding	849	6.60%	\$16,660,145.58		\$16,660,145.58
Anderson	38	0.30%	\$745,683.78	(\$745,683.78)	\$0.00
Shasta Lake	78	0.60%	\$1,530,614.08		\$1,530,614.08

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Ventura County	175	1.40%	\$3,434,070.05		\$3,434,070.05
Ventura County	87	0.70%	\$1,707,223.40	\$1,726,846.65	\$3,434,070.05
Thousand Oaks	88	0.70%	\$1,726,846.65	(\$1,726,846.65)	\$0.00
Phase II *	1,203	9.40%	\$23,606,778.72	-\$23,602,579.00	\$4,199.72

Replace:

FIGURE 93: MULTIFAMILY HOUSING RECOVERY BY SUBRECIPIENT ALLOCATION

	TOTAL APPLICANTS	% OF TOTAL	Original MF ALLOCATION	CHANGE (Phase II or Reallocation)	Current MF ALLOCATION
Total	12,775		\$250,687,114.00		\$250,687,114
Butte County	8,205	64.20%	\$161,008,827.43		\$178,982,373
Butte County	3,127	24.50%	\$61,361,926.06	\$9,823,547.00	\$71,185,473
Chico	1,656	13.00%	\$32,496,114.35		\$32,496,114
Gridley	122	1.00%	\$2,394,037.41		\$2,394,037
Oroville	451	3.50%	\$8,850,089.11	\$8,150,000.00	\$17,000,089
Paradise	2,849	22.30%	\$55,906,660.49		\$55,906,660
Lake County	511	4.00%	\$10,027,484.56		\$15,656,518
Lake County	387	3.00%	\$7,594,200.64	(\$7,594,200.64)	--
Clearlake	--	--	--	\$5,650,916.32	\$5,650,917
Lakeport	124	1.00%	\$2,433,283.92	\$7,572,316.32	\$10,005,601
Los Angeles County	1,498	11.70%	\$29,395,639.67		\$24,568,318
Los Angeles County	138	1.10%	\$2,708,009.53		\$2,708,009
Agoura Hills	246	1.90%	\$4,827,321.33	(\$4,827,321.33)	--
Calabasas	166	1.30%	\$3,257,460.74		\$3,257,461
Malibu	948	7.40%	\$18,602,848.07		\$18,602,848
Shasta County	1,183	9.30%	\$23,214,313.57		\$23,214,313
Shasta County	218	1.70%	\$4,277,870.13	\$745,683.78	\$5,023,554
Redding	849	6.60%	\$16,660,145.58		\$16,660,145
Anderson	38	0.30%	\$745,683.78	(\$745,683.78)	--
Shasta Lake	78	0.60%	\$1,530,614.08		\$1,530,614
Ventura County	175	1.40%	\$3,434,070.05		\$3,434,070
Ventura County	87	0.70%	\$1,707,223.40	\$1,726,846.65	\$3,434,070
Thousand Oaks	88	0.70%	\$1,726,846.65	(\$1,726,846.65)	\$0.00
Phase II*	1,203	9.40%	\$28,434,100.72	-\$23,602,579.00	\$4,831,520.00



Infrastructure Program (page 157)

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, \$317,428,488 will be used for Infrastructure Recovery Programs, which includes an estimated 38 percent of the total program allocation.

FIGURE 5: UNMET INFRASTRUCTURE RECOVERY NEED

CATEGORY	IDENTIFIED UNMET NEED	CDBG-DR FUNDED
Infrastructure Recovery	\$2,838,348,374	\$317,428,488

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, \$389,348,700.80 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

Workforce Development Program (page 158)

Remove:

Workforce Development Program

Allocation Amount - HCD is allocating \$40,695,960 million to support workforce development in disaster impacted areas.

Replace:

Workforce Development Program

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

Planning Program (page 168)

Remove:

A. Planning

Because of the recurring nature of wildfires in the impacted areas, planning efforts will be integral to a sound and long-term recovery process. HCD will make planning funds available to counties and impacted municipalities to fund resilience and mitigation planning efforts as well as updates to certain elements of the jurisdictions' General Plan. HCD encourages counties and municipalities to engage a broad range of stakeholders, from different sectors and community groups, in the planning processes to improve cross sector coordination and emphasize engagement with underserved or vulnerable populations and other underrepresented groups, to ensure that social equity and environmental justice issues are integrated into post-disaster planning.

HCD will also utilize planning funds to support necessary capacity building at the County and municipal levels, where needed. Planning activities also include those related to the preparation and revision of this CDBG-DR Action Plan and related public engagement to ensure awareness and understanding of the programs and activities outlined within this plan.

1. Eligible Activities

Disaster recovery presents affected communities with unique opportunities to examine a wide range of issues such as housing quality and availability, environmental issues, and the adequacy of existing infrastructure. With an eye to the future, HCD will support long-term plans put in place by local and regional communities that promote sound, sustainable, and equitable, long-term recovery planning informed by a forward looking evaluation of hazard risk, especially land-use decisions that reflect proactive fire mitigation management and adaptation. HCD supports planning efforts towards certification as a FireWise community focused on resilience and education of mitigating fire risks. HCD will coordinate as much as possible with local and regional planning efforts to ensure consistency, to promote community-level and/or regional (e.g., multiple local jurisdictions) post disaster recovery and mitigation, and to leverage those efforts.

2. Allocation Methodology

HCD plans to retain a portion of the planning funds for activities at the State level. HCD will procure technical assistance planning services to award to the local jurisdictions to increase capacity and create knowledge transfer. For the portion of planning allocated at the local level, HCD will award planning funds through a NOFA process to allow for eligible applicants to submit planning activities for funding.

3. Delivery

Planning funds will be administered at both the State and Subrecipient levels.

4. Timeline

Planning activities will commence upon Action Plan approval and grant agreement execution between HUD and HCD. HCD will work immediately to procure planning support for the State and local governments. They will work on development of a NOFA to be issued in Q2 2021.

Replace:

A. Planning

Because of the recurring nature of wildfires in the impacted areas, planning efforts will be integral to a sound and long-term recovery process. Additionally, it is critical for all recovery planning projects to incorporate mitigation elements. Therefore, HCD will run all planning programs for 2018 under the Mitigation grant. Through the NOFA process outlined in the Mitigation Action Plan and Policies and Procedures, impacted jurisdictions are encouraged to submit eligible projects through the 2018 Mitigation NOFA. All further details are outlined in the Mitigation Action Plan No. 2 and the MIT Planning and Public Service policies and procedures.

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 4, 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 4 will be available for public review and comment for thirty (30) days from May 1st through 5:00 p.m. Pacific Standard Time on June 1st, 2023.

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 June 1st, 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 4. 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 4, 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.

Virtual Public Hearing

The following provides a summary of public comments for the 2018 CDBG-DR Action Plan Amendment #4 during the public comment period beginning May 1st, 2023, through June 1st, 2023.

Since the Subsidized Loan Program for the Owner-Occupied Rehabilitation and Reconstruction Program (OOR) was being added to both the 2017 and 2018 CDBG DR grants, the public hearing was done at the same time and the public comments were the same pertaining to both action plan amendments.

The following transcript is from the virtual public hearing held on May 24th, 2023, as the required public hearing for the 2018 CDBG-DR Action Plan Amendment #4. Questions are from meeting participants and answers are from HCD staff.

1. **Public Comment Question Butte County:** Hi there, I hear that you are meeting with local governments. When is the meeting with Butte County?

HCD Response: This is the first of the two public meetings. There is one tomorrow for the Tribal Government and one tomorrow in Spanish

2. **Public Comment - Question from Butte County:** I have a couple of questions about the slides. The loans that will be subsidized loans for up to \$250,000 are those being underwritten by HCD. So, there will no local government involvement in that piece of the OOR Program?

HCD Response: Yes, the subsidized loan program will be run by HCD.

Second Question from Butte County: I think I saw in slide 3 or 4, that the Workforce Development Allocation was increasing from \$41 million to \$46 Million. Is that correct? Do you know those additional funds are going? Since the \$40 million has already split by eligible jurisdictions or impacted counties, I wonder where the additional \$6 million is going?

HCD Response: What you are seeing here is the program delivery line, that \$66,392,850 line when we produced this action plan back in 2020, we did not have a way of appropriately separating that \$66,392,850 million between all the programs. We knew that money is available to help with program delivery/implementation cost so now that our programs are more mature, we have the staffing, and we can project out those cost, that

number is getting distributed so that additional \$6 million is not going to show up in the NOFA. It is showing as a way to identify the program delivery cost.

- Question from Butte County:** So that program delivery cost goes to HCD for administering the program or will it be available to jurisdictions?

HCD Response: Yes, it depends on who is delivering the program. Those additional funds that show up in housing, locals, you guys are doing the multi-family, that was the money, that was set aside to pay for that work, that was already in the \$66 million. That's why we were careful to say this is not adding or removing anything, we are just right sizing the budget now that we have that information. It really does not change any of the programs, it takes that line item that was floating out there because folks were asking what the program delivery is, now we have actually split it out.

- Question from Butte County:** Ok, that makes perfect sense. I know that was some work done with the OOR Program to allow for the use CalHOME potentially as a subsidized loan gap financing for eligible applicants who were unable to, who had insurance issues, is the subsidized loan that is proposed here up to \$250,000 replacing that concept, or are we still pursuing as an option?

HCD Response: It is not replacing the concept; it should be still pursued by the applicants. More details to come in policies and procedures.

- Question from Butte County:** Ok, because I know that the Town of Paradise and the county were working with HCD kind of through that CalHOME piece, I think that town of paradise was doing kind of the most with HCD in terms of problem solving around that issue and then the solutions that were developed by the group would be brought to the rest of the jurisdictions in terms of how to use those funds. So, it sounds like that conversation is ongoing and it is not yet resolved and is not dealt with necessary in this amendment, correct?

HCD Response: I don't know if I fully understand your question, but yes, HCD is still working with CalHome Program with Butte County and Town of Paradise. This is an additional option to cover funding gaps that applicants have.

- Public Comment from CHIP Housing:** What is the date that the comments are due? PowerPoint presentations are helpful, are those available. I am thinking of more for the 2020 Presentations.

HCD Response: June 1st is the last day at 5pm for the public comment. PowerPoint presentations are available on the CDBG-DR Website, under 2020 Disasters, click on the plus sign.

- Public Comment from CHIP:** For the Budget line item that was explained, is the same for MHP?

HCD Response: Yes, it is.

8. **Question from Butte County:** What is the estimated date for policies and procedures for subsidized loan program and NOFA for the Workforce Development?

HCD Response: We plan to publish those as soon this action plan is approved. The NOFA for the DR Workforce Development is not covered in this action plan. We will get back to you on that.

Butte County: It is ok.

Written Public Comment

The following questions were received in writing by HCD staff during the required 30-day public comment period for the 2017 CDBG DR Action Plan Amendment #3.

- a. **Public Comment – Email letter received 5/30/23 from Valley Contractors Exchange & Valley Contractors Workforce Foundation**



valley contractors exchange, inc.

951 East 8th Street • Chico, CA 95928 • (530) 343-1981 • Fax 343-3503
www.vceonline.com

Dear Sir/Madam,

The intent of this letter is to provide public comment on the State of California's Action Plan for Disaster Recovery, specifically **Amendment No. 4 of the 2018 Disasters Action Plan**. On behalf of Valley Contractors Exchange and our 350-construction industry professionals, we would like to express our gratitude on the State's efforts to assist in disaster recovery.

The Exchange has serious concerns about the exorbitant charges levied on homeowners under the **ReCover CA Owner Occupied Reconstruction Program**, and the need to give oversight of the program to local municipalities.

The **ReCover CA program** purpose is to assist homeowners affected by the Camp Fire and other devastating wildfires that have struck California in recent years. This program has noble intentions; the execution and the amounts levied to rebuild are unreasonable.

An example of this travesty; is HCD is charging \$559,414.28 for a 1,061 sq. ft. home with an attached 400sq. ft. garage. An estimate from a local contractor indicates a home with the same specifications could be built for \$405,786. Including all W.U.I. compliant building code requirements such as fire sprinklers and solar, which is lacking in HCD's pricing.

Rather than increase the total CDBG-DR funding cap from \$500,000 to \$750,000 HCD. HCD should eliminate administrative waste and bring HCD's cost to be in line with the actual building costs of the area. It is imperative that the tax dollars be spent responsibly to further support those affected by these disasters.

Housing and Community Development (HCD) agency has met with local jurisdictions on multiple occasions to encounter significant roadblocks to progress. This lack of responsiveness and progress from the HCD agency is leaving Survivors frustrated and concerned about the future of the program.

An effective oversight model for the program lead by the local municipalities would create efficiency and efficacy. Local authorities are better equipped to assess the needs of their communities and determine the appropriate level of assistance for individual homeowners. In addition, homeowners would get the necessary services to expedite the recovery process.

In conclusion, The Valley Contractors Exchange is urging, HCD to consider revising the pricing structure of the **ReCover CA program**, provide direct oversight of the program to local municipalities, work closely with local authorities to eliminate barriers that are hindering the success of the program.

Respectfully,



Amy Rohrer, Executive Director
Valley Contractors Exchange

HCD Response to Valley Contractors Exchange, Inc.:

Thank you for your comment to the 2017/2018 CDBG DR Action Plan Amendment. In keeping with the California Department of Housing and Development's (HCD) commitment to transparency and the stewardship of limited public funds, we appreciate the opportunity to respond to your comments.

The ReCoverCA Owner-Occupied Rehabilitation/Reconstruction Program (ReCoverCA) is the nation's first large-scale wildfire housing reconstruction program. HCD is proud to have built this innovative program from scratch and continues to implement its equity-focused outreach, case management and continues to align resources to assist the most vulnerable disaster survivors.

As part of ongoing program and process improvements, HCD has conducted value engineering to lower reconstruction costs while still meeting the state's mitigation resiliency and Wildland-Urban Interface (WUI) code requirements, federal labor compliance laws, and ensure that low- to moderate-income (LMI) applicants have low maintenance and utility expenses after their home is reconstructed. Low maintenance homeownership is achieved through the use of highly durable building materials including cement siding, ceramic tile, long-life LED fixtures, and stone countertops. HCD's rebuilding plan for Solution 1 includes solar panels. The cost of ReCoverCA ensures full compliance with state and federal construction and program requirements and will continue to use these architectural plans for the 2017 and 2018 ReCoverCA program.

This amendment adds the ReCoverCA Reconstruction Subsidized Loan Program (RRSL) that will allow HCD to assist LMI households to complete their repairs and projects who have a gap in their total assistance and cannot currently receive an award from the program. This amendment provides a path to award applicants who would otherwise not be eligible, and thereby enable homes to complete reconstruction project completion. To ensure that assisted households can complete their repairs or reconstruction projects, ReCoverCA makes awards only to projects that will be fully funded through the addition of the CDBG-DR assistance. HCD estimates there are over 100 applicant households experiencing such a shortfall who, through RRSL, will be able to fully fund their rebuild and begin construction.

Thank you for your comment.

b. Public Comment – Email letter received 6/1/23 from Butte County

State of California 2018 CDBG-DR Action Plan

Department of Housing and Community Development



Butte County Administration

Andy Pickett
Chief Administrative Officer

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

June 1, 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 2018 Draft Disaster Action Plan Amendment 4 (APA 4) of the 2018 CDBG-DR Action Plan

Dear Ms. Akbar,

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. On May 1, 2023, State Housing and Community Development (HCD) issued the DRAFT 2018 Action Plan Amendment 4 (APA 4), a substantial amendment which proposes changes to existing program design for the Owner Occupied Housing and Rehabilitation Program (OOR Program), Multifamily Housing Program, Infrastructure Program, Workforce Development program and the Planning Program. Butte County respectfully submits the following public comments for the APA 4 Public Comment Period.

In November of 2018, Butte County suffered the deadliest and most destructive wildfire in California's history. The Camp Fire resulted in the deaths of 85 civilians; the destruction of 14,500 structures, including 13,696 single-family homes and 276 multifamily structures; and damage to another 589 structures. In August of 2020, the North Complex Fire caused the deaths of 15 civilians and destroyed 2,445 additional structures.

In March of 2023, the Butte County Board of Supervisors approved the General Plan 2040 Update. This General Plan Update supports the County's efforts to rebuild and create a more resilient future following these catastrophic wildfires. The County used the Update as an opportunity to address issues related to climate adaptation and environmental justice, as well as other new State laws. The Housing Element includes a plan to address housing for residents of all income levels, including rebuilding fire-destroyed units. Specifically, Goal H-5 in the Housing Element states, "Facilitate rebuilding of communities impacted by wildfires." An appendix to the Housing Needs Assessment includes the Rebuild Sites in the Camp Fire and North Complex Fire – Impacted Communities.

The General Plan 2040 Update also includes adoption of the Upper Ridge Community Plan. The Upper Ridge Community Plan was prepared to reflect Magalia's shared vision of the community's future after the devastating effects of the Camp Fire. The Plan identifies specific goals, strategies, and recommendations that will shape multiple aspects of life in the Upper Ridge, such as future housing; healthy and resilient neighborhoods; protection and management of natural resources; community safety; and social and economic equity in the Upper Ridge plan area in the coming decades.

Through the establishment of these planning and policy documents approved by the Butte County Board of Supervisors, the County is responsible for guiding the restoration of a broad spectrum of housing types following these catastrophic fires. However, the 2018 Action Plan and Amendments grant control over the OOR Housing Program to the State to restore owner-occupied single-family homes. Consistently, Butte County has advocated for local control over the OOR Program since the 2018 Action Plan was initially published, believing that local control and oversight would expedite the rebuilding of housing lost as a result of these disasters, decrease overall programmatic costs, and create greater alignment between policy documents related to recovery and real-world recovery outcomes. The County is understandably concerned that any delays in programmatic outcomes for housing restoration result in prolonged trauma for communities suffering the effects of disaster and displacement.

HCD has been operating the OOR Program (2017 and 2018 Action Plans) with little meaningful coordination with local jurisdictions. On October 26, 2022, Butte County and the Town of Paradise issued a joint letter to HCD regarding concerns related to the OOR Program. Specifically, the joint letter raised the issue that homes built within the program are not cost-reasonable for the area; building plans are inflexible, unsuitable, and over-engineered; and some expenses are being paid twice, such as fees necessitated by local jurisdictions which are then duplicated by the OOR Program, like land surveys and septic inspections.

Despite these concerns raised by the Town and County, the most recent reports from the OOR Program show that almost five (5) years after the 2018 Camp Fire, zero (0) homes have been completed. To explain this, HCD cites the overall cost of an OOR rebuild and the financial constraints of the individuals the program intends to assist. To address these issues, APA 4 proposes to increase the maximum assistance per damaged structure from \$500,000 to \$750,000, with a grant cap of \$500,000, and a subsidized loan cap of \$250,000. Additionally, the APA 4 then proposes to reallocate most of the original \$86.2 million for planning efforts and support of local capacity building to new housing and infrastructure programs. HCD has left \$782,160.67 allocated to the planning efforts. It would seem that those needed planning dollars could be retained, at least in part, were it not for the cost increases to subsidize the OOR program. This reallocation appears to meet the needs of HCD as opposed to the needs of local jurisdictions, as Butte County would not have requested this change.

Given the way the OOR program is currently structured with authority situated at the State, Butte County understands the ways in which these changes are intended to address program delivery bottlenecks. However, an evaluation of construction costs for single-family homes in Paradise with an average of 1,500 square feet show OOR program costs are substantially higher than what individuals who are not enrolled in the OOR Program are paying for their rebuilds. For example, an average new build in Paradise costs \$405,000, which is \$345,000 lower than the OOR maximum assistance proposed in the APA 4, and nearly \$100,000 lower than the proposed OOR grant cap. Butte County believes the State has encountered financial gaps when working to qualify individuals for the program in part for this reason: the State is charging 46% more for the same value than what non-enrolled

individuals are paying. To cover these inflated OOR costs by allowing individuals to incur up to \$250,000 in subsidized loans shifts the financial burden onto the applicant and adds years of repayment to a critical phase of personal financial recovery.

Butte County's goal is to assist fire survivors and to advocate for efficient, cost-reasonable programs to restore housing lost to wildfire. Butte County believes that if local jurisdictions were authorized to run the OOR Program, housing reconstruction costs would be significantly less, housing would be rebuilt more quickly, vulnerable populations would be housed more rapidly reducing prolonged trauma related to displacement, and tax payer dollars would be utilized most efficiently. According to the DR Quarterly Performance Report – 1Q23, with zero homes completed, HCD has drawn down over \$11M for the OOR Program (2018 Action Plan).

Short of shifting authority to operate the OOR Program to local jurisdictions where recovery is occurring, Butte County continues to raise questions surrounding the maximum assistance cap and the decisions behind the subsidized loan option. Rather than allowing grants and loans to balloon around exorbitant program costs, the County wishes to see measures proposed that would curtail and control costs for the benefit of fire survivors both in the short-term and in the long run. If costs can be controlled on the OOR program, Butte County proposes a modest restoration of planning funds with the remainder dedicated to the CDBG-DR Multifamily Housing Program which is over-subscribed and running efficiently.

These comments are consistent with concerns Butte County staff has presented to HCD throughout the development of the 2018 CDBG-DR Action Plan. If there are any questions, please contact Tracy Davis, Program Development Manager, Butte County Administration, tdavis@buttecounty.net, 530.552.3350.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Máximo A. Pickett', with a stylized flourish at the end.

Máximo A. Pickett
Chief Administrative Officer

HCD Response to Butte County:

Thank you for your comment on the 2017 and 2018 CDBG-DR Action Plan Amendment.

We appreciate your comments about the ReCoverCA Owner Occupied Rehabilitation/Reconstruction Program (ReCoverCA). The ReCoverCA program continues to implement equity-focused outreach and case management as well as additional value engineering to lower cost as much as possible while still meeting the state's mitigation resiliency and Wildland-Urban Interface (WUI) code requirements.

This amendment adds the ReCoverCA Reconstruction Subsidized Loan Program will allow the California Department of Housing and Community Development (HCD) to assist LMI households to complete their repairs and projects who have a gap in their total assistance and cannot currently receive an award from the program. This amendment provides a path to award applicants who would otherwise not be eligible, and thereby enabling homes to complete reconstruction project completion. This amendment does not change the cost of reconstruction, however, HCD appreciates the opportunity to respond to your comments.

As part of ongoing process improvements and in response to the County and Town's joint letter in the Fall of 2022, HCD has conducted value engineering to lower reconstruction costs while meeting the state's mitigation resiliency and WUI code requirements and ensuring that low- to moderate-income (LMI) applicants have low maintenance and utility expenses after their home is reconstructed. Low maintenance homeownership is achieved through the use of highly durable building materials including cement siding, ceramic tile, long-life LED fixtures, and stone countertops. Please note that all HCD's plan sets include solar panels. The cost of ReCoverCA ensures full compliance with state and federal construction and program requirements.

For the ReCoverCA program, there are 14 projects that have been completed in the Town of Paradise and 16 projects are under construction. There are 50 additional projects in the pipeline. The Program will continue to use these architectural plans for the 2017 and 2018 ReCoverCA program.

Per HCD's responses to the letter to Butte County on 10/26/22, HCD utilizes surveys, inspections and other services conducted by the County or homeowner at every opportunity, except when they do not meet program requirements.

HCD looks forward to continued collaboration with Butte County and continued dialogue around 2017 and 2018 programs and values its monthly and bi-weekly meetings with Butte County held since 2019.

c. Public Comment – Email letter received 6/1/23 from Town of Paradise



Town of Paradise
Business & Housing Services
5555 Skyway
Paradise, CA 95969
(530) 872-6291 x122
housing@townofparadise.com

June 1, 2023

State of California
Department of Housing and Community Development
Disaster Recovery Unit
2020 West El Camino Drive
Sacramento, CA 95833

To Whom It May Concern:

This letter is to provide public comment on the State of California Action Plan for Disaster Recovery from 2018 Disasters Action Plan Amendment No. 4 specifically for the changes to the housing programs. Since Paradise was the most impacted jurisdiction of the 2018 wildfires with, I would like to provide a "boots-on-the-ground" perspective.

While I appreciate the support that HCD provides to local jurisdictions who have suffered greatly in these wildfire disasters, it is my firm belief that survivors are best serviced at the local level. Local jurisdictions have the resiliency like no others. Local jurisdictions know the unique needs of their residents and have better access to local resources. Often times, and as in our case, local jurisdictions are already experienced in owner-occupied housing rehabilitation/reconstruction, homebuyer assistance and affordable multifamily housing development programs. Local jurisdictions can recover much fast if funding is made available directly to them as evidenced by so many other local jurisdictions nationwide who have also suffered from disasters.

With regard to the 2018 CDBG-DR Action Plan Amendment #4, I would like to see all or a portion of the CDBG-DR housing assistance funds provided to the local jurisdictions that have experience running Owner-Occupied Housing Rehabilitation/Reconstruction, Homebuyer Assistance, and Multifamily Housing Programs; HCD should only run those programs in jurisdictions that are not experienced or do not wish to run their own housing recovery programs.

ReCoverCA (the state-run OOR program) is proving ineffective. Over 1,200 households completed their survey, but "HCD estimates there are over 100 applicant households experiencing such a shortfall." Far too many survivors could not navigate the complicated process and gave up trying, but that does not mean that those households are not experiencing a shortfall. Paradise has been running a successful OOR program for over 20 years. If OOR funds are made available directly to Paradise, we can ensure those households who are most in-need will be serviced in-person. Two funding sources are currently available for OOR (CalHome-DA and CDBG-DR OOR funds) which could work beautifully together to solve many duplication of benefits issues, but with the two programs being administered by different jurisdictions (local and state, respectively), they still have yet be successfully layered now two years after the release of the CDBG-DR funds. By increasing the per subsidy limit from \$500,000 to \$750,000, HCD will have to design and implement a loan program whereas CalHome funds are available immediately. By increasing the subsidy limit, even more local assistance is removed (Town of Paradise CalHome OOR program) and survivors will work with program operators who are not local and do not know first-hand what the survivors are experiencing.

Since the Camp Fire, Paradise has assisted 15 fire-affected households purchase a new home utilizing CDBG entitlement funds, HOME and CalHome program income funds, and CalHome-DA funds. In my opinion, the Homebuyer Assistance funds is the perfect program to allow the local jurisdictions to administer since many jurisdictions have experience running a first-time homebuyer program.

Lastly, I agree that more funding for the MHP program is warranted, and I appreciate the (somewhat) local control. Most, if not all, of the jurisdictions in Butte County receiving an allocation from HCD were over-subscribed. More MHP resources made available by HCD could alleviate tax-credit short-falls if HCD chooses to fund more than 40% of the total development costs of approved project and/or fund additional projects that were submitted but are waiting for more funding.

To conclude, CDBG-DR funds are a life-line for survivors and local jurisdictions. Local jurisdictions, like Paradise, already have similar programs and are ready to go whereas the State has a huge learning curve on every aspect. Every unspent dollar at the expenditure deadlines for these funds is money that could have serviced those survivors that the CDBG-DR program is designed to serve. Local jurisdictions are resilient, resourceful and determined to recover; local funding can accomplish so much more if given the opportunity.

Thank you for this opportunity to comment on the 2018 CDBG-DR Action Plan Amendment #4.

Sincerely,



Kate Anderson,
Housing Program Manager

HCD Response to Town of Paradise:

Thank you for your comment on the 2017/2018 CDBG-DR Action Plan amendment.

The RecoverCA Owner Occupied Rehabilitation and Reconstruction Program (ReCoverCA) continues to implement equity-focused outreach and case management. The California Department of Housing and Community Development (HCD) has required specific programmatic and customer service training for all ReCoverCA case managers as well as updated internal standard operating procedures, job aids, processing timelines, and applicant touchpoints to ensure ReCoverCA case managers provide accurate and timely information to all applicants.

As part of ongoing program and process improvements and streamlining, HCD has conducted value engineering to lower reconstruction costs while meeting the state's mitigation resiliency and the Wildland-Urban Interface (WUI) code requirements and the Department's goal to ensure low- to moderate-income (LMI) applicants have low maintenance and utility expenses after their home is reconstructed. Low maintenance homeownership is achieved through the use of highly durable building materials including cement siding, ceramic tile, long-life LED fixtures, and stone countertops. The cost of ReCoverCA ensures full compliance with state and federal construction and program requirements.



This amendment adds the ReCoverCA Reconstruction Subsidized Loan Program will allow HCD to assist LMI households to complete their repairs and projects who have a gap in their total assistance and cannot currently receive an award from the program. This amendment provides a path to award applicants who would otherwise not be eligible, and thereby enabling homes to complete reconstruction project completion.

HCD looks forward to continued collaboration with the Town of Paradise and continued dialogue around 2017 and 2018 programs and values its monthly meetings with the Town over the last year.

Thank you.